

BOARD of SUPERVISORS



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MEMORANDUM

BUDGET AND FINANCE COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Sandra Lee Fewer, Chair, Budget and Finance Committee

FROM: *an for* Linda Wong, Assistant Clerk

DATE: June 7, 2019

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**
Tuesday, June 11, 2019

The following file should be presented as a **COMMITTEE REPORT** at the Board meeting on Tuesday, June 11, 2019, at 2:00 p.m. This item was acted upon at a Special Committee Meeting today, June 6, 2019, at 1:00 p.m., by the votes indicated.

Item No. 22 **File No. 190500**

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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 \$628,500,000 for 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 maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; and waiving the time requirements specified in Administrative Code, Section 2.34.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Sandra Lee Fewer - Aye
Supervisor Catherine Stefani - Aye
Supervisor Rafael Mandelman - Aye
Supervisor Hillary Ronen - Aye
Supervisor Norman Yee - Aye

c: Board of Supervisors
Angela Calvillo, Clerk of the Board
Jon Givner, Deputy City Attorney
Alisa Somera, Legislative Deputy Director

File No. 190500

Committee Item No. 2

Board Item No. 78

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date June 6, 2019

Board of Supervisors Meeting Date JUNE 11, 2019

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CEQA Determination</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>General Plan Referral</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>COMMITTEE REPORT Memo 06/07/2019</u> |
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Completed by: Victor Young Date May 31, 2019

Completed by: _____ Date 6/7/19

1 [General Obligation Bonds - Earthquake Safety and Emergency Response - Not to Exceed
2 \$628,500,000]

3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the construction, acquisition, improvement, renovation, and seismic retrofitting of the**
5 **Emergency Firefighting Water System, firefighting facilities and infrastructure, police**
6 **facilities and infrastructure, facilities for the Department of Emergency Management's**
7 **911 Call Center, and other disaster response facilities and infrastructure for earthquake**
8 **and public safety and related costs necessary or convenient for the foregoing**
9 **purposes; authorizing landlords to pass-through 50% of the resulting property tax**
10 **increase to residential tenants in accordance with Administrative Code, Chapter 37;**
11 **finding that the estimated cost of \$628,500,000 for such proposed project is and will be**
12 **too great to be paid out of the ordinary annual income and revenue of the City and**
13 **County and will require expenditures greater than the amount allowed therefor by the**
14 **annual tax levy; reciting the estimated cost of such proposed project; fixing the**
15 **maximum rate of interest on such bonds and providing for the levy and collection of**
16 **taxes to pay both principal and interest; finding that a portion of the proposed bond is**
17 **not a project under the California Environmental Quality Act (CEQA) and adopting**
18 **findings under CEQA for the remaining portion of the proposed bond; finding that the**
19 **proposed bond is in conformity with the eight priority policies of Planning Code,**
20 **Section 101.1(b), and is consistent with the General Plan; complying with the**
21 **restrictions on the use of bond proceeds specified in California Government Code,**
22 **Section 53410; and waiving the time requirements specified in Administrative Code,**
23 **Section 2.34.**

1 WHEREAS, The United States Geological Survey (the "U.S.G.S.") estimates a 72%
2 chance that one or more earthquakes of a magnitude of 6.7 or larger will occur in the Bay
3 Area before the year 2042; and

4 WHEREAS, The U.S.G.S. predicts that a large earthquake occurring today on the San
5 Andreas or Hayward Fault would likely cause hundreds of deaths and billions of dollars in
6 damage; and

7 WHEREAS, A large magnitude earthquake would damage critical City and County of
8 San Francisco (the "City") facilities and infrastructure, thereby compromising the capacity of
9 first responders, including fire and police personnel, to respond effectively; and

10 WHEREAS, With adequate funding the City can construct, acquire, improve, renovate,
11 retrofit, complete and seismically upgrade the emergency firefighting water system (the
12 "EFWS") and related facilities, including but not limited to cisterns, pipes and tunnels, and
13 related facilities (collectively, the "EFWS Project"); and

14 WHEREAS, With adequate funding the City can construct, acquire, improve, renovate,
15 retrofit and complete critical firefighting facilities and infrastructure for earthquake safety and
16 emergency response including without limitation, neighborhood fire stations, a Fire
17 Department training facility and related facilities (collectively, the "Firefighting Facilities and
18 Infrastructure"); and

19 WHEREAS, With adequate funding the City can construct, acquire, improve, renovate,
20 retrofit and complete police facilities and infrastructure for earthquake safety and emergency
21 response including without limitation, neighborhood police stations and related facilities
22 (collectively, the "Police Facilities and Infrastructure"); and,

23 WHEREAS, With adequate funding the City can construct improve, renovate, retrofit
24 and complete needed improvements to the City's 911 Call Center (the "911 Call Center"); and,
25

1 WHEREAS, With adequate funding the City can construct, acquire, improve, renovate,
2 retrofit and complete critical disaster response facilities and infrastructure for greater
3 earthquake safety and more effective emergency response (collectively, the "Disaster
4 Response Facilities and Infrastructure"); and

