

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

January 29, 2018

File No. 171310-3

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Dear Ms. Gibson:

On January 24, 2018, Supervisor Tang amended legislation for the following proposed Charter Amendment for the **November 6, 2018, Election**:

File No. 171310-3 Charter Amendment - Budget Set-Asides and Baselines

Charter Amendment (Third Draft) to amend the Charter of the City and County of San Francisco to provide that whenever the City's projected budget deficit for the upcoming fiscal year exceeds \$200 million, the City is not required to increase funding for the Municipal Transportation Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund, the Street Tree Maintenance Fund, the Controller's Audit Fund, or additional funds set aside for the Library, and the Recreation and Park Commission; to provide that money in these funds in future years that remain unspent or uncommitted at the end of the fiscal year will be returned to the City's General Fund; and to eliminate the requirement that the City provide funding to maintain a symphony orchestra; at an election to be held on November 6, 2018.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

for 

By: Alisa Somera, Legislative Deputy Director
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner
Laura Lynch, Environmental Planner

1 [Charter Amendment - Budget Set-Asides and Baselines]

2
3 **Describing and setting forth a proposal to the voters at an election to be held on November**
4 **6, 2018, to amend the Charter of the City and County of San Francisco to provide that**
5 **whenever the City's projected budget deficit for the upcoming fiscal year exceeds \$200**
6 **million, the City is not required to increase funding for the Municipal Transportation**
7 **Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the**
8 **Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment**
9 **Fund, the Dignity Fund, the Street Tree Maintenance Fund, the Controller's Audit Fund,**
10 **or additional funds set aside for the Library, and the Recreation and Park Commission; to**
11 **provide that money in these funds in future years that remain unspent or uncommitted at**
12 **the end of the fiscal year will be returned to the City's General Fund; and to eliminate the**
13 **requirement that the City provide funding to maintain a symphony orchestra.**

14
15 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
16 and County, at an election to be held on November 6, 2018, a proposal to amend the Charter of
17 the City and County by revising Sections 8A.105, 16.106, 16.107, 16.108, 16.109, 16.110,
18 16.123-2, 16.128-3, 16.129, and F1.113, to read as follows:

19 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
20 **Additions** are *single-underline italics Times New Roman font*.
21 **Deletions** are *strike-through italics Times New Roman font*.
22 **Asterisks (* * * *)** indicate the omission of unchanged Charter
23 subsections.

24 **SEC. 8A.105. MUNICIPAL TRANSPORTATION FUND.**

25 (a) There is hereby established a fund to provide a predictable, stable, and adequate
level of funding for the Agency, which shall be called the Municipal Transportation Fund. The

1 fund shall be maintained separate and apart from all other City and County funds. Monies therein
2 shall be appropriated, expended, or used by the Agency solely and exclusively for the operation
3 including, without limitation, capital improvements, management, supervision, maintenance,
4 extension, and day-to-day operation of the Agency, including any division subsequently created
5 or incorporated into the Agency and performing transportation-related functions. Monies in the
6 Fund may not be used for any other purposes than those identified in this Section.

7 (b) Beginning with the fiscal year 2000-2001 and in each fiscal year thereafter, there is
8 hereby set aside to the Municipal Transportation Fund the following:

9 1. An amount (the "Base Amount") which shall be no less than the amount of all
10 appropriations from the General Fund, including all supplemental appropriations, for the fiscal
11 year 1998-1999 or the fiscal year 1999-2000, whichever is higher (the "Base Year"), adjusted as
12 provided in subsection (c), below, for (1) the Municipal Railway; and (2) all other City and
13 County commissions, departments and agencies providing services to the Municipal Railway,
14 including the Department of Human Resources and the Purchasing Department, for the provision
15 of those services. The Base Amount for the Department of Parking and Traffic and the Parking
16 Authority shall be established in the same fashion but using fiscal years 2000-2001 and 2001-
17 2002 for the services being incorporated into the Agency.

18 2. Subject to the limitations and exclusions in Sections 4.113, the revenues of the
19 Municipal Railway, and, upon their incorporation into the Agency, the revenues of the
20 Department of Parking and Traffic, and the Parking Authority; and

21 3. All other funds received by the City and County from any source, including
22 state and federal sources, for the support of the Agency.

23 (c) The Base Amount shall initially be determined by the Controller. Adjustments to the
24 Base Amount shall be made as follows:

1 1. The Base Amount shall be adjusted for each year after fiscal year 2000-2001
2 by the Controller based on calculations consistent from year to year, by the percentage increase
3 or decrease in aggregate City and County discretionary revenues, except as provided in
4 subsection (g) of this Section 8A.105. In determining aggregate City and County discretionary
5 revenues, the Controller shall only include revenues received by the City which are unrestricted
6 and may be used at the option of the Mayor and the Board of Supervisors for any lawful City
7 purpose. Errors in the Controller's estimate of discretionary revenues for a fiscal year shall be
8 corrected by adjustment in the next year's estimate.

9 2. An adjustment shall also be made for any increases in General Fund
10 appropriations to the Agency in subsequent years to provide continuing services not provided in
11 the Base Year, but excluding additional appropriations for one-time expenditures such as capital
12 expenditures or litigation judgments and settlements.

13 3. Commencing with the fiscal year beginning on July 1, 2015, except as
14 provided in subsection (g) of this Section 8A.105, the Controller shall also adjust the Base
15 Amount annually by the percentage increase in the San Francisco population based on data from
16 the source(s) the Controller, in his or her sole discretion, finds most reliable for the most recent
17 available calendar year. The Controller's population growth adjustment shall be based on the
18 greater of the increase in daytime or night-time population. For any year in which the Controller
19 determines that neither the daytime nor night-time population has increased, the Controller shall
20 make no adjustment under this subparagraph 3 to the Base Amount. For purposes of the initial
21 adjustment for the year commencing July 1, 2015, the Controller shall adjust the Base Amount
22 based on the increase in City daytime or night-time population for the most recent ten-year
23 period for which data are available instead of the most recent available calendar year. The
24 Agency shall use the amount of any increase in the Base Amount resulting from the adjustment
25 required by this subparagraph 3 exclusively as follows: 75 per cent shall be used to make transit

1 system improvements to the Municipal Railway to improve the system's reliability, frequency of
2 service, capacity, and state of good repair, and 25 per cent shall be used for transportation capital
3 expenditures to improve street safety for all users.

4 (d) The Treasurer shall set aside and maintain the amounts required to be set aside by
5 this Section, together with any interest earned thereon, in the Municipal Transportation Fund,
6 and, except as provided in subsection (h) of this Section 8A.105, any amounts unspent or
7 uncommitted at the end of any fiscal year shall be carried forward, together with interest thereon,
8 to the next fiscal year for the purposes specified in this Article.

