

# THE BOND BUYER

## **\$900M housing bond still alive, but now a fallback option**

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**The San Diego Union-Tribune**

Published

June 20, 2018, 1:27pm EDT

A proposed \$900 million San Diego housing bond still has a chance to make the November ballot, but it's now being characterized as mainly a fallback option to a separate November measure to expand the convention center and address homelessness.

Supporters of the convention center measure have expressed concern that two tax increase measures related to housing and homelessness on the same ballot could prompt San Diego voters to reject both.

The housing bond would raise taxes on city of San Diego property owners an average of \$72 per year to pay for 7,500 subsidized apartments for the chronically homeless, veterans, senior citizens, the disabled and low-income families.

The convention center measure would increase hotel taxes to pay for a long-awaited expansion of that facility, repair roads and boost funding for homelessness solutions.

Despite concerns about both appearing on the same ballot, a City Council committee voted last week to have attorneys for the city draft official ballot language for the housing bond so the full council could possibly place it on the November ballot later this summer.

Councilman Chris Ward characterized that decision as less about a commitment to placing the housing bond on the ballot, and more about keeping the council's options open as supporters of the convention center measure gather the signatures required for it to make the ballot.

"Getting a more fully developed version of this proposal next month will go a long way to help us establish what all the options are viable and available going forward," Ward said.

"Right now we do not have a qualified measure for the November ballot that addresses housing," he added. "And we should leave no opportunities off the table until such a time that we have to make a collective decision about what is going to be available to the voters."

Supporters of the housing bond say they are pleased the council committee didn't outright reject it, but they've also expressed frustration that their measure now appears to be only a fallback option.

They have repeatedly said their measure would complement, not compete with, the convention center measure, which could fund counseling and other support services at the 7,500 apartments that the housing bond would fund.

Supporters also contend that the subsidized housing their measure would fund is the only proven, long-term solution to homelessness.

Critics, however, have said it makes more sense for community leaders to get behind one measure addressing homelessness and housing this November, not have two measures potentially competing for voter support.

Under that scenario, supporters of the housing bond would wait until 2020 to submit their proposal to voters.

But supporters of the housing bond say now is the time to ask voters to pay for low-income housing.

Not only would the bond raise money for local housing, it would help San Diego secure a greater share of state money devoted to homelessness and affordable housing by providing local matching funds typically necessary for such assistance.

Without such local funds, San Diego will be eligible for less state assistance than other California cities and counties that have approved similar tax hike measures addressing homelessness in recent years.

Those cities and counties — home to roughly two-thirds of the state's population — include Los Angeles, San Francisco, Santa Monica, Alameda County, San Mateo County, Santa Clara County and Berkeley.

In addition, last year's Hepatitis A outbreak in San Diego has made local voters more focused on homelessness and aware that aggressive solutions are needed, supporters of the housing bond say.

"The only solution to homelessness is a permanent home, so we will be very disappointed if we're not able to take this to the voters this November," Stephen

Russell, head of the San Diego Housing Federation and the man spearheading the bond measure, said on Tuesday. "We don't want to wait. Maybe we'll have to."

Political consultants, however, say it would hurt the housing bond to be on the same ballot as the convention center measure because voters would be more likely to opt for a hotel tax on out-of-town visitors than raising their own property taxes.

It's also not clear, even in a best-case scenario, whether there is enough support on the council to place the housing bond on the ballot. The council committee vote last week to have the ballot language drafted was 3-2 along party lines, with Democrats in favor and Republicans opposed.

The Democrats have a 5-4 majority of the full council, but a two-thirds "supermajority" of the council — six of the nine members — must approve placing the measure on the ballot because it's a tax increase requiring two-thirds approval by the electorate.

The convention center measure may need only simply majority approval by voters instead of two-thirds. A state Supreme Court ruling last year reduced the approval threshold for citizens' initiatives from two-thirds to a simple majority, but there are lingering legal questions about that ruling.