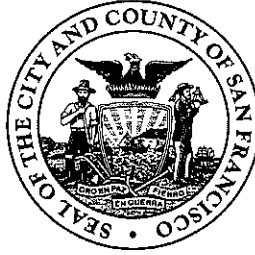


BOARD of SUPERVISORS



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

MEMORANDUM

TO: Brian Strong, Program Director, Capital Planning Program
Monica Quattrin, Commission Secretary, Fire Commission
Greg Suhr, Chief, Police Department
Inspector John Monroe, Secretary, Police Commission
Ben Rosenfield, City Controller, Office of the Controller
Todd Rydstrom, Deputy City Controller, Office of the Controller
Jose Cisneros, Treasurer, Office of the Treasurer & Tax Collector

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee, Board of Supervisors

DATE: December 23, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Mayor Lee:

File No. 151276

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"),

CEQA Guidelines, and Administrative Code, Chapter 31; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan, consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

1 [General Obligation Bond Election - Public Health and Safety - \$350,000,000]

2
3 **Ordinance calling and providing for a special election to be held in the City and County**
4 **of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to**
5 **San Francisco voters a proposition to incur the following bonded debt of the City and**
6 **County: \$350,000,000 to finance the construction, acquisition, improvement, and**
7 **betterment of critical community health, emergency response and safety, and animal**
8 **care facilities for earthquake safety and related costs necessary or convenient for the**
9 **foregoing purposes; authorizing landlords to pass-through 50% of the resulting**
10 **property tax increase to residential tenants in accordance with Administrative Code,**
11 **Chapter 37; finding that the estimated cost of such proposed project is and will be too**
12 **great to be paid out of the ordinary annual income and revenue of the City and County**
13 **and will require expenditures greater than the amount allowed therefor by the annual**
14 **tax levy; reciting the estimated cost of such proposed project; fixing the date of**
15 **election and the manner of holding such election and the procedure for voting for or**
16 **against the proposition; fixing the maximum rate of interest on such bonds and**
17 **providing for the levy and collection of taxes to pay both principal and interest;**
18 **prescribing notice to be given of such election; adopting findings under the California**
19 **Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code,**
20 **Chapter 31; finding that the proposed bond is in conformity with the eight priority**
21 **policies of Planning Code, Section 101.1(b), and with the General Plan, consistency**
22 **requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53;**
23 **consolidating the special election with the general election; establishing the election**
24 **precincts, voting places and officers for the election; waiving the word limitation on**
25 **ballot propositions imposed by Municipal Elections Code, Section 510; complying with**

1 the restrictions on the use of bond proceeds specified in California Government Code,
2 Section 53410; incorporating the provisions regarding the citizens' bond oversight
3 committee in Administrative Code, Sections 5.30-5.36; and waiving the time
4 requirements specified in Administrative Code, Section 2.34.

5 Note: Additions are single-underline italics Times New Roman;
6 deletions are ~~strikethrough italics Times New Roman~~.
7 Board amendment additions are double underlined.
8 Board amendment deletions are ~~strikethrough normal~~.

8 Be it ordained by the People of the City and County of San Francisco:

9 Section 1. Findings.

10 a. This Board of Supervisors (this "Board") recognizes the need to safeguard and
11 enhance the public health and safety in the event of an earthquake by constructing and
12 improving facilities that provide such services to City residents.

13 b. The Public Health and Safety Bond (the "Bond") will provide funding to acquire,
14 construct, and improve critical public health and safety facilities (as described below in
15 Section 3).

16 c. This Board now wishes to describe the terms of a ballot measure seeking
17 approval for the issuance of general obligation bonds to finance all or a portion of the City's
18 public health and safety needs as described below.

19 Section 2. A special election is called and ordered to be held on Tuesday, June 7,
20 2016, for the purpose of submitting to the electors of the City a proposition to incur bonded
21 indebtedness of the City for the project described in the amount and for the purposes stated:

22 "SAN FRANCISCO PUBLIC HEALTH AND SAFETY BOND, 2016. \$350,000,000 of
23 bonded indebtedness to critical public health and safety facilities including essential seismic
24 retrofits and improvements at the Priscilla Chan and Mark Zuckerberg San Francisco General
25 Hospital and Trauma Center campus, the modernization of fire response systems and the

1 renovation and addition to the Southeast Health Center, the renovation and seismic upgrade
2 of the San Francisco Fire Department Ambulance Deployment Facility, and the construction of
3 a new seismically safe Animal Care and Control Shelter; and to pay related costs, subject to
4 independent citizen oversight and regular audits; and authorizing landlords to pass-through to
5 residential tenants in units subject to Chapter 37 of the Administrative Code (the "Residential
6 Rent Stabilization and Arbitration Ordinance") 50% of the increase in the real property taxes
7 attributable to the cost of the repayment of the bonds."

8 The special election called and ordered shall be referred to in this ordinance as the
9 "Public Health and Safety Bond Special Election."

