

A

EXHIBIT

BOARD of SUPERVISORS



SAN FRANCISCO
FILED
CITY HALL
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689 30
Tel. No. 554-5184
Fax No. 554-5169
TDD/TTY No. 544-5227

August 1, 2019

HAND DELIVERED

John Arnitz, Director of Elections
Department of Elections
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102

Dear Mr. Arnitz:

Please find attached four (4) certified copies of the following General Obligation Bond Ordinance and Resolution determining and declaring the public interest and necessity for the November 5, 2019, Ballot as follows:

File No. 190495 General Obligation Bond Election - Affordable Housing -
Not to Exceed \$600,000,000

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness not to exceed \$600,000,000 to finance the construction, development, 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 Affordable Housing Bond expenditures; 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).

The Board of Supervisors ordered the above listed General Obligation Bond submitted on July 30, 2019; and the Mayor approved on July 31, 2019.

[General Obligation Bond Election - Affordable Housing - Not to Exceed \$600,000,000]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$600,000,000 to finance the construction, development, 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 Affordable Housing Bond expenditures; 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).

NOTE:

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

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

Section 1. Findings.

1 The City and County of San Francisco ("City") has been reported to have the
2 highest median rent in the United States with a one-bedroom apartment asking monthly rent
3 of \$3,700 according to the April 2019 National Rent Report on the rental listing website
4 Zumper.

5 B. The City is also one of the highest-priced home ownership markets in the United
6 States with a median home sales price of \$1.353 million, a 3% increase from the previous
7 year according to the April 2019 report by real estate website Zillow.

8 C. The Mayor's Office of Housing and Community Development ("MOHCD")
9 continues to see a widening affordability gap for extremely-low, low and middle-income

10 households in both the rental and homeownership markets.

11 D. The affordability gap has the greatest impact on extremely-low and low-income
12 households such as seniors, persons with disabilities, low-income working families, and

13 veterans.

14 E. Limited state and federal resources and the high cost of housing development

15 put a greater burden on local governments to contribute their own limited resources, and

16 consequently the City's supply of affordable housing has not kept pace with demand.

17 F. The housing need in the City is also particularly acute for middle-income

18 households, for whom there are no federal and limited state financing programs that the City

19 can leverage with its own subsidies.

20 G. The U.S. Department of Housing and Urban Development's contribution of funds
21 to the San Francisco Housing Authority ("Housing Authority") for costs to operate public

22 housing, have seen a steady decrease in funding levels.

23 H. The average annual household income for Housing Authority residents and

24 voucher-holders is less than \$20,000.

25 ///

1 rate of \$0.019/\$100 of assessed property value, and projected average annual revenues of
2 \$50,000,000, all subject to independent citizen oversight and regular audits; and authorizing
3 landlords to pass-through to residential tenants in units subject to Administrative Code
4 Chapter 37 (the "Residential Rent Stabilization and Arbitration Ordinance") 50% of the
5 increase in the real property taxes attributable to the cost of the repayment of such Bonds."
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 Section 3. PROPOSED PROGRAM. Contractors and City departments shall

9 comply with all applicable City laws when awarding contracts or performing work funded with
10 the proceeds of Bonds authorized by this measure, including:

11 A. PUBLIC HOUSING: \$150,000,000 of Bond proceeds will be allocated to repair
12 and reconstruct distressed and dilapidated public housing developments and their underlying
13 infrastructure.

14 B. LOW INCOME HOUSING: \$220,000,000 of Bond proceeds will be allocated to
15 construct, acquire, and rehabilitate rental housing serving extremely-low and low-income
16 individuals and families. It is intended that a portion of proceeds of the Bonds will be used to
17 assist members of the City's workforce in jobs with traditionally low compensation levels, such
18 as San Francisco Unified School District and City College of San Francisco employees,
19 nonprofit workers, health care service workers, and service sector employees.