9 * * * *

10 (f) In addition, there is hereby set aside from the general revenues of the City and
11 County and deposited in the Municipal Transportation Fund to support the Agency's transit
12 services an amount equivalent to 80 percent of the revenues received from the City's tax on
13 occupation of parking spaces, except as provided in subsection (g) of this Section 8A.105.
14 Additional amounts appropriated as a result of this subsection after July 1, 2008 which were not
15 previously available to support transit service shall be used exclusively to:

16 1. support implementation of the transit service improvements recommended by
17 the Transit Effectiveness Project or any subsequent system-wide route and service evaluation,
18 with first priority given to the hiring of full time on-going staff and expansion of training for
19 Agency employees, supervisors and managers; and

20 2. support the creation of a Labor-Management Implementation and Service
21 Improvement Committee consisting of the Director of Transportation and a designated
22 representative of each union representing Agency employees. This committee shall meet
23 quarterly to discuss implementation of this Section and ongoing system challenges.

24 (g) Notwithstanding any other provision in this Section 8A.105, the City may freeze the
25 City's annual contribution to the Municipal Transportation Fund for any fiscal year after fiscal

1 year 2017-2018 at the then-current amount when the City's projected budget deficit for the
2 upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as
3 prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors'
4 Budget Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by
5 the percentage increase or decrease in aggregate City discretionary revenues, as determined by
6 the Controller, based on calculations consistent from year to year. In determining aggregate
7 City discretionary revenues, the Controller shall include only revenues received by the City that
8 are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for
9 any lawful City purpose.

10 In calculating adjustments to the Base Amount in subsection (c) for any fiscal year
11 following such a freeze, the City shall base the adjustments on increases or decreases to
12 discretionary revenue or population in that fiscal year only and shall disregard any increases or
13 decreases in the previous fiscal year in which the City froze contributions under this subsection
14 (g).

15 (h) Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is
16 required under this Section 8A.105 to deposit in the Municipal Transportation Fund during that
17 fiscal year, and that are not expended or encumbered by the end of the fiscal year, shall revert to
18 the City's General Fund or to any other fund to which reversion is legally required. In
19 calculating the amount of funds that revert, the Controller shall exclude continuing
20 appropriations for active capital and other one-time projects. The Controller shall calculate the
21 reversion based on the proportion of total revenues in the Municipal Transportation Fund that
22 has been allocated to the Fund under this Section.

23
24 **SEC. 16.106. CULTURAL, EDUCATIONAL AND RECREATIONAL**
25 **APPROPRIATIONS.**

1 The Board of Supervisors shall annually appropriate:

2 ~~1. To the Arts Commission, the revenue from a tax of one-eighth of one cent (\$0.00125)~~
3 ~~per one hundred dollars (\$100) of taxable assessed valuation in the City and County for~~
4 ~~maintaining a symphony orchestra;~~

5 12. To the Asian Art Commission, an amount sufficient for the purpose of maintaining,
6 displaying, and providing for the security of the City and County's collection of Asian art;

7 23. To the California Academy of Sciences, funds necessary for the maintenance,
8 operation and continuance of the Steinhart Aquarium; the Board of Supervisors shall have the
9 power to furnish to the California Academy of Sciences such funds as the Board shall deem
10 proper for the maintenance, operation and continuance of any or all other of the buildings and
11 improvements placed under the control of the California Academy of Sciences;

12 34. To the Fine Arts Museums Board of Trustees, an amount sufficient for the purpose
13 of maintaining, operating, providing for the security of, expanding and superintending the fine
14 arts museums and for the purchase of objects of art, literary productions and other personal
15 property;

16 45. To the War Memorial and Performing Arts Center Board of Trustees, an amount
17 sufficient to defray the cost of maintaining, operating and caring for the War Memorial and
18 Performing Arts Center;

19 56. To the Library Commission, the revenue from a minimum tax of one cent (\$0.01)
20 per hundred dollars (\$100) of taxable assessed valuation for constructing, maintaining and
21 improving the library system of the City and County;

22 67. To the Recreation and Park Commission, the revenue from a minimum tax of two
23 and one-half cents (\$0.025) per one hundred dollars (\$100) of taxable assessed valuation for
24 constructing, maintaining and improving parks and squares, and the revenue from a minimum
25

1 tax of one and three quarter cents (\$0.0175) per one hundred dollars (\$100) of taxable assessed
2 valuation for constructing, maintaining and improving playgrounds; and

3 78. To the Arts Commission, for the City and County-owned Community Cultural
4 Centers, an amount sufficient for the purpose of maintaining, operating, providing for the
5 security and superintending of their facilities and grounds, and for the purchase of objects of art,
6 literary productions, and other property, and for their expansion and continuance in the City and
7 County of San Francisco.

8 Notwithstanding any other provision in this Section 16.106, the City may freeze the City's
9 contribution to the funds listed in subsections (5) and (6) of this Section for any fiscal year after
10 fiscal year 2017-2018 at the then-current amount when the City's projected budget deficit for the
11 upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as
12 prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors'
13 Budget Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by
14 the percentage increase or decrease in aggregate City discretionary revenues, as determined by
15 the Controller, based on calculations consistent from year to year. In determining aggregate
16 City discretionary revenues, the Controller shall include only revenues received by the City that
17 are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for
18 any lawful City purpose.

19 Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is
20 required to contribute during that fiscal year under subsections (5) and (6) of this Section
21 16.106, and that are not expended or encumbered by the end of the fiscal year, shall revert to the
22 City's General Fund or to any other fund to which reversion is legally required. In calculating
23 the amount of funds that revert, the Controller shall exclude continuing appropriations for active
24 capital and other one-time projects. The Controller shall calculate the reversion based on the
25

1 proportion of total revenues in each department's funds that has been allocated under this
2 Section.

3
4 **SEC. 16.107. PARK, RECREATION AND OPEN SPACE FUND.**

5 (a) **Establishment of Fund.** There is hereby established the Park, Recreation and Open
6 Space Fund ("Fund") to be administered by the Recreation and Park Department ("Department")
7 as directed by the Recreation and Park Commission ("Commission"). Monies in the Fund shall
8 be expended or used solely by the Department, subject to the budgetary and fiscal provisions of
9 the Charter, to provide park and recreational services and facilities. The Department embraces
10 socio-economic and geographic equity as a guiding principle and commits to expending the
11 funds across its open space and recreational programs to provide park and recreational access to
12 all of San Francisco's diverse neighborhoods and communities.

