The Debt Impact Statement, pursuant to Charter Section 325, for the proposed Homelessness Reduction and Housing General Obligation Bond Proposition for the November 8, 2016 State General Election should read as follows:

The issuance of the proposed $1.1 billion in General Obligation Bonds for Homelessness and Housing Projects will result in average annual debt service payments of approximately $62 million for 28 years, assuming an average interest rate of 4.6 percent. The issuance of these bonds will not cause the City’s debt service payments to exceed 15 percent of General Fund revenues as established in the City’s Debt Policy. There is no fiscal impact on the General Fund as a result of the proposed bond measure because the bonds will be repaid from ad valorem property taxes levied upon taxable properties within the City in an amount sufficient to pay the debt service.

The operations and maintenance costs associated with the projects to be financed by general obligation bonds may have an impact on the General Fund as these costs cannot be financed by general obligation bonds. Likewise, the costs associated with any services to be provided from the projects to be financed by general obligation bonds may have an impact on the General Fund to the extent the City provides or is otherwise responsible to pay for such services as costs for services cannot be financed by general obligation bonds.

If you have any questions, please contact Natalie R. Brill, Chief of Debt Management at (213) 473-7526.