

## **Affordable Housing Bond\***

**Digest** by the Ballot Simplification Committee

**Status:** Approved Digest

**On:** Monday, November 27, 2023

**Members:** Packard, Anderson, Unruh, Wong

**Deadline to Request Reconsideration:** 4:00pm Tuesday, November 28, 2023

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**The Way It Is Now:** The City provides funding to acquire, build or rehabilitate affordable housing to meet the needs of San Francisco residents, including housing that is affordable for extremely low- to moderate-income households. The City's funding for affordable housing comes from sources, including property taxes, hotel taxes and developer fees.

The City also issues general obligation bonds approved by the voters. The City sometimes makes additional funding available from other public and private sources.

State law requires San Francisco to build 46,598 very low- to moderate-income housing units by 2031, or face penalties. The state's financial contribution is not enough to meet this requirement, so the City must create its own funding.

The Citizens' General Obligation Bond Oversight Committee audits the expenditure of these bond proceeds.

**The Proposal:** Proposition \_\_\_ is an ordinance that would allow the City to borrow up to \$300 million by issuing general obligation bonds. The City would use:

- Up to \$240 million to construct, develop, acquire or rehabilitate new rental housing, including senior housing and workforce housing, for extremely low-income, very low-income and lower-income households;
- Up to \$30 million to construct, develop, acquire or rehabilitate existing housing to preserve it as affordable for lower-income households and moderate-income households; and
- Up to \$30 million to construct, develop, acquire or rehabilitate housing for extremely low-income, very low-income and/or lower-income households who need safe and stable housing and are experiencing street violence, domestic violence and abuse, sexual abuse and assault, human trafficking or other trauma relating to homelessness.

City policy is to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. An increase in the property tax would be allowed if needed. Landlords would be permitted to pass through up to 50% of any resulting property tax increase to tenants.

Proposition \_\_\_ also would require the Citizens' General Obligation Bond Oversight Committee to audit the spending of bond funds.

**A "YES" Vote Means:** If you vote "yes," you want the City to issue \$300 million in general obligation bonds to construct, develop, acquire or rehabilitate affordable housing in San Francisco.

**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.*