13 (b) **Annual Set-aside.** The City will continue to set aside from the annual tax levy, for a
14 period of forty-five years starting with the fiscal year 2000-2001 and through and including fiscal
15 year 2045-2046, an amount equivalent to an annual tax of two and one-half cents (\$0.025) for
16 each \$100 assessed valuation. Beginning in fiscal year 2016-2017, revenues from the set-aside,
17 together with interest, shall be deposited into the Park, Recreation and Open Space Fund.
18 Revenues from the set-aside shall be in addition to the baseline appropriation required by
19 subsection (c).

20 The Controller shall set aside and maintain such an amount, together with any interest
21 earned thereon, in the Fund, and, except as provided in this paragraph, any amount unspent or
22 uncommitted at the end of the fiscal year shall be carried forward to the next fiscal year and,
23 subject to the budgetary and fiscal limitations of this Charter, shall be appropriated then or
24 thereafter for the purposes specified in this Section 16.107. Beginning in fiscal year 2018-2019,
25 for any fiscal year, any monies that the City is required to deposit in the Fund during that fiscal

1 year under this subsection (b) of Section 16.107, and that are not expended or encumbered by
2 the end of the fiscal year, shall revert to the City's General Fund or to any other fund to which
3 reversion is legally required. In calculating the amount of funds that revert, the Controller shall
4 exclude continuing appropriations for active capital and other one-time projects. The Controller
5 shall calculate the reversion based on the proportion of total revenues in the Fund that has been
6 allocated to the Fund under subsection (b) of this Section.

7 Notwithstanding any other provision in this Section 16.107, the City may freeze the City's
8 Annual Set-Aside for any fiscal year after fiscal year 2017-2018 at the then-current amount when
9 the City's projected budget deficit for the upcoming fiscal year at the time of the Joint Report or
10 Update to the Five Year Financial Plan as prepared jointly by the Controller, the Mayor's
11 Budget Director, and the Board of Supervisors' Budget Analyst exceeds \$200 million, adjusted
12 annually beginning with fiscal year 2017-2018 by the percentage increase or decrease in
13 aggregate City discretionary revenues, as determined by the Controller, based on calculations
14 consistent from year to year. In determining aggregate City discretionary revenues, the
15 Controller shall include only revenues received by the City that are unrestricted and may be
16 used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

17 (c) **Baseline Maintenance of Effort.** The annual set-aside shall be used exclusively to
18 increase the aggregate City appropriations to and expenditures by the Recreation and Park
19 Department for Department purposes. To this end, beginning in fiscal year 2016-2017 and
20 thereafter through fiscal year 2045-2046, the City shall not reduce the baseline general fund
21 support amount appropriated to the Department below the amount appropriated in fiscal year
22 2015-2016, as calculated by the Controller, except that the baseline amount shall be adjusted as
23 follows:
24
25

1 (1) Each year in fiscal years 2016-2017 through 2025-2026, the City shall
2 increase the baseline appropriation by \$3 million over the prior year, except as provided in
3 subsection (c)(3).

4 (2) Each year in fiscal years 2026-2027 through 2045-2046, the City shall adjust
5 the baseline by the percentage increase or decrease in aggregate City discretionary revenues, as
6 determined by the Controller, based on calculations consistent from year to year. In determining
7 aggregate City discretionary revenues, the Controller shall ~~only~~ include only revenues received
8 by the City which are unrestricted and may be used at the option of the Mayor and the Board of
9 Supervisors for any lawful City purpose. The Controller is authorized to increase or reduce
10 budgetary appropriations as required by this subsection (c) to align the baseline amount to the
11 amount required by formula based on actual revenues received during the fiscal year.

12 (3) ~~The City may suspend growth in the baseline funding pursuant to subsection~~
13 ~~(e)(1) in fiscal year 2016-2017 if the City's projected budget deficit for that year at the time of~~
14 ~~the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the Controller,~~
15 ~~the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds 200 million.~~
16 ~~For fiscal year 2017-2018 through fiscal year 2045-2046, the City may suspend growth in~~
17 ~~baseline funding pursuant to subsections (e)(1) and (e)(2) when the projected budget deficit for~~
18 ~~the upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial~~
19 ~~Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the Board of~~
20 ~~Supervisors' Budget Analyst exceeds \$200 million adjusted annually by changes in aggregate~~
21 ~~City discretionary revenues. Notwithstanding any other provision in this Section 16.107, the City~~
22 ~~may freeze the City's baseline funding under subsection (c) for any fiscal year after fiscal year~~
23 ~~2017-2018 at the then-current amount when the City's projected budget deficit for the upcoming~~
24 ~~fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as prepared~~
25 ~~jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget~~

1 Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by the
2 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
3 Controller, based on calculations consistent from year to year. In determining aggregate City
4 discretionary revenues, the Controller shall include only revenues received by the City that are
5 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
6 lawful City purpose.

7 In calculating adjustments to the baseline amount in this subsection (c) for any fiscal
8 year following such a freeze, the City shall base the adjustments on increases or decreases
9 required under subsections (c)(1) and (c)(2) for that fiscal year only and shall disregard any
10 increases or decreases in the previous fiscal year in which the City froze contributions under this
11 subsection (c)(3).

12 (4) Monies from the baseline appropriation required by this subsection (c) shall
13 not be appropriated or expended for services provided to the Recreation and Park Department by
14 other City departments and agencies unless: (A) the City department or agency charged the
15 Recreation and Park Department for that service in fiscal year 2015-2016 and the amount the
16 Recreation and Park Department paid the City department or agency for that service was
17 included in the baseline amount for fiscal year 2015-2016, although increases in the cost of such
18 services may be paid out of the baseline appropriation, or (B) the Recreation and Park
19 Department requests or agrees to a new service from a City department or agency.

20 (5) At the end of the fiscal year 2015-2016 and every year thereafter, any excess
21 general fund Departmental revenue, including any Department expenditure savings or revenue
22 surpluses deposited prior to fiscal year 2015-2016, shall be reserved to be used for one-time
23 Departmental expenditures. "General fund Departmental revenue" is defined as all revenues
24 credited to the Department's general fund budget other than the baseline contribution defined in
25 subsection (c).

1 * * * *

2
3 **SEC. 16.108. CHILDREN AND YOUTH FUND.**

4 * * * *

5 (b) **Fund for Children and Youth Services.** Operative July 1, 2001, there is hereby
6 established a fund to expand children's services, which shall be called the Children and Youth
7 Fund ("Fund"). Monies in the Fund shall be expended or used only to provide services for
8 children and youth as provided in this sSection 16.108.

