

1 [Affordable Housing Bonds Special Election.]

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3 **Ordinance calling and providing for a special election to be held in the City and County of San**  
4 **Francisco (the "City") on November 5, 2002, for the purpose of submitting to the qualified voters**  
5 **of the City a proposition for the issuance of bonds by the City (or one of its agencies, departments**  
6 **or enterprises) in the principal amount of Two Hundred Fifty Million Dollars (\$250,000,000) to**  
7 **finance the acquisition, construction and/or rehabilitation of housing affordable to low- and**  
8 **moderate-income households and ~~downpayment~~ financial assistance to low- and moderate-income**  
9 **first-time homebuyers and authorizing landlords to passthrough fifty percent (50%) of the resulting**  
10 **property tax increase to residential tenants; finding that the estimated cost of the project is and will**  
11 **be too great to be paid out of the ordinary annual income and revenue of the City and will**  
12 **require expenditures greater than the amount allowed therefor by the annual tax levy; reciting**  
13 **the estimated cost of such proposed project; fixing the date of and the manner of holding the**  
14 **special election and the procedure for voting for or against the proposition; fixing the maximum**  
15 **rate of interest on the bonds and providing for the levy and collection of taxes to pay both**  
16 **principal and interest therefor; prescribing notice to be given of the special election; finding the**  
17 **proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and**  
18 **with the General Plan consistency requirement of Administrative Code Section 2A.53;**  
19 **consolidating the special election with the general election; establishing the election precincts,**  
20 **voting places and officers for the special election; waiving the word limitation on ballot**  
21 **propositions imposed by San Francisco Municipal Elections Code Section 510; complying with**  
22 **Section 53410 of the California Government Code; ~~and~~ incorporating the provisions of Article V**  
23 **of Chapter V of the San Francisco Administrative Code; and imposing certain limitations on the use**  
24 **of bond proceeds.**

25 Note: Additions are single underline italics Times New Roman.

Deletions are ~~strikethrough italics Times New Roman~~.

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

3 Section 1. A special election is hereby called and ordered to be held in the City and County of  
4 San Francisco (the "City") on Tuesday, November 5, 2002, for the purpose of submitting to the  
5 qualified voters of the City a proposition to incur bonded indebtedness of the City for the projects  
6 hereinafter described in the amount and for the purposes stated:

7 "AFFORDABLE HOUSING BONDS, 2002. \$250,000,000 to finance the acquisition,  
8 construction and/or rehabilitation of housing affordable to low- and moderate-income households and  
9 ~~downpayment~~ financial assistance to low- and moderate-income first-time homebuyers."

10 The special election hereby called and ordered shall be referred to herein as the "Bond Special  
11 Election."

12 Section 2. The estimated cost of the project described in Section 1 was fixed by the Board of  
13 Supervisors of the City (the "Board of Supervisors") by the following resolution in the amount  
14 specified below:

15 Resolution No. 378-02, \$250,000,000.

16 Such resolution was passed by two-thirds or more of the members of the Board of Supervisors  
17 and approved by the Mayor of the City (the "Mayor"). In such resolution, it was recited and found that  
18 the sum of money specified is too great to be paid out of the ordinary annual income and revenue of the  
19 City in addition to the other annual expenses thereof or other funds derived from taxes levied for those  
20 purposes and will require expenditures greater than the amount allowed therefor by the annual tax levy.

21 The method and manner of payment of the estimated costs described herein are by the issuance  
22 of bonds of the City not exceeding the principal amount specified.

23 Such estimate of costs as set forth in such resolution is hereby adopted and determined to be the  
24 estimated cost of the such improvements and the financing.  
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1 Section 43. The Bond Special Election shall be held and conducted and the votes thereafter  
2 received and canvassed, and the returns thereof made and the results thereof ascertained, determined  
3 and declared as herein provided, and in all particulars not herein recited such election shall be held and  
4 the votes canvassed according to the applicable laws of the State of California and the Charter of the  
5 City (the "Charter") and any regulations adopted pursuant thereto, providing for and governing  
6 elections in the City, and the polls for such election shall be and remain open during the time required  
7 by the laws and regulations.

8 Section 54. The Bond Special Election hereby called shall be and hereby is consolidated with  
9 the General Election of the City to be held Tuesday, November 5, 2002, and the voting precincts,  
10 polling places and officers of election for the General Election are hereby adopted, established,  
11 designated and named, respectively, as the voting precincts, polling places and officers of elections for  
12 the Bond Special Election hereby called, and reference is hereby made to the notice of election setting  
13 forth the voting precincts, polling places and officers of election for the November 5, 2002 General  
14 Election by the Director of Elections to be published in the official newspaper of the City on the date  
15 required under the laws of the State of California.

16 Section 65. The ballots to be used at the Bond Special Election shall be the ballots to be used at  
17 the General Election. The word limit for ballot propositions imposed by San Francisco Municipal Code  
18 Elections Section 510 is hereby waived. On the ballots to be used at the Bond Special Election, in  
19 addition to any other matter required by law to be printed thereon, shall appear the following  
20 proposition:

21 "AFFORDABLE HOUSING BONDS, 2002. Shall the City and County of San  
22 Francisco (or one of its agencies, departments or enterprises) issue bonds and/or other forms of  
23 financing in a principal amount not to exceed \$250,000,000, to finance the acquisition, construction  
24 and/or rehabilitation of housing affordable to low- and moderate-income households and ~~downpayment~~  
25 financial assistance to low- and moderate-income first-time homebuyers and authorize landlords to

1 passthrough to residential tenants in units subject to Chapter 37 of the San Francisco Administrative  
2 Code (the Residential Rent Stabilization and Arbitration Ordinance) 50% of the increase in the real  
3 property taxes attributable to the cost of repayment of the bond?"

