

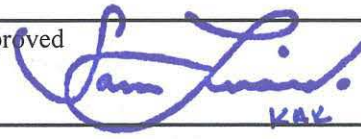


Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Raul Peralez
Councilmember Lan Diep
Councilmember Devora Davis

SUBJECT: SEE BELOW

DATE: September 7, 2018

Approved				Date
	KAR	Lan Diep		9/7/18

SUBJECT: MEASURE V--AFFORDABLE HOUSING BOND

RECOMMENDATIONS

Accept the staff report of the allocation plan for Measure V bond revenues.

BACKGROUND

On August 10, 2018, in response to our housing crisis, and in recognition of the projected \$548 million shortfall in meeting the City’s 10,000 affordable unit goal, the City Council adopted a resolution placing Measure V on the November 2018 ballot. As the Housing Department points out, bond revenue of \$450 million would allow the City to leverage existing and projected county, state, and federal dollars to produce more than 9,000 affordable units.

The Housing Department’s memorandum accurately describes our community’s significant need for affordable housing funding, and anticipates the path for policy and implementation if the voters approve Measure V. We appreciate the Department’s thoughtful and deliberate approach as we make these critical expenditure and policy decisions.

The Council has already formally committed \$150 million for housing working families and homeless individuals whose incomes put them in the “extremely low” income category (0 to 30% Area Median Income [AMI]) and has made another \$75 million commitment for those in the “missing middle” (80 to 120% AMI). The Housing Department has also described its desire to reserve the remaining unallocated portion (approximately \$219 million) on housing for those with incomes up to 80% AMI, which encompasses needs of community members that broadly range from teachers and working families to veterans, seniors, and our homeless residents.

This flexible approach complements our existing funding sources (including the County’s Measure A dollars) that have more significant constraints. As we’re learning, those funding requirements and limitations can make it difficult to develop the variety of projects—mixed-

CITY COUNCIL

September 7, 2018

Subject: Affordable Housing Bond

Page 2

income, teacher-focused, or transitional rapid rehousing for homeless, to name a few—that our community vitally needs. We hear repeatedly from affordable housing developers—from Habitat for Humanity to a sponsor of a project serving residents with physical disabilities—of the challenges of chasing funding with highly restrictive criteria, and of the obstacles those criteria can pose to financing and construction. As needs, opportunities, and economic realities shift, we must resist the temptation to lock ourselves into funding formulas that might address the problems of today, but will not appropriately confront the challenges of 2022 or 2025. We urge your support.