9 * * * *

10 (d) **Amount.** *There is hereby set aside for the Fund, from the revenues of the property*
11 *tax levy, revenues in an amount equivalent to an annual tax of three cents (\$.03) per one*
12 *hundred dollars (\$100) of assessed valuation for each fiscal year beginning with July 1, 2001-*
13 *June 30, 2002, and ending with July 1, 2014 June 30, 2015.*

14 *For Fiscal Year 2015-2016, there is hereby set aside for the Fund, from the revenues of*
15 *the property tax levy, revenues in an amount equivalent to an annual tax of three and one-*
16 *quarter cents (\$.0325) per one hundred dollars (\$100) of assessed valuation for each fiscal year.*

17 *For Fiscal Year 2016-2017, there is hereby set aside for the Fund, from the revenues of*
18 *the property tax levy, revenues in an amount equivalent to an annual tax of three and one half*
19 *cents (\$.0350) per one hundred dollars (\$100) of assessed valuation for each fiscal year.*

20 *For Fiscal Year 2017-2018, there is hereby set aside for the Fund, from the revenues of*
21 *the property tax levy, revenues in an amount equivalent to an annual tax of three and three*
22 *quarters cents (\$.0375) per one hundred dollars (\$100) of assessed valuation for each fiscal*
23 *year.*

24 For Fiscal Year 2018-2019, and every fiscal year thereafter through Fiscal Year 2040-
25 2041, there is hereby set aside for the Fund, from the revenues of the property tax levy, revenues

1 in an amount equivalent to an annual tax of four cents (\$.04) per one hundred dollars (\$100) of
2 assessed valuation for each fiscal year.

3 Notwithstanding any other provision in this Section 16.108, the City may freeze the City's
4 annual contribution to the Fund for any fiscal year after fiscal year 2017-2018 at the then-
5 current amount when the City's projected budget deficit for the upcoming fiscal year at the time
6 of the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the
7 Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds
8 \$200 million, adjusted annually beginning with fiscal year 2017-2018 by the percentage increase
9 or decrease in aggregate City discretionary revenues, as determined by the Controller, based on
10 calculations consistent from year to year. In determining aggregate City discretionary revenues,
11 the Controller shall include only revenues received by the City that are unrestricted and may be
12 used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

13 Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is
14 required to deposit in the Fund during that fiscal year under this subsection (d) of Section
15 16.108, and that are not expended or encumbered by the end of the fiscal year, shall revert to the
16 City's General Fund or to any other fund to which reversion is legally required. In calculating
17 the amount of funds that revert, the Controller shall exclude continuing appropriations for active
18 capital and other one-time projects. The Controller shall calculate the reversion based on the
19 proportion of total revenues in the Fund that has been allocated to the Fund under this
20 subsection (d).

21 The Fund shall be maintained separate and apart from all other City and County funds
22 and appropriated by annual or supplemental appropriation.

23 * * * *

24 (h) **Baseline.** The Fund shall be used exclusively to increase the aggregate City
25 appropriations and expenditures for those services for children and Disconnected Transitional-

1 Aged Youth that are eligible to be paid from the Fund (exclusive of expenditures mandated by
2 state or federal law). To this end, the City shall not reduce the amount of such City
3 appropriations for eligible services (not including appropriations from the Fund and exclusive of
4 expenditures mandated by state or federal law) under this section below the amount so
5 appropriated for the fiscal year 2000-2001 ("the base year") as set forth in the Controller's
6 baseline budget, as adjusted ("the base amount").

7 The Controller shall calculate City appropriations made in fiscal year 2013-2014 for
8 services for Disconnected Transitional-Aged Youth aged 18 through 24 years. Beginning with
9 fiscal year 2014-2015, that amount shall be added to the base amount and adjusted as provided
10 below. The City shall not reduce the amount of such City appropriations for services for
11 Disconnected Transitional-Aged Youth (not including appropriations from the Fund and
12 exclusive of expenditures mandated by state or federal law) under this section below the amount
13 so appropriated for fiscal year 2013-2014, as adjusted.

14 The base amount shall be adjusted for each year after the base year by the Controller
15 based on calculations consistent from year to year by the percentage increase or decrease in
16 aggregate City and County discretionary revenues. In determining aggregate City and County
17 discretionary revenue, the Controller shall only include revenues received by the City and
18 County that are unrestricted and may be used at the option of the Mayor and the Board of
19 Supervisors for any lawful City purpose. The method used by the Controller to determine
20 discretionary revenues shall be consistent with method used by the Controller to determine the
21 Library and Children's Baseline Calculations dated June 20, 2000, which the Controller shall
22 place on file with the Clerk of the Board in File No. 000952. Errors in the Controller's estimate
23 of discretionary revenues for a fiscal year shall be corrected by an adjustment in the next year's
24 estimate. Within 90 days following the end of each fiscal year through Fiscal Year 2040-2041,
25 the Controller shall calculate and publish the actual amount of City appropriations for services

1 for children and Disconnected Transitional-Aged Youth that would have been eligible to be paid
2 from the Fund but are paid from other sources, separately identifying expenditures mandated by
3 state or federal law.

4 Notwithstanding any other provision in this Section 16.108, the City may freeze the City's
5 base amount required by this subsection (h) for any fiscal year after fiscal year 2017-2018 at the
6 then-current amount when the City's projected budget deficit for the upcoming fiscal year at the
7 time of the Joint Report or Update to the Five Year Financial Plan as prepared jointly by the
8 Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds
9 \$200 million, adjusted annually beginning with fiscal year 2017-2018 by the percentage increase
10 or decrease in aggregate City discretionary revenues, as determined by the Controller, based on
11 calculations consistent from year to year. In determining aggregate City discretionary revenues,
12 the Controller shall include only revenues received by the City that are unrestricted and may be
13 used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

14 In calculating adjustments to the base amount for any fiscal year following such a freeze,
15 the City shall base the adjustments on increases or decreases to discretionary revenue in that
16 fiscal year only and shall disregard any increases or decreases in the previous fiscal year in
17 which the City froze contributions under this subsection (h).

18 * * * *

19
20 **SEC. 16.109. LIBRARY PRESERVATION FUND.**

21 (a) **Establishment of Fund.** There is hereby established the Library Preservation Fund
22 ("the Fund") to be administered by the Library Department as directed by the Library
23 Commission. Monies therein shall be expended or used solely by the Library Department,
24 subject to the budgetary and fiscal provisions of the Charter, to provide library services and to
25 construct, maintain and operate library facilities.

1 (b) **Annual Set-Aside.** The City will continue to set aside from the annual property tax
2 levy, for a period of fifteen years starting with the fiscal year 2008-2009 an amount equivalent to
3 an annual tax of two and one-half cents (\$0.025) for each one hundred dollars (\$100) assessed
4 valuation ("Annual Set-Aside"), except as provided in subsection (h) of this Section 16.109.

5 The Controller shall set aside and maintain such an amount, together with any interest
6 earned thereon, in the Fund, Revenues obtained from the Annual Set-Aside shall be in addition
7 to, and not in place of, any General Fund monies appropriated to the Library pursuant to
8 subsection (c).

