

THE BOND BUYER

Santa Rosa seeks a sweet spot to size housing bond proposal

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Published

June 28, 2018, 1:35pm EDT

Santa Rosa, California, is moving forward with plans for a November ballot measure for a housing bond that will help rebuilding efforts in the San Francisco Bay Area city still recovering from a devastating October 2017 wildfire.

The City Council agreed Tuesday to consider a bond amount between \$80 million and \$180 million that would raise money for affordable housing projects in the city.

The city's deadline for placing it on the ballot is Aug. 10. The council voted to survey residents on the proposal before making a final decision in late July or early August.

"It's to find where in the range is the sweet spot," Councilwoman Julie Combs said, proposing additional polling.

An \$80 million bond would cost property-owners \$19 per \$100,000 of assessed value while providing enough revenue to build 593 housing units, according to a staff report. A \$180 million bond would cost \$43 per \$100,000 of assessed value and fund 1333 housing units, the report stated.

Councilman Jack Tibbetts said the city should be able to leverage city funds with state, federal and private dollars to exceed those numbers. He cited the example of nearby Alameda County which he said has had a return on investment of \$8 for every \$1 spent for its housing bond.

The council also voted to consider measures that would increase the city's sales and hotel taxes but, Tibbetts who voted against a sales tax increase, worried that too many measures on the ballot could "erode each other."

He and other council members said housing recovery needs to be the city's top priority.

The October wildfires destroyed 5,300 homes in Sonoma County and of those 4,600 were in Santa Rosa, county and city officials say.

A survey conducted by the city found that homelessness, lack of affordable housing for working families and the overall cost of housing were the top three issues residents were concerned about.

The survey found 64% would support a city housing bond and 66% would support a sales tax increase.

Tibbetts said separate polls by a housing advocacy group found greater support with 74% of city voters supporting a bond measure.

A bond measure would need a two-thirds supermajority to pass.

The city decision to go it alone comes after efforts for a larger county-wide bond fizzled earlier this month.

Sonoma County had been considering a \$300 million housing bond – in which proceeds would be shared with cities including Santa Rosa.

But the county Board of Supervisors shelved those plans due to opposition from agricultural interests.

Instead, the county is considering a sales tax measure in unincorporated parts of the county, which would raise \$9.5 million a year. The board will discuss that proposal at its July 10 meeting.