10 Section 3. PROPOSED PROGRAM. All contracts that are funded with the proceeds of
11 bonds authorized hereby shall be subject to the provisions of Chapter 83 of the Administrative
12 Code (the "First Source Hiring Program"), which fosters construction and permanent
13 employment opportunities for qualified economically disadvantaged individuals. In addition,
14 all contracts that are funded with the proceeds of bonds authorized hereby shall be subject to
15 the provisions of Chapter 14B of the Administrative Code (the "Local Business Enterprise and
16 Non-Discrimination in Contracting Ordinance"), which assists small and micro local
17 businesses to increase their ability to compete effectively for the award of City contracts. The
18 proposed program can be summarized as follows:

19 a. PUBLIC HEALTH PROJECT. A portion of the Bond shall be allocated to make
20 essential seismic retrofits and improvements at the Priscilla Chan and Mark Zuckerberg San
21 Francisco General campus and neighborhood clinic, including but not limited to the
22 modernization of fire response systems and the renovation and addition to the Southeast
23 Health Center

24 b. SAFETY PROJECT. A portion of the Bond shall be allocated to the construction,
25 acquisition, improvement, retrofitting, and upgrade of the San Francisco Fire Department

1 Ambulance Deployment Facility, which includes the construction of a modern, seismically safe
2 ambulance and paramedic deployment facility.

3 c. ANIMAL RESCUE PROJECT. A portion of the Bond shall be allocated to the
4 construction, acquisition, improvement, retrofitting, and upgrading of the San Francisco
5 Animal Shelter, which includes the construction of a modern, seismically safe building to care
6 for displaced animals and to prevent the spread of communicable diseases in the event of an
7 earthquake.

8 d. CITIZENS' OVERSIGHT COMMITTEE. A portion of the Bond shall be used to
9 perform audits of the Bond, as further described in Section 15.

10 Section 4. BOND ACCOUNTABILITY MEASURES.

11 The Bond shall include the following administrative rules and principles:

12 a. OVERSIGHT. The proposed bond funds shall be subjected to approval
13 processes and rules described in the Charter and Administrative Code. Pursuant to
14 Administrative Code 5.31, the Citizens' General Obligation Bond Oversight Committee shall
15 conduct an annual review of bond spending, and shall provide an annual report of the bond
16 program to the Mayor and the Board of Supervisors.

17 b. TRANSPARENCY. The City shall create and maintain a Web page outlining and
18 describing the bond program, progress, and activity updates. The City shall also hold an
19 annual public hearing and reviews on the bond program and its implementation before the
20 Capital Planning Committee, the Police and Fire Commissions, and the Citizens' General
21 Obligation Bond Oversight Committee.

22 Section 5. The estimated cost of the bond financed portion of the project described in
23 Section 2 above was fixed by the Board by Resolution No. _____, in the amount of
24 \$350,000,000. Said resolution was passed by two-thirds or more of the Board and approved
25 by the Mayor. In such resolution it was recited and found by the Board that the sum of money

1 specified is too great to be paid out of the ordinary annual income and revenue of the City in
2 addition to the other annual expenses or other funds derived from taxes levied for those
3 purposes and will require expenditures greater than the amount allowed by the annual tax
4 levy.

5 The method and manner of payment of the estimated costs described in this ordinance
6 are by the issuance of bonds of the City not exceeding the principal amount specified.

7 Such estimate of costs as set forth in such resolution is adopted and determined to be
8 the estimated cost of such bond financed improvements and financing, as designed to date.

9 Section 6. The Bond Special Election shall be held and conducted and the votes
10 received and canvassed, and the returns made and the results ascertained, determined, and
11 declared as provided in this ordinance and in all particulars not recited in this ordinance such
12 election shall be held according to State law and the Charter and any regulations adopted
13 under State law or the Charter, providing for and governing elections in the City, and the polls
14 for such election shall be and remain open during the time required by such laws and
15 regulations.

16 Section 7. The Bond Special Election is consolidated with the General Election
17 scheduled to be held in the City on Tuesday, June 7, 2016. The voting precincts, polling
18 places, and officers of election for the June 7, 2016 General Election are hereby adopted,
19 established, designated, and named, respectively, as the voting precincts, polling places, and
20 officers of election for the Bond Special Election called, and reference is made to the notice of
21 election setting forth the voting precincts, polling places, and officers of election for the June
22 7, 2016 General Election by the Director of Elections to be published in the official newspaper
23 of the City on the date required under State law.

24 Section 8. The ballots to be used at the Bond Special Election shall be the ballots used
25 at the June 7, 2016 General Election. The word limit for ballot propositions imposed by

1 Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond
2 Special Election, in addition to any other matter required by law to be printed thereon, shall
3 appear the following as a separate proposition:

4 "SAN FRANCISCO PUBLIC HEALTH AND SAFETY BOND, 2016. "To protect public
5 health and safety, improve community health care services, earthquake safety, and
6 emergency medical response; to seismically improve, expand, and modernize the City's vital
7 public health facilities; to construct a seismically safe and improved San Francisco Fire
8 Department ambulance deployment facility; and to construct a seismically safe, modern
9 animal shelter to care for displaced animals and control the spread of disease; and to pay
10 related costs, shall the City and County of San Francisco issue \$350,000,000 in general
11 obligation bonds, subject to citizen oversight and regular audits?"