9 Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is
10 required to deposit in the Fund during that fiscal year by this subsection (b) of Section 16.109,
11 and that are not expended or encumbered by the end of the fiscal year, shall revert to the City's
12 General Fund or to any other fund to which reversion is legally required. In calculating the
13 amount of funds that revert, the Controller shall exclude continuing appropriations for active
14 capital and other one-time projects. The Controller shall calculate the reversion based on the
15 proportion of total revenues in the Fund that has been allocated to the Fund under this
16 subsection (b).

17 (c) **Baseline Maintenance of Effort.** The Annual Set-Aside shall be used exclusively to
18 increase the aggregate City appropriations and expenditures for services, materials, facilities and
19 equipment that will be operated by the Library for Library purposes. To this end, in any of the
20 fifteen years during which funds are required to be set aside under this Section, the City shall not
21 reduce the Baseline for the Library Department below the fiscal year 2006-2007 Required
22 Baseline Amount (as calculated by the Controller), except that the Baseline shall be adjusted as
23 provided below.

24 The Baseline shall be adjusted for each year after fiscal year 2006-2007 by the Controller
25 based on calculations consistent from year to year, by the percentage increase or decrease in

1 aggregate City and County discretionary revenues, except as provided in subsection (h) of this
2 Section 16.109. In determining aggregate City and County discretionary revenues, the Controller
3 shall only include revenues received by the City which are unrestricted and may be used at the
4 option of the Mayor and the Board of Supervisors for any lawful City purpose. Errors in the
5 Controller's estimate of discretionary revenues for a fiscal year shall be corrected by adjustment
6 in the next year's estimate. For purposes of this subsection, (i) aggregate City appropriations
7 shall not include funds granted to the City by private agencies or appropriated by other public
8 agencies and received by the City, and (ii) Library Department appropriations shall not include
9 funds appropriated to the Library Department to pay for services of other City departments or
10 agencies, except for departments or agencies for whose specific services the Library Department
11 was appropriated funds in fiscal year 2006-2007. Within 180 days following the end of each
12 fiscal year through fiscal year 2023-2024, the Controller shall calculate and publish the actual
13 amount of City appropriations for the Library Department.

14 The Controller shall set aside and maintain such baseline amounts, together with any
15 interest earned thereon, in the Fund.

16 ~~*At the end of each fiscal year, the Controller shall pro-rate any monies from the annual*~~
17 ~~*Baseline and the Annual Set Aside that remain uncommitted in the Fund, and the Baseline*~~
18 ~~*portion of such amount shall be returned to the General Fund. The Annual Set Aside portion of*~~
19 ~~*such amount shall be carried forward to the next fiscal year and shall be appropriated then or*~~
20 ~~*hereafter for the purposes specified in this Section. Beginning in fiscal year 2018-2019, for any*~~
21 ~~*fiscal year, any monies that the City is required to deposit in the Fund during that fiscal year*~~
22 ~~*under this subsection (c) of Section 16.109, and that are not expended or encumbered by the end*~~
23 ~~*of the fiscal year, shall revert to the City's General Fund or to any other fund to which reversion*~~
24 ~~*is legally required. In calculating the amount of funds that revert, the Controller shall exclude*~~
25 ~~*continuing appropriations for active capital and other one-time projects. The Controller shall*~~

1 calculate the reversion based on the proportion of total revenues in the Fund that has been
2 allocated to the Fund under this subsection (c).

3 Adjustments in the Controller's estimate of the Baseline, including any baseline changes
4 required from increases or decreases to City revenues after budget adoption, along with
5 adjustments to the Annual Set-Aside for a fiscal year shall be corrected by credits or adjustment
6 to be carried forward and added to the annual City appropriation for next fiscal year and, subject
7 to the budgetary and fiscal limitations of this Charter, shall be appropriated then or thereafter for
8 the purposes specified in this Section.

9 * * * *

10 (h) Notwithstanding any other provision in this Section 16.109, the City may freeze the
11 Baseline and Annual Set-Aside for any fiscal year after fiscal year 2017-2018 at the then-current
12 amounts when the City's projected budget deficit for the upcoming fiscal year at the time of the
13 Joint Report or Update to the Five Year Financial Plan as prepared jointly by the Controller, the
14 Mayor's Budget Director, and the Board of Supervisors' Budget Analyst exceeds \$200 million,
15 adjusted annually beginning with fiscal year 2017-2018 by the percentage increase or decrease
16 in aggregate City discretionary revenues, as determined by the Controller, based on calculations
17 consistent from year to year. In determining aggregate City discretionary revenues, the
18 Controller shall include only revenues received by the City that are unrestricted and may be
19 used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

20 In calculating adjustments to the Baseline under subsection (c) for any fiscal year
21 following such a freeze, the City shall base the adjustments on increases or decreases to
22 discretionary revenue in that fiscal year only and shall disregard any increases or decreases in
23 the previous fiscal year in which the City froze contributions under this subsection (h).

24
25 **SEC. 16.110. HOUSING TRUST FUND.**

1 (a) **Creation of Fund.** There is hereby established a Housing Trust Fund to support
2 creating, acquiring and rehabilitating affordable housing and promoting affordable home
3 ownership programs in the City, as provided in this Section 16.110.

4 * * * *

5 (c) **Funding.**

6 (1) In the Fiscal Year 2013-2014 budget, the City shall appropriate to the
7 Housing Trust Fund \$20 million.

8 (2) Except as provided by subsection (c)(9) of this Section 16.110, Ffor the next
9 11 fiscal years, in each of the annual budgets for Fiscal Year 2014-2015 through Fiscal Year
10 2024-2025, the City shall appropriate to the Housing Trust Fund an amount increasing by \$2.8
11 million per year, until ~~the annual appropriation required by this Section reaches \$50.8 million in~~
12 the Fiscal Year 2024-2025 budget.

13 (3) In the annual budgets for Fiscal Year 2025-2026 through Fiscal Year 2042-
14 43, the City shall appropriate to the Housing Trust Fund an amount equal to the prior year's
15 appropriation, adjusted by the percentage increase or decrease in General Fund Discretionary
16 Revenues budgeted for the year compared to the prior year's original budgeted amount of
17 General Fund Discretionary Revenues.

18 (4) Should the City adopt a fixed two-year budget under Charter Section 9.101,
19 the adjustment for the Housing Trust Fund appropriation for the two years of the two-year
20 budget shall be based on the amount of General Fund Discretionary Revenues estimated for the
21 two-year period included in the budget.

