

RESOLUTION NO. BOS-2016-94

**RESOLUTION AND ORDER OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA CALLING AND PROVIDING FOR AN ELECTION TO AUTHORIZE A \$950 MILLION BOND PROPOSITION FOR AFFORDABLE OR SUPPORTIVE HOUSING TO BE SUBMITTED TO THE QUALIFIED ELECTORS OF THE COUNTY; FIXING THE MAXIMUM RATE OF INTEREST TO BE PAID THEREON; AND CONSOLIDATING THE ELECTION WITH THE NOVEMBER 8, 2016 GENERAL ELECTION**

**WHEREAS**, the Board of Supervisors (the "Board") of the County of Santa Clara (the "County") recognizes the existence of a housing crisis in the 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 within Santa Clara County;

**WHEREAS**, the existence of this housing crisis compels the Board to seek approval from the voters of \$950 million of general obligation bonds for the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses, which housing may include supportive mental health and substance abuse services;

**WHEREAS**, even though housing for vulnerable populations is currently being built, the number of units available to these vulnerable populations does not satisfy the expected demand within the County;

**WHEREAS**, these new affordable or supportive housing units made available from sale of the general obligation bonds are intended to be distributed within the County and the County will seek to leverage the resources acquired through this bond to attract both private funding and matching funds from both state and federal sources to provide additional resources;

**WHEREAS**, the Board views housing as a critical need of vulnerable populations, without which individuals in these populations are unlikely to achieve any level of stability;

**WHEREAS**, the Board finds that creating and improving housing for the County's vulnerable populations is consistent with the County's mission to plan for the needs of a dynamic community, provide quality services, and promote a healthy, safe and prosperous community for all;

**WHEREAS**, the Board hereby determines that there is a need for affordable or supportive housing for vulnerable populations and others throughout the County;

**WHEREAS**, the Board hereby determines that providing a portion of the bond proceeds

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Adopted: 06/21/2016

for affordable housing for working individuals or families, including moderate income persons, such as first-time homebuyers, supports a community where working families and households can live close to places of employment and promotes environmental sustainability by reducing overall vehicle miles traveled;

**WHEREAS**, in the judgment of the Board it is in the public interest, serves a public purpose and is necessary that the funds of the County shall be expended for the purposes described herein, and the Board is authorized to expend funds of the County for said purpose; and,

**WHEREAS**, the County now wishes to submit a bond measure to the qualified electors of the County at the November 8, 2016 election for the purpose of authorizing general obligation bonds to be spent on increasing the availability of affordable housing within the County.

**NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CLARA HEREBY RESOLVES AND ORDERS AS FOLLOWS:**

**Section 1. Finding of public purpose and necessity.**

The Board hereby finds and determines that the foregoing recitals are true and correct.

**Section 2. Proclamation ordering and calling election on the issuance of general obligation bonds.**

A special election (the "Election") is ordered and called, pursuant to California Government Code section 29900 *et seq.*, to be held in the County of Santa Clara, State of California, on November 8, 2016, for the purpose of submitting to the qualified electors of the County the proposition set forth in the following bond measure (the "Measure") for their approval, such approval to constitute the approval to authorize the issuance of the general obligation bonds contemplated therein:

*To 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 supportive mental health and substance abuse services, shall the County of Santa Clara issue up to \$950 million in general obligation bonds to acquire or improve real property subject to independent citizen oversight and regular audits?*

The ballot question to be submitted to the qualified electors and to appear on the ballot is set forth in Attachment A, attached hereto and incorporated herein by reference. The full text of the Measure to appear in the sample ballot and voter information pamphlet is attached hereto and incorporated herein as Attachment B.

The County hereby submits the ballot question as set forth in Attachment A to the qualified electors of the County at the election of November 8, 2016. The Election shall be held and conducted, the votes received and canvassed, and the results ascertained and determined all

in the same manner as the statewide election to be held on that date and in conformity with the election laws of the State of California. Only qualified electors of the County may vote on the Measure.

### **Section 3. Consolidation.**

The election on the Measure concerning bonded indebtedness is ordered to be consolidated with the November 8, 2016 statewide general election.

### **Section 4. Conduct and manner of election.**

(a) In accordance with this order and all applicable laws regulating elections, the Election shall be held and conducted by the County elections official (the Registrar of Voters of the County of Santa Clara), including but not limited to all of the following actions: election officers appointed, voting precincts designated, polls opened and closed, ballots printed, ballots received, counted and returned, returns made and canvassed, results ascertained, determined and declared as required by applicable law, and all other proceedings incidental to and connected with the special election conducted.

(b) Unless otherwise provided by law, the polls for the Election shall be opened on the day of the special election at 7:00 a.m. and shall be kept open until 8:00 p.m. on the same day at which time such polls shall be closed.