20 C. PRESERVATION AND MIDDLE INCOME HOUSING: \$60,000,000 of Bond
21 proceeds will be allocated to preservation and middle income housing efforts. This allocation
22 shall be comprised of the following: up to \$30 million of the Bond proceeds will be allocated to
23 acquire and/or rehabilitate existing housing at risk of losing affordability, whether through
24 market forces or a building's physical disrepair, and a minimum of \$30 million of the Bond
25 proceeds will be allocated to assist middle-income City residents or workers in obtaining



City and County of San Francisco

Certified Copy

Ordinance

2015 NOV - 1 PM 1:32
1 Dr Carlton B. Goodlett Place
San Francisco, CA 94102-4689
CITY OF SAN FRANCISCO
DEPARTMENT OF ELECTIONS

190495

[General Obligation Bond Election - Affordable Housing - Not to Exceed \$600,000,000]

Sponsors: Mayor, Yee, Brown, Safai, Walton, Stefani, Ronen, Mandelman, Mar, Haney, Peskin and Fewer

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness not to exceed \$600,000,000 to finance the construction, development, acquisition, improvement, rehabilitation, preservation, and repair of affordable housing 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; 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).

7/9/2019 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Walton and Yee
Excused: 1 - Stefani

7/16/2019 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 10 - Brown, Fewer, Haney, Mandelman, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Mar

7/16/2019 Board of Supervisors - CONTINUED AS AMENDED ON FIRST READING

Ayes: 10 - Brown, Fewer, Haney, Mandelman, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Mar

7/23/2019 Board of Supervisors - PASSED ON FIRST READING

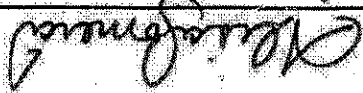
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

7/30/2019 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani and Yee
Excused: 1 - Walton

July 31, 2019
Date

Angela Calvillo
Clerk of the Board



STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

7/31/2019 Mayor - APPROVED

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Ordinance is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

1 affordable homeownership or rental opportunities.

2 D. SENIOR HOUSING: \$150,000,000 of Bond proceeds will be allocated to

3 acquire and construct new senior housing.

4 E. EDUCATOR HOUSING: \$20,000,000 of Bond proceeds will be allocated to

5 support predevelopment and new construction of permanent affordable housing opportunities
6 or projects serving San Francisco Unified School District and City College of San Francisco
7 educators and employees earning between 30% and 140% of AMI at the time the bonds are
8 issued.

9 F. CITIZENS' OVERSIGHT COMMITTEE. A portion of the Bond shall be used to
10 perform audits of the Bond, as further described in Section 4 and Section 15 below.

11 Section 4. BOND ACCOUNTABILITY MEASURES.

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

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

17 report of the Bond program to the Mayor and the Board of Supervisors ("Board").

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

22 Section 5. The estimated cost of the bond-financed portion of the project described
23 in Section 2 above was fixed by the Board by the following resolution and in the amount

24 specified below:

25 ///

Resolution No. 308-19, on file with the Clerk of the Board in File No.

190501 \$600,000,000.

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.

Section 7. The Bond Special Election is consolidated with the General Election

scheduled to be held in the City on Tuesday, November 5, 2019 ("General Election"). The

voting precincts, polling places, and officers of election for the General Election are hereby

adopted, established, designated, and named, respectively, as the voting precincts, polling

places, and officers of election for the Bond Special Election called, and reference is made to

the notice of election setting forth the voting precincts, polling places, and officers of election

1 for the General Election by the Director of Elections to be published in the official newspaper
2 of the City on the date required under the laws of the State.
3 Section 8. The ballots to be used at the Bond Special Election shall be the ballots to
4 be used at the General Election. The word limit for ballot propositions imposed by Municipal
5 Elections Code Section 510 is waived. On the ballots to be used at the Bond Special Election,
6 in addition to any other matter required by law to be printed thereon, shall appear the following
7 as a separate proposition:

8 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. To finance the construction,
9 development, acquisition, and preservation of housing affordable to extremely-low, low and
10 middle-income households through programs that will prioritize vulnerable populations such
11 as San Francisco's working families, veterans, seniors, and persons with disabilities; to assist
12 in the acquisition, rehabilitation, and preservation of existing affordable housing to prevent the
13 displacement of residents; to repair and reconstruct distressed and dilapidated public housing
14 developments and their underlying infrastructure; to assist the City's middle-income residents
15 or workers in obtaining affordable rental or home ownership opportunities including down
16 payment assistance and support for new construction of affordable housing for San Francisco
17 Unified School District and City College of San Francisco employees; and to pay related
18 costs; shall the City and County of San Francisco issue \$600,000,000 in general obligation
19 bonds with a duration of up to 30 years from the time of issuance, an estimated average tax
20 rate of \$0.019/\$100 of assessed property value, and projected average annual revenues of
21 \$50,000,000, subject to independent citizen oversight and regular audits?"