22 (5) During Fiscal Years 2025-2026 through 2042-2043, if the Controller submits
23 a revised estimate of General Fund Discretionary Revenues for a given Fiscal Year or two-year
24 budget period that is lower than the amount originally budgeted for that period, then the Board
25 may, by ordinance, reduce the appropriation to the Housing Trust Fund for that budget period in

1 an amount that does not exceed the amount proportionate to the percentage shortfall in the
2 discretionary revenue projection.

3 (6) The Controller's method of calculating the amount of and changes in General
4 Fund Discretionary Revenues shall be consistent from fiscal year to fiscal year and with the
5 Controller's method for calculating those figures under Charter Sections 8A.105, 16.108, and
6 16.109. The Controller shall treat General Fund appropriations to the Housing Trust Fund as
7 reductions in General Fund Discretionary Revenues when calculating other funding allocations
8 that are tied to General Fund Discretionary Revenues, including funding allocations under
9 Charter Sections 8A.105, 16.108, and 16.109. The Controller shall correct errors in the estimate
10 of discretionary revenues for a fiscal year through an adjustment to the next fiscal year's
11 estimate.

12 (7) In any year during the term of this Section, the City may, in its discretion,
13 reduce its annual contribution to the Housing Trust Fund for that year by an amount equal to or
14 less than 56.7% of the annual debt service required to service any SB2113 Affordable Housing
15 Bonds issued after January 1, 2013. "SB2113 Affordable Housing Bonds" are bonds issued by
16 the City to support the acquisition and creation of replacement affordable housing citywide using
17 property tax increment from former Redevelopment project areas under California Health and
18 Safety Code Section 33333.7

19 (8) The Controller shall set aside and maintain the amounts appropriated to the
20 Housing Trust Fund under this Section, together with any interest earned thereon, and, except as
21 provided in this subsection (c)(8), any amount unexpended or uncommitted at the end of the
22 fiscal year shall be carried forward to the next fiscal year and, subject to the budgetary and fiscal
23 limitations of this Charter, shall be appropriated for the purposes specified in this Section.
24 Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is required by
25 this Section 16.110 to deposit in the Housing Trust Fund during that fiscal year, and that are not

1 expended or encumbered by the end of the fiscal year, shall revert to the City's General Fund or
2 to any other fund to which reversion is legally required. In calculating the amount of funds that
3 revert, the Controller shall exclude continuing appropriations for active capital and other one-
4 time projects. The Controller shall calculate the reversion based on the proportion of total
5 revenues in the Housing Trust Fund that has been allocated to the Fund under this Section
6 16.110.

7 (9) Notwithstanding any other provision in this Section 16.110, the City may
8 freeze the City's annual contribution to the Housing Trust Fund for any fiscal year after fiscal
9 year 2017-2018 at the then-current amount when the City's projected budget deficit for the
10 upcoming fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as
11 prepared jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors'
12 Budget Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by
13 the percentage increase or decrease in aggregate City discretionary revenues, as determined by
14 the Controller, based on calculations consistent from year to year. In determining aggregate
15 City discretionary revenues, the Controller shall include only revenues received by the City that
16 are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for
17 any lawful City purpose.

18 In calculating adjustments required by this subsection (c) for any fiscal year following
19 such a freeze, the City shall base the adjustments on increases or decreases required under
20 subsection (c) for that fiscal year only and shall disregard any increases or decreases in the
21 previous fiscal year in which the City froze contributions under this subsection (c)(9).

22 * * * *

23
24 **SEC. 16.123-2. PUBLIC EDUCATION ENRICHMENT FUND.**
25

1 (a) **Creating the Fund.** There shall be a Public Education Enrichment Fund. The City
2 shall each year appropriate monies to the Public Education Enrichment Fund according to
3 subsections (b), (c), and (d), below.

4 (b) **Baseline Appropriations.** The Fund shall be used exclusively to increase the
5 aggregate City appropriations to and expenditures for the San Francisco Unified School District.
6 To this end, the City shall not reduce the amount of such City appropriations (not including
7 appropriations from the Fund and exclusive of expenditures mandated by state or federal law) in
8 any year during which funds are required to be set aside under this Section below the amount so
9 appropriated for Fiscal Year 2002-2003 ("the base year"). These baseline appropriations shall be
10 separate from the City's annual contributions to the Public Education Enrichment Fund under
11 subsection (c), and shall be appropriated by the City to the School District each year through and
12 including Fiscal Year 2040-2041.

13 The amount of the City's baseline appropriations to the School District shall be adjusted
14 for each year after the base year by the Controller based on calculations consistent from year to
15 year by the percentage increase or decrease in City and County discretionary General Fund
16 revenues, *except as provided in subsection (d) of this Section 16.123-2*. In determining City and
17 County discretionary General Fund revenues, the Controller shall only include revenues received
18 by the City and County that are unrestricted and may be used at the option of the Mayor and the
19 Board of Supervisors for any lawful City purpose. Errors in the Controller's estimate of
20 discretionary revenues for a fiscal year shall be corrected by an adjustment in the next year's
21 estimate. Using audited financial results for the prior fiscal year, the Controller shall calculate
22 and publish the actual amount of City appropriations that would have been required under this
23 baseline for the School District.

24 (c) **Annual Contributions to the Fund** ~~*FY 2005-2006 through FY 2009-2010*~~. In
25 addition to the annual baseline appropriation provided above, the City shall, for ~~*years two*~~

1 *through six of this measure Fiscal Year 2009-2010, contribute the following amounts \$60 million*
2 to the Public Education Enrichment Fund. ÷

3 *Fiscal Year 2005-06 \$10 million*

4 *Fiscal Year 2006-07 \$20 million*

5 *Fiscal Year 2007-08 \$30 million*

6 *Fiscal Year 2008-09 \$45 million*

7 *Fiscal Year 2009-10 \$60 million*

8 ~~*(d) Annual Contributions to the Fund—FY 2010-11 and Thereafter.*~~ For Fiscal Years
9 2010-11 and thereafter, the City's annual contribution to the Public Education Enrichment Fund
10 shall equal its total contribution for the prior year, beginning with Fiscal Year 2009-2010,
11 adjusted for the estimated increase or decrease in discretionary General Fund revenues for the
12 year, except as provided in subsection (d) of this Section 16.123-2.

13 *(d) Notwithstanding any other provision in this Section 16.123-2, the City may freeze the*
14 *baseline appropriations and annual contributions to the Public Education Enrichment Fund for*
15 *any fiscal year after fiscal year 2017-2018 at the then-current amounts when the City's projected*
16 *budget deficit for the upcoming fiscal year at the time of the Joint Report or Update to the Five*
17 *Year Financial Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the*
18 *Board of Supervisors' Budget Analyst exceeds \$200 million, adjusted annually beginning with*
19 *fiscal year 2017-2018 by the percentage increase or decrease in aggregate City discretionary*
20 *revenues, as determined by the Controller, based on calculations consistent from year to year. In*
21 *determining aggregate City discretionary revenues, the Controller shall include only revenues*
22 *received by the City that are unrestricted and may be used at the option of the Mayor and the*
23 *Board of Supervisors for any lawful City purpose.*

24 *In calculating adjustments required by subsections (b) and (c) for any fiscal year*
25 *following such a freeze, the City shall base the adjustments on increases or decreases required*

1 under subsections (b) and (c) for that fiscal year only and shall disregard any increases or
2 decreases in the previous fiscal year in which the City froze contributions under this subsection
3 (d).

