

Adopted DOC-2018-696
08/07/2018
Board of Supervisors



**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ,
STATE OF CALIFORNIA**

RESOLUTION NO. 180-2018

On the motion of Board Member Coonerty
duly seconded by Board Member McPherson
the following resolution is adopted:

RESOLUTION AND ORDER OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ CALLING AND PROVIDING FOR AN ELECTION TO AUTHORIZE A \$140,000,000 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 6, 2018 GENERAL ELECTION

WHEREAS, the Board of Supervisors (the "Board") of the County of Santa Cruz (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 housing insecurity and a persistently high number of homeless individuals within the County;

WHEREAS, the existence of this housing crisis compels the Board to seek approval from the voters of \$140,000,000 of general obligation bonds to aid in the acquisition or improvement of real property in order to provide affordable local housing for working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance use disorders;

WHEREAS, even though housing for working families and vulnerable populations is currently being built, the number of units available to these working families and 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 working families and 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 working families and vulnerable populations is consistent with the County's vision to promote a healthy, safe and more affordable community, the County's mission to deliver quality, data-driven services that strengthen our community and enhance opportunity, and the County's goals in the area of Attainable Housing;

WHEREAS, the Board hereby determines that there is a need for affordable or

Attachment: Resolution and Order Calling Election for Bond Measure (5838 : Affordable Housing Bond Measure)

supportive housing for working families and vulnerable populations and others throughout the County;

WHEREAS, the Board hereby determines that providing a portion of the bond proceeds for affordable housing for working individuals or families, including low- and 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, Article XXXIV of the California Constitution provides that no low-rent housing project shall be developed, constructed, or acquired in any manner by any state public body until a majority of the qualified electors of the city or county in which it is proposed to develop, construct, or acquire the project, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election; and

WHEREAS, the County now wishes to submit a bond measure to the qualified electors of the County at the November 6, 2018 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 CRUZ DOES HEREBY RESOLVE, ORDER AND DETERMINE 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 Cruz, State of California, on November 6, 2018, for the purpose of submitting to the qualified electors of the County the proposition contained in the bond measure set forth in Attachment A (the "Measure") for their approval. Approval of such proposition shall constitute the approval of the provision of up to 1,041 units of affordable housing as required by Article XXXIV of the California Constitution, and authorization to issue the general obligation bonds contemplated therein.

Attachment A presents two options, one marked "Option 1" and the other marked "Option 2." The Board hereby authorizes and directs the Santa Cruz County Clerk to print Option 1 on the ballot label. Notwithstanding the foregoing, the Board directs the Santa Cruz County Clerk to print Option 2 on the ballot label and disregard Option 1 if directed in writing by the County Administrative Officer, in which case Option 2 shall be deemed to amend and supersede Option 1 in its entirety. The County Administrative Officer is hereby directed to authorize the use of Option 2 if Election Code Section 13119 is amended or suspended by legislation enacted prior to the filing deadline for this Resolution.

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The Chair of the Board, the County Administrative Officer and the Auditor-Controller-Treasurer-Tax Collector are hereby separately authorized and directed to make any changes to the text of the measure as presented on Attachment A and Attachment B to conform to any requirements of the law, or otherwise upon the advice of its legal counsel. The preceding sentence is intended to include revisions reflecting changes in applicable law effective after the date of adoption of this Resolution. The County Administrative Officer is authorized and directed to deliver revisions to the appendices hereto to the Santa Cruz County Clerk through changed pages submitted under written cover letter executed by the County Administrative Officer.

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 6, 2018. 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 6, 2018 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 Santa Cruz County Clerk), 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 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 6, 2018.

SECTION 5. Procedure for voting on measure.

(a) The Santa Cruz County Clerk 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.

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(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 Santa Cruz County Clerk.

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 Santa Cruz County Clerk 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 \$140,000,000. 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.

An Oversight Committee including citizen representatives 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 Santa Cruz County Clerk 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 Santa Cruz County Clerk no later than 5:00 p.m. on August 10, 2018.

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 Chair of the Board, or any member or members of the Board as the Chair may designate, are hereby authorized, but are not directed, to prepare and file with the Santa Cruz County Clerk 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 Santa Cruz County Clerk no later than 5:00 p.m. on August 17, 2018.

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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.

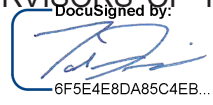
With respect to the California Environmental Quality Act (CEQA), Public Resources Code section 21000 *et seq.*, the Board hereby finds and determines that the Measure is not subject to CEQA for the following reasons:

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.