4 Each voter to vote for the proposition hereby submitted shall mark the ballot in the location  
5 corresponding to a "YES" vote for the proposition, and to vote against the proposition shall mark the  
6 ballot in the location corresponding to a "NO" vote for the proposition.

7 Section 76. If at the Bond Special Election it shall appear that two-thirds of all the voters voting  
8 on the proposition voted in favor of and approving the proposition, then such proposition shall have  
9 been authorized by the electors, and bonds may be issued and sold for the purposes set forth above  
10 upon the order of the Board of Supervisors. Such bonds shall bear interest at a rate not to exceed  
11 applicable legal limits.

12 The vote cast for and against the proposition shall be counted separately and when two-thirds of  
13 the qualified electors, voting on the proposition, vote in favor thereof, the proposition shall be deemed  
14 adopted.

15 Section 87. For the purpose of paying the principal of and interest on the bonds and any  
16 premiums upon the redemption thereof, the Board of Supervisors, at the time of fixing and in the  
17 manner for the general tax levy provided, shall levy and collect annually each year until the bonds are  
18 paid, or until there is a sum in the Treasury of the City, or account held on behalf of the Treasurer of the  
19 City, set apart for that purpose to meet all sums coming due for the principal of and interest on the  
20 bonds, a tax sufficient to pay the annual interest on the bonds as the same becomes due and also any  
21 part of the principal of the bonds that shall become due before the proceeds of a tax levied at the time  
22 for making the next general tax levy can be made available for the payment of the principal.

23 Section 98. The Board of Supervisors having reviewed the proposed legislation, finds and  
24 declares (i) That the proposed project is in conformity with the priority policies of Section 101.1(b) of  
25 the City Planning code and (ii) in accordance with Section 2A.53(f) of the City Administrative Code,

1 that the proposed project is consistent with the City's General Plan, and hereby adopts the findings of  
2 the City Planning Department, as set forth in the General Plan Referral Report dated May 22, 2002 and  
3 incorporates said findings by reference.

4 Section ~~109~~. Pursuant to Section 53410 of the California Government Code, the bonds shall be  
5 for the specific purpose authorized herein and the proceeds of such bonds will be applied only to the  
6 project described herein. The City and County will comply with the requirements of Sections 53410(c)  
7 and 53410(d) of the California Government Code.

8 Section ~~110~~. Pursuant to Proposition F approved by the voters of the City and County in  
9 November 2001, the Affordable Housing Bonds are subject to, and incorporate by reference, the  
10 provisions of Article V of Chapter 5 of the Administrative Code of the City and County ("Proposition F  
11 Requirements"). Pursuant to Proposition F Requirements, to the extent permitted by law, one-tenth of  
12 one percent (0.1%) of the gross proceeds of the Affordable Housing Project bonds shall be deposited in  
13 a fund established by the Controller's Office and appropriated by the Board of Supervisors at the  
14 direction of the citizen's bond oversight committee established by Proposition F Requirements to cover  
15 the costs of said committee.

16 Section ~~1211~~. This ordinance shall be published in accordance with any state law requirements,  
17 and such publication shall constitute notice of the Bond Special Election and no other notice of the  
18 Bond Special Election hereby called need be given.

19 Section ~~1312~~. The appropriate officers, employees, agents and representatives of the City and  
20 County of San Francisco are hereby authorized and directed to do everything necessary or desirable to  
21 the calling and holding of the Special Election, and to otherwise carry out the provisions of this  
22 ordinance.

23 Section 13. Loans or grants funded by the proceeds of these bonds shall require that all  
24 contracts funded by bond funds be awarded through a competitive selection process. The selection  
25 process shall be competitive bids, competitive request for qualifications, or other competitive process

1 which is (a) consistent with industry standards for obtaining services and (b) appropriate for services  
2 being procured. Sole source contracting shall not be permitted. If the Mayor of the City makes a  
3 finding that only one source exists for a product or service, a waiver of this requirement may be  
4 granted. Any such waiver shall be reported to the Board of Supervisors in the annual report.

5 Section 14. To the maximum extent feasible, projects funded with the proceeds of these bonds  
6 shall be required to obtain funding from non-City sources for a substantial portion of the cost of the  
7 project. Priority shall be given to projects which provide a high degree of leveraging of outside funds.  
8 The Mayor's Office of Housing shall include an analysis of the leveraging of outside funds for each  
9 project in its annual report to the Board of Supervisors.

10 Section 15. No proceeds of these bonds or program income generated from bond funded  
11 projects shall be used for lobbying elected officials for political purposes.

12 Section 16. Loans or grants funded by the proceeds of these bonds shall require that, prior to  
13 the disbursement of the final ten percent (10%) payment of the developer fee, the borrower or grantee  
14 shall submit a project completion audit performed by an independent certified public accountant  
15 identifying the sources and uses of all project funds including the bond program funds. If the project is  
16 also receiving funding from the federal Section 202, Section 811, HOME or other program requiring  
17 third party cost certification, such cost certification shall be acceptable for satisfaction of this audit  
18 requirement.

19 Section 17. The loan underwriting guidelines used to evaluate applications for loans or  
20 grants funded by the proceeds of these bonds shall incorporate limits on developer fees, administrative  
21 costs and other payments to the developer which are at least as restrictive as the standards used in the  
22 Affordable Housing Program of the Federal Home Loan Bank.

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APPROVED AS TO FORM:  
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