4 Beginning in fiscal year 2018-2019, for any fiscal year, any monies that the City is
5 required by this Section 16.123-2 to deposit in the Public Education Enrichment Fund during
6 that fiscal year, and that are not expended or encumbered by the end of the fiscal year, shall
7 revert to the City's General Fund or to any other fund to which reversion is legally required. In
8 calculating the amount of funds that revert, the Controller shall exclude continuing
9 appropriations for active capital and other one-time projects. The Controller shall calculate the
10 reversion based on the proportion of total revenues in the Fund that has been allocated to the
11 Fund under this Section 16.123-2.

12 * * * *

13
14 **SEC. 16.128-3. ANNUAL CONTRIBUTIONS TO THE FUND.**

15 (a) **Annual Baseline Contributions to the Fund.** Each year during the term of Charter
16 Sections 16.128-1 et seq., the City shall make an annual baseline contribution to the Fund in the
17 amount of \$38 million, representing the amount the City spent in fiscal year 2016-2017 to
18 provide eligible services as identified in Section 16.128-4 to Seniors and Adults with
19 Disabilities.

20 (b) **Additional Contributions for FY 2017-2018 through FY 2026-2027.** For fiscal
21 year 2017-2018, the City shall increase its contribution to the Fund over the baseline amount in
22 subsection (a) by \$6 million. For each fiscal year from 2018-2019 through 2026-2027, the City
23 shall increase its additional contribution to the Fund under this subsection (b) by \$3 million over
24 the prior year.

1 (c) **Projected Budget Deficits.** Notwithstanding the provisions of subsection (b), the
2 City may freeze the City's annual contribution to the Fund for any fiscal year 2017-2018 through
3 2026-2027 at the then-current amount when the City's projected budget deficit for the upcoming
4 fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as prepared
5 jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget
6 Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by the
7 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
8 Controller, based on calculations consistent from year to year. In determining aggregate City
9 discretionary revenues, the Controller shall only include revenues received by the City that are
10 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
11 lawful City purpose.

12 In calculating adjustment required by subsection (b) for any fiscal year following such a
13 freeze, the City shall base the adjustments on increases or decreases required under subsection
14 (b) for that fiscal year only and shall disregard any increases that would have been required in
15 the previous fiscal year in which the City froze contributions under this subsection (c).

16 * * * *

17 (f) The Controller shall maintain the Fund separate and apart from all other City funds.
18 Except as provided in this subsection (f), any amount in the Fund unspent or uncommitted at
19 the end of the fiscal year shall be carried forward to the next fiscal year and, subject to the
20 budgetary and fiscal limitations of this Charter, shall be appropriated then or thereafter for the
21 services and purposes specified in Section 16.128-4. Beginning in fiscal year 2018-2019, for any
22 fiscal year, any monies that the City is required by this Section 16.128-3 to deposit in the Fund
23 during that fiscal year, and that are not expended or encumbered by the end of the fiscal year,
24 shall revert to the City's General Fund or to any other fund to which such reversion is legally
25 required. In calculating the amount of funds that revert, the Controller shall exclude continuing

1 appropriations for active capital and other one-time projects. The Controller shall calculate the
2 reversion based on the proportion of total revenues in the Fund that has been allocated to the
3 Fund under this Section 16.128-3.

4
5 **SEC. 16.129. STREET TREE MAINTENANCE.**

6 * * * *

7 (f) **Creating the Street Tree Maintenance Fund; Annual City Contributions.** There
8 shall be a Street Tree Maintenance Fund (the “Fund”). Each fiscal year, beginning in fiscal year
9 2017-2018, the City shall contribute \$19 million to the Fund. The Fund shall also include any
10 other monies appropriated or allocated to the Fund. Beginning in fiscal year 2018-2019, the
11 Controller shall adjust the amount of the City’s annual \$19 million contribution to the Fund
12 under this subsection (f) by the percentage increase or decrease in aggregate City discretionary
13 revenues, as determined by the Controller, based on calculations consistent from year to year. In
14 determining aggregate City discretionary revenues, the Controller shall only include revenues
15 received by the City that are unrestricted and may be used at the option of the Mayor and the
16 Board of Supervisors for any lawful City purpose. The method used by the Controller to
17 determine discretionary revenues shall be the same as the method used by the Controller to
18 determine the Library and Children’s Fund Baseline calculations, as provided in Charter Section
19 16.108(h). The change in aggregate discretionary revenues will be adjusted following the end of
20 the fiscal year when final revenues are known. The Controller is authorized to increase or reduce
21 budgetary appropriations as required under this subsection (f) to reflect changes in aggregate
22 discretionary revenues following the end of the fiscal year when final revenues are known. The
23 Controller shall set aside and maintain the above amounts, together with any interest earned
24 thereon, in the Fund, which shall be subject to appropriation. Except as provided in subsection
25 (g) of this Section 16.129, ~~a~~Any amount unspent or uncommitted at the end of the fiscal year

1 shall be deemed to have been devoted exclusively to a specified purpose within the meaning of
2 Charter Section 9.113(a), shall be carried forward to the next fiscal year, and, subject to the
3 budgetary and fiscal limitations of this Charter, shall be appropriated then or thereafter for the
4 purposes set forth in this Section 16.129.

5 ~~(g) Beginning in fiscal year 2018-2019, the City may suspend growth in the City's \$19~~
6 ~~million contribution to the Fund under subsection (f) of this Section 16.129 if the City's projected~~
7 ~~budget deficit for the upcoming fiscal year at the time of the Joint Report or Update to the five-~~
8 ~~year financial plan as prepared jointly by the Controller, the Mayor's Budget Director, and the~~
9 ~~Board of Supervisors' Budget Analyst exceeds \$200 million adjusted annually by changes in~~
10 ~~aggregate discretionary revenues as defined in subsection (f) of this Section 16.129.~~

11 (1) Notwithstanding any other provisions in this Section 16.129, the City may
12 freeze the City's annual contribution to the Fund under subsection (f) of this Section 16.129 for
13 any fiscal year after fiscal year 2017-2018 at the then-current amount when the City's projected
14 budget deficit for the upcoming fiscal year at the time of the Joint Report or Update to the Five
15 Year Financial Plan as prepared jointly by the Controller, the Mayor's Budget Director, and the
16 Board of Supervisors' Budget Analyst exceeds \$200 million, adjusted annually beginning with
17 fiscal year 2017-2018 by the percentage increase or decrease in aggregate City discretionary
18 revenues, as determined by the Controller, based on calculations consistent from year to year. In
19 determining aggregate City discretionary revenues, the Controller shall include only revenues
20 received by the City that are unrestricted and may be used at the option of the Mayor and the
21 Board of Supervisors for any lawful City purpose.