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

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

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

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

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

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

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

9 Section 14. The Board finds and declares that the proposed Bonds (a) were referred
10 to the Planning Department in accordance with Section 4.105 of the San Francisco Charter
11 and Section 2A.53(f) of the Administrative Code, (b) are in conformity with the priority policies
12 of Section 101.1(b) of the San Francisco Planning Code, and (c) are consistent with the City's
13 General Plan, and adopts the findings of the Planning Department, as set forth in the General
14 Plan Referral Report dated May 3, 2019, a copy of which is on file with the Clerk of the Board
15 in File No. 190495 and incorporates such findings by this reference.

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

20 Section 15. The Bonds are subject to, and incorporate by reference, the applicable
21 provisions of Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond
22 Oversight Committee"). Under Administrative Code Section 5.31, to the extent permitted by
23 law, 0.1% of the gross proceeds of the Bonds shall be deposited in a fund established by the
24 Controller's Office and appropriated by the Board of Supervisors at the direction of the

25 Citizens' General Obligation Bond Oversight Committee to cover the costs of such committee.

1 Section 16. The time requirements specified in Administrative Code Section 2.34 are

2 waived.

3 Section 17. The City hereby declares its official intent to reimburse prior expenditures
4 of the City incurred or expected to be incurred prior to the issuance and sale of any series of
5 the Bonds in connection with the Project. The Board hereby declares the City's intent to

6 reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project
7 (the "Expenditures" and each, an "Expenditure") made on and after that date that is no more
8 than 60 days prior to the passage of this ordinance. The City reasonably expects on the date
9 hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

10 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
11 account under general federal income tax principles (determined in each case as of the date
12 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring
13 item that is not customarily payable from current revenues. The maximum aggregate principal

14 amount of the Bonds expected to be issued for the Project is \$600,000,000. The City shall
15 make a reimbursement allocation, which is a written allocation by the City that evidences the
16 City's use of proceeds of the applicable series of Bonds to reimburse an Expenditure, no later
17 than 18 months after the later of the date on which the Expenditure is paid or the related
18 portion of the Project is placed in service or abandoned, but in no event more than three years

19 after the date on which the Expenditure is paid. The City recognizes that exceptions are
20 available for certain "preliminary expenditures," costs of issuance, certain de minimis
21 amounts, expenditures by "small issuers" (based on the year of issuance and not the year of
22 expenditure) and Expenditures for construction projects of at least five years.

23 Section 18. Landlords may pass through to residential tenants under the Residential
24 Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37) 50% of any
25 property tax increase that may result from the issuance of Bonds authorized by this ordinance.

1 The City may enact ordinances authorizing tenants to seek waivers from the pass-through

2 based on financial hardship.

3 Section 19. The appropriate officers, employees, representatives, and agents of the

4 City are hereby authorized and directed to do everything necessary or desirable to accomplish
5 the calling and holding of the Bond Special Election, and to otherwise carry out the provisions
6 of this ordinance.

7 Section 20. Documents referenced in this ordinance are on file with the Clerk of the

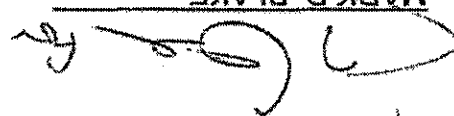
8 Board of Supervisors in File No. 190495, which is hereby declared to be a part of this

9 ordinance as if set forth fully herein.

10 APPROVED AS TO FORM:

11 DENNIS J. HERRERA,

12 City Attorney

13 By: 

14 MARK D. BLAKE

15 Deputy City Attorney

16 n:\egana\as2019\1900502\01376585.docx



City and County of San Francisco

Tails

Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 190495

Date Passed: July 30, 2019

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness not to exceed \$500,000,000 to finance the construction, development, 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 Affordable Housing Bond expenditures; 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).

