



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

August 15, 2016

Mr. John Arntz
Department of Elections
City Hall, Room 48
Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: Proposition P – Ordinance requiring competitive bidding for affordable housing projects on City-owned properties

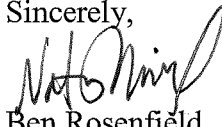
Dear Mr. Arntz,

Should the proposed ordinance be approved by the voters, in my opinion, it would have a minimal to significant impact on the cost of government depending on the extent to which multiple bid solicitations would be required or project delays occurred, and whether it actually resulted in lower bids for development of affordable housing projects on City-owned properties.

The proposed ordinance would require that the Mayor's Office of Housing and Community Development (MOHCD) receive at least three bids or proposals, and accept the "best value" proposal (determined at the discretion of MOHCD), for any affordable housing project on City-owned property that would use money from various City affordable housing funds. MOHCD estimates that 40 percent of projects do not get three bids, typically projects designed to address the needs of specific populations (e.g., transitional age youth). The proposed ordinance would require that MOHCD continue to solicit bids for a project, or withdraw the solicitation and resubmit, until at least three bids are submitted.

To the extent that MOHCD had to prepare multiple solicitations it could result in additional administrative costs and project delays resulting from lengthier solicitation periods could increase overall project costs. To the extent that requiring MOHCD to receive at least three bids resulted in lower bids for affordable housing projects, it would reduce City costs.

Sincerely,


Ben Rosenfield
Controller