22 In calculating adjustments required by subsection (f) for any fiscal year following such a
23 freeze, the City shall base the adjustments on increases or decreases required under subsection
24 (f) for that fiscal year only and shall disregard any increases or decreases in the previous fiscal
25 year in which the City froze contributions under this subsection (g).

1 (2) In any fiscal year beginning in fiscal year 2018-2019, any monies that the
2 City is required by this Section 16.129 to deposit in the Fund during that fiscal year, and that are
3 not expended or encumbered by the end of the fiscal year, shall revert to the City's General Fund
4 or to any other fund to which such reversion is legally required. In calculating the amount of
5 funds that revert, the Controller shall exclude continuing appropriations for active capital and
6 other one-time projects. The Controller shall calculate the reversion based on the proportion of
7 total revenues in the Fund that has been allocated to the Fund under this Section 16.129.

8 * * * *

9
10 **F1.113. CONTROLLER'S AUDIT FUND.**

11 Notwithstanding any other provision of this Charter, the Mayor and Board of Supervisors
12 shall be required to budget an amount equal to at least two-tenths of one percent (0.2%) of the
13 City's overall budget, apportioned by fund and excluding bond related debt, to implement this
14 provision. This amount shall be referred to as the Controller's Audit Fund, and shall be used
15 exclusively to implement the duties and requirements of this Appendix, and shall not be used to
16 displace funding for the non-audit related functions of the Controller's Office existing prior to the
17 date this provision is enacted. If the funds are not expended or encumbered by the end of the
18 fiscal year, the balance in the fund shall revert to the General Fund or the enterprise funds where
19 it originated.

20 Notwithstanding any other provisions in this Section F1.113, the City may freeze the
21 City's annual contribution to the Controller's Audit Fund for any fiscal year after fiscal year
22 2017-2018 at the then-current amount when the City's projected budget deficit for the upcoming
23 fiscal year at the time of the Joint Report or Update to the Five Year Financial Plan as prepared
24 jointly by the Controller, the Mayor's Budget Director, and the Board of Supervisors' Budget
25 Analyst exceeds \$200 million, adjusted annually beginning with fiscal year 2017-2018 by the

1 percentage increase or decrease in aggregate City discretionary revenues, as determined by the
2 Controller, based on calculations consistent from year to year. In determining aggregate City
3 discretionary revenues, the Controller shall include only revenues received by the City that are
4 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any
5 lawful City purpose.

6
7 Section 2.

8 (a) The voters find that it is critical for the City to address the challenges of mandatory
9 dedicated City spending of existing revenues in a comprehensive manner.

10 (b) This Proposition supplants in its entirety any other City proposition related to the
11 allocation of existing City tax revenues, including allocation of previously authorized transient
12 occupancy tax revenues, that the voters may approve at the November 6, 2018 election. If the
13 voters adopt this Proposition and any other such proposition and this Proposition receives more
14 votes, then the other proposition shall not become operative in any respect.

15 (c) If another proposition related to allocation of existing City tax revenues receives
16 more votes than this Proposition at the November 6, 2018 election, Section 1 of this Proposition
17 shall nonetheless become operative in all respects.

18
19 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

20
21 By: 

JON GIVNER
Deputy City Attorney

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REVISED LEGISLATIVE DIGEST

(1/24/2018, Amended in Committee)

[Charter Amendment - Budget Set-Asides and Baselines]

Describing and setting forth a proposal to the voters at an election to be held on November 6, 2018, to amend the Charter of the City and County of San Francisco to provide that whenever the City's projected budget deficit for the upcoming fiscal year exceeds \$200 million, the City is not required to increase funding for the Municipal Transportation Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund, the Street Tree Maintenance Fund, the Controller's Audit Fund, or additional funds set aside for the Library, and the Recreation and Park Commission; to provide that money in these funds in future years that remain unspent or uncommitted at the end of the fiscal year will be returned to the City's General Fund; and to eliminate the requirement that the City provide funding to maintain a symphony orchestra.

Existing Law

The Charter provides for guaranteed annual funding in a number of special funds, including: the Municipal Transportation Fund, the Park, Recreation and Open Space Fund, the Children and Youth Fund, the Library Preservation Fund, the Housing Trust Fund, the Public Education Enrichment Fund, the Dignity Fund, the Street Tree Maintenance Fund, and the Controller's Audit Fund. The Charter also requires funding to support the Library, the Recreation and Park Commission, and the symphony. These funding requirements are commonly known as "baselines" (where the Charter sets a base amount of funding for a particular purpose) and "set-asides" (where the Charter requires that a certain level of funding be set aside and appropriated each year). In adopting the annual budget, the Board of Supervisors and the Mayor have no discretion to provide lower amounts of funding than the Charter-mandated baselines and set-asides require.

These funding requirements in the Charter include different but often overlapping provisions. Some of these sections provide that money in a fund that remains unspent or uncommitted at the end of the fiscal year carries over in the fund for the next fiscal year; others require that the remaining funds revert back to the City's General Fund. Some of these sections allow the City to suspend mandatory funding increases in years during which there is a deficit of \$200 million or more; others do not include such a suspension trigger.

Amendments to Current Law

The proposed Charter amendment would provide that mandatory increases to all existing set-asides and baselines may be suspended in years during which there is a deficit of \$200 million or more, annually adjusted for inflation. For all set-asides and baselines other than set-asides calculated as a percentage of City revenues, such a suspension would result in a decrease in the City's contributions to the fund in future years.

The proposed measure would also provide that in future years, any funds appropriated under a Charter-mandated baseline or set-aside that are not spent or committed by the end of the fiscal year and that are not dedicated to active capital or other one-time projects will return the General Fund or to any other fund required by law.

The proposed measure would also eliminate the set-aside to support the symphony orchestra.

Finally, the proposed measure would provide that if the voters approve both this measure and a measure allocating previously authorized hotel tax revenues at the November 6, 2018 election, and this measure receives more votes, then the other measure will not become operative in any respect.

Background Information

This Legislative Digest reflects amendments adopted by the Rules Committee on January 17 and 24, 2018. At the January 24 meeting, the Rules Committee amended the measure to appear on the November 2018 ballot instead of the June 2018 ballot.

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