June 06, 2019 Budget and Finance Committee - CONTINUED

June 13, 2019 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 13, 2019 Budget and Finance Committee - CONTINUED AS AMENDED

June 21, 2019 Budget and Finance Committee - RECOMMENDED

July 09, 2019 Board of Supervisors - PASSED ON FIRST READING
Ayes: 10 - Brown, Fewer, Haney, Mandelmann, Mar, Peskin, Ronen, Safai, Walton and Yee
Excused: 1 - Stefani

July 16, 2019 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 10 - Brown, Fewer, Haney, Mandelmann, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Mar

July 16, 2019 Board of Supervisors - CONTINUED AS AMENDED ON FIRST READING
Ayes: 10 - Brown, Fewer, Haney, Mandelmann, Peskin, Ronen, Safai, Stefani, Walton and Yee
Excused: 1 - Mar

July 23, 2019 Board of Supervisors - PASSED ON FIRST READING
Ayes: 11 - Brown, Fewer, Haney, Mandelmann, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

July 30, 2019 Board of Supervisors - FINALLY PASSED
Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani
and Yee
Excused: 1 - Walton

File No. 190495

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
7/30/2019 by the Board of Supervisors of
the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Angela Calvillo

London N. Breed
Mayor

London N. Breed

Date Approved

7-31-19

B

EXHIBIT

Affordable Housing Bond*

Digest by the Ballot Simplification Committee

Status:

Draft for Consideration

On:

Monday, August 5, 2019

Members:

Packard, Anderson, Raveche

Deadline to Request Reconsideration:

TBD

The Way It Is Now: The City provides funding to build and rehabilitate housing to meet the needs of City residents,

including housing that is affordable for extremely low-, low-, moderate- and middle-income households. The City's funding for affordable housing comes from property taxes, hotel taxes, developer fees and other legal sources. The City sells voter-approved general obligation bonds to help provide some of this funding. The use of City money sometimes makes additional funding available from other public and private sources.

The Citizens' General Obligation Bond Oversight Committee oversees the spending of general obligation bond revenue proceeds.

following ways:

- **The Proposal:** Proposition _____ is an ordinance that would allow the City to borrow up to \$600 million by issuing general obligation bonds. The City would use this money to build, buy, improve, and rehabilitate affordable housing in the City in the following ways:

- \$150 million to repair and reconstruct public housing developments;
- \$220 million to acquire, build and rehabilitate rental housing for extremely low- and low-income individuals and families;
- \$60 million to acquire and rehabilitate existing affordable housing and assist middle-income City residents and workers to buy or rent homes;
- \$150 million to acquire and construct housing for seniors; and
- \$20 million to support affordable housing serving educators and employees of the San Francisco Unified School District and City College of San Francisco.

Proposition _____ would allow an increase in the property tax to pay for the bonds, if needed. The City has a non-binding policy to keep the property tax rate from City general obligation bonds below the 2006 rate by issuing new bonds as older ones are retired and the tax base grows. Landlords would be permitted to pass through up to 50% of any resulting property tax increase to tenants, subject to individual hardship waivers.

Proposition _____ also would require the Citizens' General Obligation Bond Oversight Committee to review the spending of bond funds.

A "YES" Vote Means: If you vote "yes," you want the City to issue \$600 million in general obligation bonds for projects designed to buy, build, preserve, and rehabilitate affordable housing and housing for seniors and educators; and to support housing opportunities for middle-income City residents and workers.

A "NO" Vote Means: If you vote "no," you do not want the City to issue these bonds.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

EXHIBIT C

Affordable Housing Bond*

Digest by the Ballot Simplification Committee

Status:

Final Digest

On:

Monday, August 5, 2019

Members:

Packard, Anderson, Raveche

Deadline to Request Reconsideration: 12 p.m. on Tuesday, August 6

The Way It Is Now: The City provides funding to build and rehabilitate housing to meet the needs of City residents, including affordable housing for extremely low- to middle-income households. The City's funding for affordable housing comes from property taxes, hotel taxes, developer fees and other local sources.

The City sells voter-approved general obligation bonds to help provide some of this funding. The City has a policy to keep the property tax rate from City general obligation bonds below the 2006 rate by issuing new bonds as older ones are retired and the tax base grows.

The Citizens' General Obligation Bond Oversight Committee oversees how the general obligation bond revenue is spent.

The Proposal: Proposition ____ is an ordinance that would allow the City to borrow up to \$600 million by issuing general obligation bonds. The City would use this money to build, buy and rehabilitate affordable housing in the City as follows:

- \$220 million to acquire, build and rehabilitate rental housing for extremely low- and low-income individuals and families;
- \$150 million to repair and rebuild public housing developments;
- \$150 million to acquire and construct housing for seniors;
- \$60 million to acquire and rehabilitate affordable rental housing to prevent the loss of such housing and to assist middle-income City residents and workers to secure permanent housing; and
- \$20 million to support affordable housing for educators and employees of the San Francisco Unified School District and City College of San Francisco.

