

City of San José

Impartial Analysis

MEASURE V

Affordable Housing Bond - A ballot measure proposal calling for the issuance of General Obligation Bonds for the acquisition, construction and completion of affordable housing in the City of San José.

FILED

AUG 21 2018

REGISTRAR OF VOTERS
COUNTY OF SANTA CLARA

By RM Deputy

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Measure V, the "Affordable Housing Bond", is a bond measure placed on the ballot by the San José City Council. If approved, Measure V would authorize the City to issue up to \$450,000,000 in general obligation municipal bonds (the "Bonds") to fund housing affordable for working families; veterans; seniors; teachers; nurses, paramedics, and other workers; individuals with disabilities; domestic violence survivors; and the homeless. The City Council has determined that funding affordable housing is necessary to address San José's need for affordable housing and the preservation of public health, peace and safety.

Bond funds could be used to pay for the following costs of affordable housing: land; new housing construction; acquisition and rehabilitation of existing apartments or homes; and issuing the Bonds. Assuming \$450,000,000 in Bonds is issued, Measure V requires issuing the following minimum amounts for specific income levels:

- \$150,000,000 for families and individuals earning up to 30% of the area median income (AMI); and
- \$75,000,000 for households earning between 80% and 120% of AMI.

Within the \$450,000,000 limit, the City Council may authorize a greater amount of Bonds than the minimum amounts specified above or may authorize up to \$225,000,000 in Bonds for affordable housing to serve other income levels.

California law authorizes cities to issue general obligation bonds to finance land acquisition or improvements to land, subject to certain limitations. State law and the San José Municipal Code provide, for example, that a measure authorizing such bonds must be approved by at least two-thirds of the voters voting on it. If Measure V is approved, an additional "ad valorem" property tax would be levied annually on all taxable property within the City to pay the principal and interest due on the Bonds. "Ad valorem" means according to value. Until the Bonds are repaid, an ad valorem tax based on the assessed value of real property and improvements would be levied on all taxable property within San José. Once the Bonds are repaid, this annual tax will terminate.

The Tax Rate Statement in the Voter Information Guide reflects the City's estimate of the additional ad valorem property tax levy that would be required to repay the Bonds based on currently available data and projections. The actual tax levied could be more or less than the City's estimate.

Measure V imposes certain accountability measures, including:

- Bond funds would be deposited in one or more separate accounts.
- A separate annual audit of the Bond funds would be conducted.
- The Director of Finance would annually file a public report with the City Council, describing for the prior fiscal year: the amount of Bonds issued

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and expended, the amount of taxes collected and the status of the projects.

- The City Council would appoint a Community Oversight Committee comprised of City residents to provide oversight of the Bonds' expenditure. The City Council would determine the committee's size, composition and specific responsibilities prior to the issuance of any Bonds.

A "Yes" vote would approve San José's issuance of the Bonds.

A "No" vote would not approve San José's issuance of the Bonds.

RICHARD DOYLE, CITY ATTORNEY
CITY OF SAN JOSE

The above statement is an impartial analysis of Measure V. If you would like to read the full text of the measure, see <http://www.sanjoseca.gov/index.aspx?nid=5694> or call 408-535-1260 and a copy will be sent at no cost to you.

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