(c) The precincts, polling places, and precinct board members (election officers) serving at such election polls in such precincts shall be the same as provided for the statewide election to be held on November 8, 2016.

### **Section 5. Procedure for voting on measure.**

(a) The Registrar of Voters of the County of Santa Clara shall prepare and mail to each eligible registered elector in the County a sample ballot and voter information pamphlet. The sample ballot and voter information pamphlet shall include the complete text of the Measure attached hereto as Attachment B and incorporated herein by reference. In all other respects, the Election shall be held and conducted, the returns canvassed, and the result declared by the governing body, in the same manner as provided by law for general elections.

(b) Registered electors shall be provided an opportunity to vote for or against the Measure on the ballot, in accordance with the procedures to be adopted by the Registrar of Voters of the County of Santa Clara.

### **Section 6. Notice.**

As required by California Government Code section 29906, this order calling and providing for the bond election will be published in one or more newspapers published in the County once a week for at least four weeks. The Registrar of Voters is authorized and directed to publish this notice.

### **Section 7. Maximum rate and accountability.**

If at the Election, two-thirds of the electors of the County voting vote in favor of the Measure, then the County may issue bonds, in one or more series, in an aggregate principal amount not to exceed \$950 million. The bonds shall bear interest at a rate not to exceed 12% per annum. In no event shall the total indebtedness incurred exceed an amount equal to 1.25% of the total assessed valuation of the taxable property of the County as shown by the last equalized assessment roll. Upon passage of the bond measure, an account will be created into which the proceeds of the bond issuance shall be deposited. The County will issue an annual report describing the amount of funds collected and expended and the status of any project required or authorized to be funded. The proceeds of the Measure will be applied only to projects fulfilling the specific purposes of the bond.

A Citizens' Oversight Committee will be established and will review the annual report each year to ensure fiscal accountability.

### **Section 8. Tax rate statement.**

A copy of the Tax Rate Statement required by Elections Code section 9401 is attached to this Resolution and Order as Attachment C and is incorporated herein by reference. The Registrar of Voters is authorized and directed to print the full text of the Tax Rate Statement set out in Attachment C in the sample ballot and voter information pamphlet.

### **Section 9. Filing resolution, arguments and impartial analysis.**

The Clerk of the Board of Supervisors is authorized and directed to file a certified copy of this Resolution and Order with the Registrar of Voters no later than 5:00 p.m. on August 12, 2016.

The provisions of Elections Code Section 9160 *et seq.*, relating to arguments concerning county measures, shall apply to the Measure submitted at the Election. The President of the Board, or any member or members of the Board as the President shall designate are hereby authorized, but are not directed, to prepare and file with the Registrar of Voters a ballot argument in favor of the Measure, which shall be considered the official ballot argument of the Board for the Measure.

The Office of the County Counsel will prepare an impartial analysis pursuant to California Elections Code section 9160 and California Government Code 29907.5 and transmit it to the Registrar of Voters no later than 5:00 p.m. on August 23, 2016.

### **Section 10. Severability.**

The Board hereby declares, and the voters by approving the measure concur, that every section, paragraph, sentence, clause, and word of the Measure has independent value, and the Board and the voters would have adopted each provision hereof regardless of every other

provision hereof. Upon approval of the Measure by the voters, should any part be found by a court of competent jurisdiction to be invalid for any reason, all remaining parts hereof shall remain in full force and effect to the fullest extent allowed by law.

**Section 11. Resolution effective immediately.**

This resolution and order relating to an election shall take effect and be in force immediately.

**Section 12. California Environmental Quality Act.**

With respect to the California Environmental Quality Act (CEQA), Public Resources Code section 21000 *et seq.*, the Board hereby finds and determines that the Measure is not subject to CEQA for the following reasons:

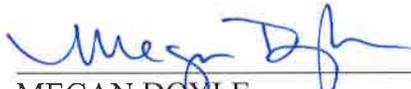
The Measure is not a "project" subject to CEQA because it is a funding mechanism involving no commitment to any specific projects at any specific locations, as set forth in CEQA Guidelines Section 15378.

**PASSED AND ADOPTED** by the Board of Supervisors of the County of Santa Clara, State of California on JUN 21 2016 by the following vote:

AYES:	Supervisors	<b>CHAVEZ, CORTESE, SIMITIAN, WASSERMAN, YEAGER</b>
NOES:	Supervisors	<b>NONE</b>
ABSTAIN:	Supervisors	<b>NONE</b>
ABSENT:	Supervisors	<b>NONE</b>

  
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 DAVE CORTESE  
 President of the Board of Supervisors

ATTEST:

  
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 MEGAN DOYLE  
 Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:

  
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 ORRY P. KORB  
 County Counsel

ATTACHMENTS TO THIS RESOLUTION

A—Ballot Question

B—Full Text of Measure

C—Tax Rate Statement

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**Attachment A**

To 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 supportive mental health and substance abuse services, shall the County of Santa Clara issue up to \$950 million in general obligation bonds to acquire or improve real property subject to independent citizen oversight and regular audits?