Proposition ____ would allow an increase in the property tax to pay for the bonds, if needed. Landlords would be permitted to pass through up to 50% of any resulting property tax increase to tenants, subject to individual hardship waivers.

Proposition ____ also would require the Citizens' General Obligation Bond Oversight Committee to review how the bond funds are spent.

A "YES" Vote Means: If you vote "yes," you want the City to issue \$600 million in general obligation bonds to buy, build and rehabilitate affordable housing in the City.

A "NO" Vote Means: If you vote "no," you do not want the City to issue these bonds.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*

D

EXHIBIT



August 5, 2019

Ballot Simplification Committee
C/O Barbara Carr
Department of Elections
1 Dr. Carlton B. Goodlett Place
City Hall, Room 48
San Francisco, CA 94102

Re: Draft Digest – Affordable Housing Bond

Dear Members of the Ballot Simplification Committee,

We would like to express our gratitude for the Ballot Simplification Committee's work in preparing this digest, as well as various components of the Voter Information Pamphlet. In reviewing the proposed draft digest for the Affordable Housing Bond we would respectfully request the Committee's consideration of the below modifications. These requested changes mirror the prior work of the Committee on the digest for the 2015 Affordable Housing Bond and the 2018 Seawall Earthquake Safety Bond.

Requested Changes:

The Way It Is Now:

1) The below requested changes aligns the draft text with the language used in the 2015 Affordable Housing Bond digest and acknowledges that local sources of funding will not be sufficient to meet the City's housing needs.

"The City's funding for affordable housing comes from property taxes, hotel taxes, developer fees and other local sources. The City expects that money from these sources will not be enough to meet its future low-, moderate- and middle-income housing goals.

The Proposal:

2) The below requested changes propose to remove the numerical allocations for different categories of bond expenditures, consistent with the text of the 2015 Affordable Housing Bond digest, and updates the descriptions of eligible uses to fully capture the range of projects that could be supported with these funds. Additionally, these requested changes better delineate the distinctions between funds that can be used for preservation of existing rental housing and funds to support middle-income residents in obtaining affordable rental or homeownership opportunities.

- "\$150 million to repair and reconstruct dilapidated public housing developments and their infrastructure;
- "\$220 million to acquire, build and rehabilitate rental housing for extremely low- and low-income individuals and families;
- "\$60 million to acquire, and preserve existing affordable rental housing to prevent the loss of rental housing and the displacement of long-time City residents and assist middle-income City residents and workers to buy or rent homes;
- Assist middle-income City residents and workers to rent or to buy their first homes;
- \$150 million to acquire and construct housing dedicated for seniors; and

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141



- \$20 million to support affordable housing serving educators and employees of the San Francisco Unified School District and City College of San Francisco.

3) The below requested changes mirror the same language that was included in both the 2015 Affordable Housing Bond and 2018 Seawall Earthquake Safety Bond with respect to property tax rates prepared by the Committee. We believe it is important to keep this language consistent across all bond measures for voters.

"Proposition ____ would allow an increase in the property tax to pay for the bonds, if needed. The City has a non-binding policy to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. ~~Keep the property tax rate from City general obligation bonds below the 2006 rate by issuing new bonds as older ones are retired and the tax base grows.~~ Landlords would be permitted to pass through up to 50% of any resulting property tax increase to tenants, subject to individual hardship waivers."

A "YES" Vote Means:

4) The below requested changes mirror the same structure used for the 2015 Affordable Housing Bond and includes all of the different constituencies which could benefit from these funds.

"A YES Vote Means: If you vote 'yes,' you want the City to issue \$600 million in general obligation bonds for projects designed to: buy, build, preserve, and rehabilitate affordable housing and housing for seniors and educators; and to support housing opportunities for middle-income City residents and workers."

- Repair and reconstruct dilapidated public housing and their infrastructure;
- Acquire, build and rehabilitate affordable rental housing for individuals and families;
- Acquire, rehabilitate and preserve existing rental housing;
- Assist middle-income City residents and workers to buy or rent homes;
- Acquire and construct housing dedicated for seniors; and
- Support affordable housing serving educators and employees of the San Francisco Unified School District and City College of San Francisco.

Thank you for your consideration of these requested modifications.

