

From: [Elliott, Jason \(MYR\)](#)
To: [Doe, Publications \(REG\)](#)
Subject: Housing Bond
Date: Thursday, July 30, 2015 4:06:06 PM
Attachments: [Mayors Office Suggested Edits to Housing Bond.docx](#)
[Housing Bond - Marked Up.docx](#)

Good afternoon:

I intend to present the following materials tomorrow at Ballot Simplification Committee on behalf of the Mayor's Office.

See you tomorrow!

jason

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The Way It Is Now: It is City policy to support 30,000 new housing units by 2020, with at least one-third of those permanently affordable to low and moderate-income households, and over 50% within financial reach of middle class San Franciscans. State law requires that the City's General Plan describe San Francisco's housing needs, set goals for providing housing and develop programs to meet those goals. Some of those programs help develop housing affordable to low and moderate income households, and help persons with low and moderate incomes buy their first homes.

When the City provides money to fund housing opportunities affordable to low- and moderate-income households for these programs, larger amounts of money are frequently made available from other public and private sources. The City pays for its part of these programs with money from property taxes, hotel taxes and other local sources the Housing Trust Fund, which replaced affordable housing funding from the Redevelopment Agency.

The City expects that money from these sources will not be enough to meet its future low- and moderate- income housing goals, specifically for low-income households such as seniors, disabled persons, low-income working families, and veterans, who experience the largest affordability gaps.

The City's use of general obligation bond proceeds is monitored by the Citizens' General Obligation Bond Oversight Committee. The members of this committee are appointed by the Mayor, the Board of Supervisors (Board), the Controller, and the Civil Grand Jury.

The Proposal: Proposition A is an ordinance that would allow the City to borrow up to \$310 million by issuing general obligation bonds. The City would use this money to build, buy, improve, and rehabilitate affordable housing in San Francisco.

The City could use the funds to:

- finance the development, construction, preservation and rehabilitation of affordable rental housing near established transit corridors or within priority development areas;
- acquire, rehabilitate, and preserve existing rental housing to prevent losing rental housing stock and displacing long-time City residents;
- repair and reconstruct dilapidated public housing developments or provide infrastructure improvements that allow for the repair or improvement of public housing sites;
- fund middle-income rental housing units; and
- assist City residents, including ~~educator~~ teachers, in acquiring their first home in the City; and,
- acquire, rehabilitate, preserve, construct and/or develop affordable housing in the Mission Area Plan.

Proposition A would allow an increase in the property tax to pay for the bonds, if needed. The City has long-standing financial policies that limit the amount of debt that it can issue. Under this policy, G.O. bonds do not increase voters' long-term property tax rates. Therefore new G.O. bonds are typically used as existing approved and issued debt is

~~retired and/or the property tax base grows. It would permit landlords to pass through up to 50% of any resulting property tax increase to tenants~~

Proposition A also would require the Citizens' General Obligation Bond Oversight Committee to review the spending of bond funds. One-tenth of one percent (0.1%) of the bond funds would pay for the committee's audit and oversight functions.

Approval of this measure requires two-thirds of the votes cast.

A "YES" Vote Means: If you vote "yes," you want the City to issue \$310 million in general obligation bonds on projects designed to buy, build, or renovate affordable housing, including public housing; fund middle-income rental housing units; and assist City residents in acquiring their first home in the City.

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

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