12 Each voter to vote in favor of the issuance of the foregoing bond proposition shall mark
13 the ballot in the location corresponding to a "YES" vote for the proposition, and each voter to
14 vote against the proposition shall mark the ballot in the location corresponding to a "NO" vote
15 for the proposition.

16 Section 9. If at the Bond Special Election it shall appear that two-thirds of all the voters
17 voting on the proposition voted in favor of and authorized the incurring of bonded
18 indebtedness for the purposes set forth in such proposition, then such proposition shall have
19 been accepted by the electors, and bonds authorized shall be issued upon the order of the
20 Board. Such bonds shall bear interest at a rate not exceeding applicable legal limits.

21 Section 10. For the purpose of paying the principal and interest on the bonds,
22 the Board shall, at the time of fixing the general tax levy and in the manner for such general
23 tax levy provided, levy and collect annually each year until such bonds are paid, or until there
24 is a sum in the Treasury of the City, or other account held on behalf of the Treasurer of the
25 City, set apart for that purpose to meet all sums coming due for the principal and interest on

1 the bonds, a tax sufficient to pay the annual interest on such bonds as the same becomes due
2 and also such part of the principal thereof as shall become due before the proceeds of a tax
3 levied at the time for making the next general tax levy can be made available for the payment
4 of such principal.

5 Section 11. This ordinance shall be published in accordance with any State law
6 requirements, and such publication shall constitute notice of the Bond Special Election and no
7 other notice of the Bond Special Election hereby called need be given.

8 Section 12. The Board, having reviewed the proposed legislation, makes the following
9 findings in compliance with the California Environmental Quality Act ("CEQA"), California
10 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 California
11 Administrative Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco
12 Administrative Code Chapter 31 ("Chapter 31"): Each of the facilities proposed to be funded
13 with this Bond have been reviewed as required by CEQA. The Environmental Review Officer
14 has determined that the proposed facilities are either exempt from CEQA or have been
15 analyzed in an environmental document and are consistent with such analysis. The Board
16 affirms the determinations, for the reasons set forth in the analyses contained in Board of
17 Supervisors File No. _____, incorporated herein by this reference thereto.

18 Section 13. The Board finds and declares that the proposed Bond is (a) in conformity
19 with the priority policies of Section 101.1(b) of the Planning Code, (b) in accordance with
20 Section 4.105 of the Charter and Section 2A.53(f) of the Administrative Code, and (c)
21 consistent with the City's General Plan, and adopts the findings of the Planning Department,
22 as set forth in the General Plan Referral Report dated December __, 2016, a copy of which is
23 on file with the Clerk of the Board in File No. _____ and incorporates such
24 findings by reference.

1 Section 14. Under Section 53410 of the California Government Code, the bonds shall
2 be for the specific purposes authorized in this ordinance and the proceeds of such bonds will
3 be applied only for such specific purposes. The City will comply with the requirements of
4 Sections 53410(c) and 53410(d) of the California Government Code.

5 Section 15. The Bonds are subject to, and incorporate by reference, the applicable
6 provisions of Administrative Code Sections 5.30 – 5.36 (the "Citizens' General Obligation
7 Bond Oversight Committee"). Under Section 5.31, to the extent permitted by law, one-tenth of
8 one percent (0.1%) of the gross proceeds of the Bonds shall be deposited in a fund
9 established by the Controller's Office and appropriated by the Board of Supervisors at the
10 direction of the Citizens' General Obligation Bond Oversight Committee to cover the costs of
11 said committee.

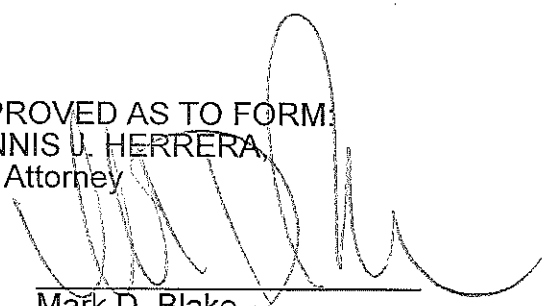
12 Section 16. The time requirements specified in Section 2.34 of the Administrative
13 Code are waived.

14 Section 17. The appropriate officers, employees, representatives, and agents of the
15 City are hereby authorized and directed to do everything necessary or desirable to accomplish
16 the calling and holding of the Bond Special Election, and to otherwise carry out the provisions
17 of this ordinance.

18 Section 18. Documents referenced in this ordinance are on file with the Clerk of the
19 Board of Supervisors in File No. _____, which is hereby declared to be a part of
20 this ordinance as if set forth fully herein.

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



By:

Mark D. Blake
Deputy City Attorney

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