ADOPTED, SIGNED AND APPROVED this 7th day of August, 2018

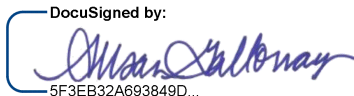
BOARD OF SUPERVISORS OF THE COUNTY OF SANTA CRUZ

By: Zach Friend
Chairperson

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ATTEST:

Susan Galloway

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Clerk of the Board of Supervisors

Attachment: Resolution and Order Calling Election for Bond Measure (5838 : Affordable Housing Bond Measure)

STATE OF CALIFORNIA)
COUNTY OF SANTA CRUZ) ss
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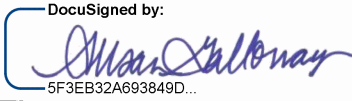
I, Susan Galloway, Clerk of the Board of Supervisors of the County of Santa Cruz, do hereby certify that the foregoing Resolution was duly adopted by the Board of Supervisors of said County at a regular meeting thereof held on the 7th day of August, 2018, and that it was so adopted by the following vote:

AYES: Supervisors: Leopold, Coonerty, Caput, McPherson, Friend

NOES: Supervisors: None

ABSENT: Supervisors: None

ABSTAIN: Supervisors: None

By: Susan Galloway 
Clerk of the Board of Supervisors

APPROVED AS TO FORM:
Scott R Ferguson
Special Counsel

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Attachment A

ABBREVIATED FORM OF BOND MEASURE*

OPTION 1

To provide affordable local housing for working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance use disorders; shall the County of Santa Cruz issue up to \$140,000,000 in general obligation bonds, with an estimated levy of \$16.77 per \$100,000 of assessed valuation, generating approximately \$8,600,000 annually through maturity, subject to independent citizen oversight and regular audits?

Bonds-Yes _____

Bonds-No _____

OPTION 2

To provide affordable local housing for working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance use disorders; shall the County of Santa Cruz issue up to \$140,000,000 in general obligation bonds to aid in the acquisition or improvement of real property, subject to independent citizen oversight and regular audits?

Bonds-Yes _____

Bonds-No _____

**See Resolution Section 2. Option 1 shall be used on the Ballot Label unless written direction is provided to the Santa Cruz County Clerk to use Option 2.*

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Attachment B

BALLOT MEASURE ____

BOND AUTHORIZATION

The Board of Supervisors of the County of Santa Cruz recognizes the existence of a housing crisis in Santa Cruz County: The rising costs of home ownership and the increasing cost of rental units throughout the county have resulted in housing insecurity and a persistently high number of homeless individuals within Santa Cruz County. The latest homeless count revealed a total of 2,250 homeless individuals in Santa Cruz County with 1,800 unsheltered.

In response to this housing crisis, the Board of Supervisors is placing a general obligation bond on the ballot to generate up to \$140,000,000 to aid in the acquisition or improvement of real property in order to provide affordable local housing for working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance abuse disorders. "Low-income" means households whose income does not exceed 80% of area median income. "Moderate-income" means households whose income lies in the range of 80% to 120% of area median income. The housing may be provided at below market rates.

A portion of the proceeds, not to exceed \$119,000,000, with not more than \$14,000,000 for first-time homebuyers, may be used to provide housing that is affordable for low- and moderate-income households; 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 working families and 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 working families and 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 working families and vulnerable populations, without which individuals in these populations are unlikely to achieve any level of stability. Creating and improving housing for the County's working families and vulnerable populations is consistent with the County's vision to promote a healthy, safe and more affordable community, the County's mission to deliver quality, data-driven services that strengthen our community and enhance opportunity, and the County's goals in the area of Attainable Housing. The County is seeking to achieve this in a cost-effective way.

Approval of this general obligation bond proposition shall constitute the approval of the provision of up to 1,041 units of affordable housing as required by Article XXXIV of the California Constitution.

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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 working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance use disorders. 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 Oversight Committee: An Oversight Committee including citizen representatives 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.

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Attachment C

TAX RATE STATEMENT

An election will be held in the County of Santa Cruz, State of California (the "County") on November 6, 2018, to authorize the sale of not to exceed \$140,000,000 in general obligation bonds of the County to mitigate the housing crisis by providing affordable local housing for working families and vulnerable populations including veterans, seniors, low- and moderate-income households, persons with disabilities, homeless individuals and families; and supportive housing for individuals suffering from mental health illnesses or substance use disorders. If the bonds are approved, the County expects to sell the bonds in two 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 from official sources of the average annual tax rate that would be required to be levied to fund that bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.01221 per \$100 (\$12.21 per \$100,000) of assessed valuation. The best estimate of the final fiscal year in which the tax is anticipated to be collected is fiscal year 2055-56.

2. The best estimate from official sources of the highest tax rate that would be required to be levied to fund the bonds issued, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors, is \$0.01677 per \$100 (\$16.77 per \$100,000) of assessed valuation. The best estimate of the year in which the highest tax rate will apply is 2026-27.

3. The best estimate from official sources of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold, is approximately \$273,768,000.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the County. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the County based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property

within the County as determined by the County Assessor in the annual assessment and the equalization process.

Dated: August 7, 2018

Auditor-Controller-
Treasurer-Tax Collector

Attachment: Resolution and Order Calling Election for Bond Measure (5838 : Affordable Housing Bond Measure)

Certificate Of Completion

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	San Ramon, CA 94583
	susan.galloway@co.santa-cruz.ca.us
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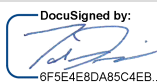
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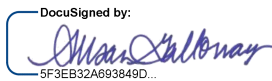
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Susan Galloway
 Susan.Galloway@co.santa-cruz.ca.us
 Chief Deputy, Clerk of the Board of Supervisors
 County of Santa Cruz
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