Sincerely,

London N. Breed

London N. Breed
Mayor

Norman Yee

Norman Yee
President, Board of Supervisors

Mayor's Office of Housing and Community Development
City and County of San Francisco

London N. Breed
Mayor

Daniel Adams
Acting Director



August 8, 2019

Ballot Simplification Committee
C/O Barbara Carr
Department of Elections
1 Dr. Carlton B. Goodlett Place
City Hall, Room 48
San Francisco, CA 94102

Re: Words You Should Know – Affordable Housing Bond

Dear Members of the Ballot Simplification Committee,

Thank you for the Ballot Simplification Committee's work in finalizing the digest for the Affordable Housing Bond, and taking Mayor Breed and President Yee's modifications into consideration.

The Mayor's Office of Housing and Community Development requests that the Committee incorporate the following definitions for the "Words You Should Know" section of the ballot handbook. These definitions are drawn from the 2015 Affordable Housing Bond definitions with updates to reflect 2019 household income limits.

Affordable housing (Proposition 1): Residential units that households within a certain range of incomes would be able to afford. See "extremely low," "low," and "middle-income household," and "middle-income housing."

Area Median Income (AMI) (Proposition 1): Level of income based on all incomes earned within San Francisco. Half of all households have incomes above this level and half have incomes below it. The attached chart shows the AMI for certain households in San Francisco.

2019 AMI Chart:

Income Definition	1 Person	2 Person	3 Person	4 Person
30% of Median	\$25,850	\$29,550	\$33,250	\$36,950
50% of Median	\$43,100	\$49,250	\$55,450	\$61,600
80% of Median	\$68,950	\$78,800	\$88,700	\$98,500
120% of Median	\$103,450	\$118,200	\$133,000	\$147,800
175% of Median	\$150,850	\$172,400	\$194,000	\$215,500
200% of Median	\$172,400	\$197,000	\$221,700	\$246,300

General obligation bond (Proposition _): A promise issued by the City to pay back money borrowed, plus interest, by a certain date. The City repays the money, plus interest, with property taxes over a period of years. General obligation bond measures must be approved by the voters.

Hardship waiver (Proposition _): Relief from payment of rent increase or pass-through by the Rent Board on the grounds of financial hardship.

Household (Proposition _): The people living together in a house, condominium or apartment.

Extremely low-income household (Proposition _): Household earning between 0% and 30% of the Area Median Income. See Area Median Income chart.

Low-income household (Proposition _): Household earning between 50% and 80% of the Area Median Income. See Area Median Income chart.

Middle-income household (Proposition _): Household with an income 80% to 175% of the Area Median Income, and for San Francisco Unified School District educators, household with an income 80% to 200% of the Area Median Income. See Area Median Income chart.

Property tax (Proposition _): A tax assessed by the City on buildings and land.

Thank you for your consideration of incorporating these definitions.

Sincerely,


Dan Adams
Acting Director, MOHCD

Audio Notes:
15m Dilapidated word recommended by the Mayor's office. Declined
by committee
20m Mayor's office Committee on Development Rep contributes
28m The BSC says this language is "Argumentative"
37m "Voters more likely to get on-board if they knew how the money
was being spent"
42m Refers to Seawall
47m "What else does the mayor's office want in here"
54m Reading of BSC statement
58m Public Comment - Mayors office recommendations "No tax
increases" Much More. Encourages "dilapidated".
1:08m Starchild ... great presentation about how taxes could go down
if the measure didn't pass. BSC hesitates to mention that. Debate about
this. Only issues bonds as older ones are retired
1:21m Controller's office statement "BSC takes out "non blinding no
tax increases"
1:24 "And the controller's office is OK with our current wording?"
1:27 Back to term "dilapidated" as proposed by mayor's office. Adds
to the argument. Push back from the BSC. It's not necessarily important
that the voter understands what this money will be used for.
1:32 Mayor's office "We accept it as written".
1:37 "Affordable" Housing is the "buzz word". I don't think we need
to get much beyond that" If the voter wants to know more, they can find
that out.
1:39 Starchild suggested taxes would be higher. And that
"affordable" means "subsidized". Admin costs "We have limited ability
to move outside the language of the legislative proposal". "its just
not a part of what is given to us"
1:44 "I think substituting the word "Affordable" with "Subsidized"
because it is so complicated so the average voter won't understand.
"Make the Mayor's office of housing respond in a particular way"
1:45 Complete reading ... note they didn't use "dilapidated"
Appeals
Prop A
Supervisor Fewer proposed language change ... not much here

