Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, rehabilitation, preservation and repair of affordable housing improvements and related costs necessary or convenient for the foregoing purposes, to be financed through bonded indebtedness in an amount not to exceed $310,000,000; 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; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed bond is in conformity with the priority policies of Planning Code, Section 101.1(b).

WHEREAS, The City and County of San Francisco (City) has the highest median rent in the country with a one-bedroom asking rent of $3,460, according to rental listing site Zumper; and

WHEREAS, The City continues to be one of the highest-priced ownership markets in the country with a median home sales price of $1.1 million, a 19.4% increase from the previous year, according to the real estate website Trulia; and

WHEREAS, The Mayor's Office of Housing and Community Development continues to see a widening affordability gap for low to moderate income households for both rental and homeownership; and

WHEREAS, Limited state and federal resources and the high cost of housing development puts a greater burden on local government to contribute their own limited
resources, and thus means that the City’s supply of affordable housing has not kept pace with demand; and

WHEREAS, Limited local funding for affordable housing can leverage federal, state and private investment at a 3:1 rate; and

WHEREAS, The affordability gap has the greatest impact on low-income households such as seniors, disabled persons, low-income working families, and veterans; and

WHEREAS, The housing need in the City is also particularly acute for moderate-income households, for whom there are no federal or state financing programs that the City can leverage with its own subsidies; and

WHEREAS, After federal sequestration took effect on March 1, 2013, the U.S. Congress slashed the US Department of Housing and Urban Development’s contribution to the San Francisco Housing Authority (Housing Authority) from 92% to 82% of what it costs to operate public housing, and its Section 8 housing voucher program from 94% to 72% of operating costs; and

WHEREAS, The average annual household income for Housing Authority residents and voucher-holders is $15,858; and

WHEREAS, The housing affordability gap that has arisen and expanded in the local housing market inhibits the City from ensuring that economic diversity can be maintained; and

WHEREAS, These high housing costs can inhibit healthy, balanced economic growth regionally; and

WHEREAS, Individuals and families who are increasingly locked out of the local housing market will be forced to leave the City and take on increasingly long employment commutes; and
WHEREAS, The Affordable Housing General Obligation Bond (Bonds) will provide a portion of the funding necessary to construct, acquire, improve, rehabilitate, preserve and repair affordable housing in the City; now, therefore, be it

RESOLVED, By the Board:

Section 1. The Board determines and declares that the public interest and necessity demand the construction, development, acquisition, and preservation of affordable housing in the City for low- and middle-income households, and the payment of related costs necessary or convenient for the foregoing purposes.

Section 2. The Bonds will fund capital projects that will prioritize vulnerable populations such as the City’s working families, veterans, seniors and disabled persons and will assist in the acquisition, rehabilitation and preservation of affordable rental apartment buildings to prevent the eviction of long-term residents; will repair and reconstruct dilapidated public housing; fund a middle-income rental program, and provide for homeownership down payment assistance opportunities for educators and middle-income households.

Section 3. The estimated cost of $310,000,000 of the Bonds is and will be too great to be paid out of the ordinary annual income and revenue of the City, will require an expenditure greater than the amount allowed by the annual tax levy, and will require the incurrence of bonded indebtedness in an amount not to exceed $310,000,000.

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

Section 5. The Board finds and declares that the proposed Bond (i) was referred to the Planning Department in accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the Administrative Code, (ii) is in conformity with the priority policies of Section 101.1(b) of the San Francisco Planning Code, and (iii) is consistent with the City's General Plan, and adopts the findings of the Planning Department, as set forth in the General Plan Referral Report dated May 11, 2015, a copy of which is on file with the Clerk of the Board in File No. 150489 and incorporates such findings by this reference.

Section 6. The time limit for approval of this resolution specified in Administrative Code Section 2.34 is waived.

Section 7. Under Administrative Code Section 2.40, the ordinance submitting this proposal to the voters shall contain a provision authorizing landlords to pass-through 50% of the resulting property tax increases to residential tenants in accordance with Administrative Code Chapter 37.

Section 8. The City hereby declares its official intent to reimburse prior expenditures of the City incurred or expected to be incurred prior to the issuance and sale of any series of the Bonds in connection with the Project. The Board hereby declares the City's intent to reimburse the City with the proceeds of the Bonds for the expenditures with respect to the Project (the "Expenditures" and each, an "Expenditure") made on and after that date that is no more than 60 days prior to the adoption of this Resolution. The City reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a
nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
party that is not related to or an agent of the City so long as such grant does not impose any
obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
City. The maximum aggregate principal amount of the Bonds expected to be issued for the
Project is $310,000,000. The City shall make a reimbursement allocation, which is a written
allocation by the City that evidences the City's use of proceeds of the applicable series of
Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on
which the Expenditure is paid or the related portion of the Project is placed in service or
abandoned, but in no event more than three years after the date on which the Expenditure is
paid. The City recognizes that exceptions are available for certain "preliminary expenditures,"
costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the
year of issuance and not the year of expenditure) and Expenditures for construction projects
of at least 5 years.

Section 9. Documents referenced in this resolution are on file with the Clerk of the
Board of Supervisors in File No. 150489, which is hereby declared to be a part of this
resolution as if set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: [Signature]
KENNETH DAVID ROUX
Deputy City Attorney

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Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, rehabilitation, preservation, and repair of affordable housing improvements and related costs necessary or convenient for the foregoing purposes, to be financed through bonded indebtedness in an amount not to exceed $310,000,000; 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; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed bond is in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

June 03, 2015 Budget and Finance Sub-Committee - CONTINUED

June 10, 2015 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 10, 2015 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

June 16, 2015 Board of Supervisors - CONTINUED
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

June 23, 2015 Board of Supervisors - CONTINUED
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 07, 2015 Board of Supervisors - AMENDED
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 07, 2015 Board of Supervisors - ADOPTED AS AMENDED
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 7/7/2015 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

7/14/15
Date Approved