Bonds—Yes

Bonds—No

**Attachment B**

**BALLOT MEASURE \_\_**

**BOND AUTHORIZATION**

The Board of Supervisors of the County of Santa Clara recognizes the existence of a housing crisis in Santa Clara County: 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 within Santa Clara County. The latest homeless count revealed a total of 6,556 homeless individuals in Santa Clara County with 4,627 unsheltered.

In response to this housing crisis, the Board of Supervisors is placing a general obligation bond on the ballot to generate up to \$950 million for the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, current or former foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses. "Low income" means individuals and families whose income does not exceed 80 percent of area median income. "Moderate income" means individuals and families whose income lies in the range of 80 percent to 120 percent of area median income. The housing may be provided at below market rates, and may be provided in connection with supportive mental health and substance abuse services.

A portion of the proceeds, not to exceed \$150 million, with not more than \$50 million for first-time homebuyers, may be used to provide housing that is affordable for moderate income individuals and families; such portion may be used, by way of example only, for first-time homebuyers or to promote housing that is in proximity to employment.

Even though housing for vulnerable populations is currently being built, the number of units available does not satisfy the projected demand within our community. The Board of Supervisors intends to distribute the new affordable housing units within the County and to leverage the resources acquired through this bond to attract both private and public matching funds, including from state and federal sources. Different forms of assistance for vulnerable populations may be provided based on programs and spending as determined by the Board of Supervisors.

The Board of Supervisors views housing as a critical need of vulnerable populations, without which individuals in these populations are unlikely to achieve any level of stability. Creating and improving housing for the County's vulnerable populations is consistent with the County's mission to plan for the needs of a dynamic community, provide quality services, and promote a

healthy, safe and prosperous community for all. The County is seeking to achieve this in a cost-effective way.

### ACCOUNTABILITY SAFEGUARDS

Statement of Purpose: The specific purposes of the bond are to fund the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses, which housing may include supportive mental health and substance abuse services. The proceeds of any bonds issued pursuant to this bond measure will be applied only to these specific purposes.

Special Bond Proceeds Account: The proceeds of the bonds issued pursuant to this measure shall be deposited in a special account created by the County.

Annual Report: The County will ensure that an annual report pursuant to Government Code section 53411 describing the amount of funds collected and expended, and the status of any project required or authorized to be funded, shall be filed with its governing body.

Independent Citizens' Oversight Committee: A Citizens' Oversight Committee will be established and will review the annual report each year to ensure fiscal accountability.

Independent and External Audit: An independent, external auditor will review the County's spending of bond proceeds to ensure accountability.

## ATTACHMENT C

### TAX RATE STATEMENT

An election will be held in the County of Santa Clara, State of California (the "County") on November 8, 2016, to authorize the sale of not to exceed \$950 million in general obligation bonds of the County to mitigate the housing crisis by providing 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 supportive mental health and substance abuse services. If the bonds are approved, the County expects to sell the bonds in three series over time. Principal and interest on the bonds will be payable from the proceeds of taxes levied upon taxable property in the County. The following information is provided in compliance with Section 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.01266 per \$100 (\$12.66 per \$100,000) of assessed valuation in fiscal year 2017-18.

2. The best estimate of the tax which would be required to be levied to fund this bond issue during the first fiscal year after the sale of the last series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is \$0.01076 per \$100 (\$10.76 per \$100,000) of assessed valuation in fiscal year 2025-26.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations available at the time of filing of this statement, is \$0.01266 per \$100 (\$12.66 per \$100,000) of assessed valuation in fiscal year 2017-18.

4. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all of the bonds are issued and sold is \$1.9 billion.

Attention of all voters is directed to the fact that the foregoing information is based upon the County's projections and estimates only, which are not binding upon the County. The estimates provided herein do not account for the taxes levied to pay for bonds issued by the County pursuant to prior voted authorizations. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of bond sales, the amount of bonds sold at any given sale, market interest rates at the time of each bond sale, the credit quality of the County at the time each issue is sold, and actual assessed valuations over the term of repayment of the bonds among other factors. The actual dates of sale of said bonds and the amount sold at any given time will be governed by the needs

of the County and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation will depend upon the amount and value of taxable property within the County as determined in the annual assessment and the equalization process.

Dated: June 21, 2016



Director of Finance  
County of Santa Clara