

**Measure A**  
**Santa Clara County Affordable Housing Bond**  
**Frequently Asked Questions**

Q: Who placed Measure A on the November 2016 ballot?

On June 21, 2016, the Santa Clara County Board of Supervisors unanimously approved placing an affordable housing bond on the November 2016 ballot. In 2015, the Santa Clara County Housing Task Force passed a resolution declaring that the problem of homelessness in Santa Clara County constituted a crisis. The Board considered the work of the Housing Task Force and other data before voting on the housing bond in June 2016. In the resolution to place the housing bond measure on the November 2016 ballot, the Board stated that it recognized the existence of a housing crisis in the County.

The housing bond is now known as Measure A.

Q: What is Measure A and how would it be approved by voters?

California law allows the County of Santa Clara to issue general obligation bonds with approval of two-thirds of the votes cast by County voters in the November 2016 election. Measure A would allow the County to borrow up to \$950 million by issuing general obligation bonds. Bond proceeds could only be used to acquire or improve real property.

Q: Who would Measure A help?

According to the ballot language, bond proceeds from Measure A would “provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses, which housing may include supporting mental health and substance abuse services.” Up to \$150 million in bond proceeds could be used to assist moderate income households. Of this \$150 million, up to \$50 million may be used to provide housing that is affordable for moderate income individuals and families; such portion, for example, could be used for first-time homebuyers or to promote housing that is in proximity to employment.

Q: How many homes would Measure A create?

County Administration has estimated that bond proceeds would contribute to the creation and/or preservation of approximately 5,000 affordable housing units. The Board and County Administration have discussed ways to use the bond proceeds to leverage additional local, state and federal funds to support the development, operation and services of affordable and supportive housing. In addition, County Administration estimates that bond proceeds could assist approximately 1,000 first-time homebuyers in the first ten years after Measure A is

approved. Details of the programs will be brought forth by County Administration to the Board of Supervisors for approval. The programs would be required to be consistent with the resolution authorizing the bond and the ballot language.

Q: Why did the Board of Supervisors approve the housing bond?

In authorizing the housing bond, the Board of Supervisors stated that it recognized the “existence of a housing crisis in Santa Clara County where the rising costs of home ownership and the increasing cost of rental units throughout the county have resulted in a persistently high number of homeless individuals in Santa Clara County.” In considering the bond, the Board of Supervisors considered the following:

- Home prices in Santa Clara County rose 10.4% over the past year and the median sale price hit \$900,000 according to CoreLogic which tracks the real estate markets in the San Francisco Bay Area.<sup>1</sup> In addition, the market tracker RealFacts has reported that Silicon Valley apartment rents are now the highest in the state further exacerbating an already difficult housing situation.<sup>2</sup>
- Even though housing for homeless and populations with very low income is currently being built, the number of units available to these special needs populations does not satisfy the projected demand and falls far short of the demand within our community. In fact, the California Housing Partnership has reported that 67,576 additional homes are needed to meet the needs of Santa Clara County residents who are very low income (VLI) (31% to 50% of the area median income) or extremely low income (ELI) (below 30% of area median income) renters.<sup>3</sup>
- Housing Trust of Silicon Valley reported that in 2008, agencies in Santa Clara County had \$126.2 million available annually for affordable housing. By 2013, that amount had decreased to about \$47.3 million annually. The Housing Trust estimated that in addition to the \$47.3 million, the county needed an additional \$220 million annually to meet the affordable housing needs of ELI and VLI households.<sup>4</sup> This estimate was based on the Association of Bay Area Governments (ABAG) Regional Housing Needs Allocation for Santa Clara County from 2014 through 2022.<sup>5</sup>

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<sup>1</sup> <http://www.mercurynews.com/2015/06/18/home-prices-soar-to-records-in-santa-clara-and-alameda-counties/>

<sup>2</sup> <http://www.bizjournals.com/sanjose/news/2015/04/16/apartment-rents-resume-upward-march-in-q1-heres.html>

<sup>3</sup> <http://chpc.net/resources/lack-of-affordable-housing-driving-more-santa-clara-county-families-into-poverty/>

<sup>4</sup> [http://blog.housingtrustsv.org/wp-content/uploads/2014/09/WP\\_ahfl\\_12\\_2\\_2013.pdf](http://blog.housingtrustsv.org/wp-content/uploads/2014/09/WP_ahfl_12_2_2013.pdf).

<sup>5</sup> [http://abag.ca.gov/planning/housingneeds/pdfs/Final%20RHNA%20\(2014-2022\).pdf](http://abag.ca.gov/planning/housingneeds/pdfs/Final%20RHNA%20(2014-2022).pdf)

- The 2015 Homeless Census and Survey revealed a total of 6,556 homeless individuals in Santa Clara County on a given night.<sup>6</sup> When compared with similar surveys around the nation, Santa Clara County has the ninth largest number of homeless in the United States.<sup>7</sup> “Home Not Found: The Cost of Homelessness in Silicon Valley,” found that homeless persons use about \$520M in services annually. Ten percent of homeless persons account for 61% of these costs. The report found that providing permanent supportive housing to the highest users of services could result in a net cost avoidance of more than \$42,700 per person per year for services such as emergency medical care and general assistance.<sup>8</sup>

Q: How would the County repay the bonds?

Measure A would allow the County to increase the property tax rate to pay debt service on the bonds. The County estimates that the tax rate over the life of the bonds would range from \$10.76 to \$12.66 per \$100,000 of assessed value of taxable property. Please note that assessed property value is different than market value. The average assessed value of residential properties (single family residences and condominiums) in Santa Clara County is currently a little under \$571,000. The County is considering three separate bond issuances in 2017, 2021 and 2025. These bonds would mature in 2047, 2051 and 2055, respectively.

Q: What types of property would be subject to the assessment?

All enrolled property would be included. The assessed valuation includes both land and improvements. Most personal property is exempt from property taxation, including business inventories, household furniture and goods, personal items, and intangible property. Some personal property (e.g., manufacturing equipment, business computers, airplanes, and commercial boats) is subject to property taxation.

Some nonprofit, religious, governmental or educational institutions are also exempt from property taxes.

Q: Will there be an independent oversight committee?

The measure provides for the establishment of a citizens’ oversight committee that would serve as an advisory body to the Board of Supervisors and to the public. The Board of Supervisors has preliminarily approved an Ordinance establishing the oversight committee. The committee will review an annual report each year to determine fiscal accountability. An independent auditor will report directly to the committee and will review the County’s spending of bond proceeds to ensure accountability.

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<sup>6</sup> [https://www.sccgov.org/sites/oah/coc/census/Documents/SantaClaraCounty\\_HomelessReport\\_2015\\_FINAL.pdf](https://www.sccgov.org/sites/oah/coc/census/Documents/SantaClaraCounty_HomelessReport_2015_FINAL.pdf)

<sup>7</sup> <https://www.hudexchange.info/resources/documents/2015-AHAR-Part-1.pdf>

<sup>8</sup> [http://destinationhomesc.org/wp-content/uploads/2015/05/er\\_homenotfound\\_report\\_6.pdf](http://destinationhomesc.org/wp-content/uploads/2015/05/er_homenotfound_report_6.pdf)