

City and County of  
San Francisco



Board of Supervisors,  
President

AARON PESKIN  
佩斯金市參事

November 27, 2023

Ballot Simplification Committee Members  
c/o San Francisco Department of Elections  
City Hall, Room 48  
1 Dr. Carlton B Goodlett Place  
San Francisco, CA 94102-4635  
Sent via email: BSC.clerk@sfgov.org

Re: Proposed Changes to the BSC Voter Digest for the Affordable Housing Bond

Dear Committee Members:

I am writing to respectfully request that the Committee reconsider portions of the digest describing the Affordable Housing Bond. I have included a redlined version of the digest that identifies the specific language we believe should be changed, proposed alternate language, and the reasons why those changes should be made.

The current draft digest should be amended in several places to ensure that voters will not be confused or misled about specific aspects of the affordable housing bond. Our proposed changes are focused primarily on three critical points.

First, voters need to know the context of state law requirements for San Francisco's affordable housing construction. The State's Residential Housing Needs Allocation (RHNA) requires that San Francisco have a plan to build 46,598 affordable housing units by 2031. Failure to meet this requirement will have deregulation and disinvestment consequences for San Francisco. I have inserted a short paragraph at the beginning of the digest, similar to the 2015 affordable housing bond digest, to briefly describe this for voters. For reference, the 2015 affordable housing digest began with this paragraph:

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**The Way It Is Now:** *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. It is City policy to support the construction and rehabilitation of 30,000 new housing units by 2020, with at least 33% of those permanently affordable to low- and moderate-income households, and over 50% within financial reach of middle-class households.*

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Second, an important aspect of the housing bond legislation is its requirement for citizen audits and review, its prohibition against spending bond money for salaries or pensions, and the city nearly two-decade city policy of restricting bond sales to ensure that property tax rates remain below the rates in 2006. Several changes have been suggested to clarify these points.

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Third, I have suggested a slight change in the “Yes’ Vote Means” portion of the digest to make it more readable and accurate.

I look forward to discussing these proposed changes with you this morning.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Peskin".

Aaron Peskin

Board of Supervisors President

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***Suggestions for changes to Affordable Housing Bond Digest  
From Board of Supervisors President Aaron Peskin***

**The Way It Is Now:** State law requires San Francisco to plan for its share of state affordable housing needs. The current requirement for San Francisco is to build 46,598 very low income, low income and moderate income housing units by 2031. The State has not allocated a commensurate amount of financial resources to reach this goal. Therefore, the City must create its own resources to meet the State mandate for the affordable units or face state penalties.

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 middle-income households. The City's funding for affordable housing comes from property taxes, hotel taxes, developer fees, and other local sources. The City can issue 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 reviews the expenditure of the general obligation 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 this money in the following ways:

- 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.

Proposition \_\_\_ ~~also~~ would require the Citizens' General Obligation Bond Oversight Committee to audit and review the spending of bond funds. Bond funds cannot be spent on administrators' pensions or salaries.

~~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 only issuing new bonds as older ones are retired and the tax base grows. 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.

~~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 \$300 million in general obligation bonds for projects designed to construct, develop, acquire, or rehabilitate affordable housing in San Francisco, including senior and workforce housing.

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