FILED
 2019 AUG -1 PM 1:31
 REVISED LEGISLATIVE DIGEST
 (Amended in Board, 7/16/2019)
 CITY OF ELECTIONS

[General Obligation Bond Election - Affordable Housing - Not to Exceed \$600,000,000]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2019, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness not to exceed \$600,000,000 to finance the construction, development, 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 Affordable Housing Bond expenditures; 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 5, 2019 ballot:

"SAN FRANCISCO AFFORDABLE HOUSING BONDS. To finance the construction, development, acquisition, and preservation of housing affordable to extremely-low, low and middle-income households through programs that will prioritize vulnerable populations such as San Francisco's working families, veterans, seniors, and persons with disabilities; to assist in the acquisition, rehabilitation, and preservation of existing affordable housing to prevent the displacement of residents; to repair and reconstruct distressed and dilapidated public housing developments and their underlying infrastructure; to assist the City's middle-income residents or workers in obtaining affordable rental or home ownership opportunities including down payment assistance and support for new construction of affordable housing for San Francisco Unified School District and City College of San Francisco employees; and to pay related costs; shall the City and County of San Francisco issue \$600,000,000 in general obligation bonds with a duration of up to 30 years from the time of issuance, an estimated average tax rate of \$0.019/\$100 of assessed property value, and projected average

annual revenues of \$50,000,000, 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 collection of taxes to repay both the principal and interest on the Bonds. The ordinance also describes the manner in which the Bond Special Election will be held, and the ordinance provides for compliance with applicable state and local laws. The proposed ordinance includes accountability and transparency measures.

The ordinance allows landlords to pass through to residential tenants 50% of any property tax increase to tenants under the Residential Rent Stabilization and Arbitration Ordinance, and authorizes the Board of Supervisors to adopt future ordinances authorizing tenants to seek waivers from the pass-through based on financial hardship.

Background Information

The City and County of San Francisco ("City") has been reported to have the highest rental and homeownership markets in the United States. The Mayor's Office of Housing and Community Development (MOHCD) continues to see a widening affordability gap for extremely-low, low and middle-income households in both the rental and homeownership markets. Moreover, the affordability gap continues to grow and has the greatest impact on extremely-low and low-income households such as seniors, persons with disabilities, low-income working families and veterans.

Given the limited state and federal resources, and the high cost of housing development, significant burdens have been placed on the limited resources of local government. As a consequence the City's supply of affordable housing has not kept pace with demand. This is particularly acute for middle-income households, for whom there are no federal and limited state financing programs that the City can leverage with its own subsidies.

The proposed Bonds will provide a portion of the critical funding necessary to construct, acquire, improve, rehabilitate, preserve, and repair affordable housing in the City, including \$150,000,000 for public housing, \$220,000,000 for low income housing, \$60,000,000 for preservation and middle income housing, \$150,000,000 for senior housing and \$20,000,000 for educator housing (all as further described in the ordinance, and the 2019 Affordable Housing Bond Report prepared by MOHCD).

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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E

EXHIBIT



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller

August 12, 2019

Mr. John Armitz
Department of Elections
City Hall 1 Dr. Carlton B. Goodlett Place Room 48
San Francisco, CA 94102-4689

RE: Proposition A – Ordinance authorizing \$600 Million General Obligation Bond Issuance for Affordable Housing

Dear Mr. Armitz,

Should the proposed \$600 million in bonds be authorized and sold under current assumptions, the approximate costs will be as follows:

a) In fiscal year (FY) 2020-2021, following issuance of the first series of bonds, and the year with the lowest tax rate, the best estimate of the tax required to fund this bond issue would result in a property tax rate of \$0.00207 per \$100 (\$2.07 per \$100,000) of assessed valuation.

b) In FY 2022-2023, following issuance of the last series of bonds, and the year with the highest tax rate, the best estimate of the tax required to fund this bond issue would result in a property tax rate of \$0.01713 per \$100 (\$17.13 per \$100,000) of assessed valuation.

c) The best estimate of the average tax rate for these bonds from FY 2020-2021 through FY 2041-2042 is \$0.01172 per \$100 (\$11.72 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 \$600,000 would be approximately \$101.57.

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.

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.

Sincerely,
Natasha M. M...
Ben Rosenfield
Controller