5 WHEREAS, The Earthquake Safety and Emergency Response Bond (the "Bond") will
6 provide funding for the EFWS, Firefighting Facilities and Infrastructure, Police Facilities and
7 Infrastructure, the 911 Call Center, and Disaster Response Facilities and Infrastructure; and

8 WHEREAS, The Board recognizes the need to safeguard and enhance the City's
9 earthquake and emergency response and recovery by rehabilitating critical facilities that
10 support the City's first responders; now, therefore, be it

11 RESOLVED, By the Board:

12 Section 1. The Board determines and declares that the public interest and necessity
13 demand the construction, acquisition, improvement, renovation, completion and seismic
14 retrofitting of the EFWS Project, Firefighting Facilities and Infrastructure, Police Facilities and
15 Infrastructure, 911 Call Center, and Disaster Response Facilities and Infrastructure, and the
16 payment of related costs necessary or convenient for the foregoing purposes.

17 Section 2. The estimated cost of \$628,500,000 of the Bond is and will be too great to
18 be paid out of the ordinary annual income and revenue of the City, will require an expenditure
19 greater than the amount allowed by the annual tax levy, and will require the incurrence of
20 bonded indebtedness in an amount not to exceed \$628,500,000.

21 Section 3. The Board, having reviewed the proposed legislation, makes the following
22 findings in compliance with the California Environmental Quality Act ("CEQA"), California
23 Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 14 California Code of
24 Regulations, Sections 15000 et seq., ("CEQA Guidelines"), and Administrative Code,
25 Chapter 31 ("Chapter 31"):

1 (i) Emergency Firefighting Water System (EFWS) Project. For the reasons set
2 forth in the letter from the Environmental Review Officer of the Planning Department, dated
3 May 8, 2019, a copy of which is on file with the Clerk of the Board in File No. 190500 and
4 incorporated by reference, the Board finds that the bond proposal as it relates to funds for the
5 EFWS Project is not subject to CEQA because as the establishment of a government
6 financing mechanism that does not involve any commitment to specific projects to be
7 constructed with the funds, it is not a project as defined by CEQA and the CEQA Guidelines.
8 The use of bond proceeds to finance any project or portion of any project with funds for the
9 EFWS Project portion of the Bond will be subject to approval of the Board upon completion of
10 planning and any further required environmental review under CEQA for the individual EFWS
11 projects.

12 (ii) Firefighting Facilities and Infrastructure. For the reasons set forth in the letter
13 from the Environmental Review Officer of the Planning Department, dated May 8, 2019, a
14 copy of which is on file with the Clerk of the Board in File No. 190500 and incorporated by
15 reference, the Board finds that the bond proposal as it relates to funds for Critical Firefighting
16 Facilities and Infrastructure is not subject to CEQA because as the establishment of a
17 government financing mechanism that does not involve any commitment to specific projects to
18 be constructed with the funds and no site has yet been identified for a training facility, it is not
19 a project as defined by CEQA and the CEQA Guidelines. The use of bond proceeds to
20 finance any project or portion of any project with funds for the Critical Firefighting Facilities
21 and Infrastructure portion of the Bond will be subject to approval of the Board upon completion
22 of planning and any further required environmental review under CEQA for the individual
23 Firefighting Facilities and Infrastructure projects.

24 (iii) Police Facilities and Infrastructure. For the reasons set forth in the letter from
25 the Environmental Review Officer of the Planning Department, May 8, 2019, a copy of which

1 is on file with the Clerk of the Board in File No. 190500 and incorporated by reference, the
2 Board finds that the bond proposal as it relates to funds for Police Facilities and Infrastructure
3 is not subject to CEQA because as the establishment of a government financing mechanism
4 that does not involve any commitment to specific projects to be constructed with the funds, it
5 is not a project as defined by CEQA and the CEQA Guidelines. The use of bond proceeds to
6 finance any project or portion of any project with funds for the Police Facilities and
7 Infrastructure portion of the Bond will be subject to approval of the Board upon completion of
8 planning and any further required environmental review under CEQA for the individual Police
9 Facilities and Infrastructure projects.

10 (iv) 911 Call Center. The Environmental Review Officer in the Planning Department
11 determined that the 911 Call Center project is exempt from environmental review as a Class 1
12 Categorical Exemption, existing facilities, in a written determination dated May 8, 2019, and
13 contained in Planning Department File No. 2019-005262EEC and this Board's File No.
14 190500.

15 (v) Disaster Response Facilities and Infrastructure. For the reasons set forth in the
16 letter from the Environmental Review Officer of the Planning Department, dated May 8, 2019,
17 a copy of which is on file with the Clerk of the Board in File No. 190500 and incorporated by
18 reference, the Board finds that the bond proposal as it relates to funds for Disaster Response
19 Facilities and Infrastructure is not subject to CEQA because as the establishment of a
20 government financing mechanism that does not involve any commitment to specific projects to
21 be constructed with the funds, it is not a project as defined by CEQA and the CEQA
22 Guidelines. The use of bond proceeds to finance any project or portion of any project with
23 funds for the Disaster Response Facilities and Infrastructure portion of the Bond will be
24 subject to approval of the Board upon completion of planning and any further required
25

1 environmental review under CEQA for the individual Disaster Response Facilities and
2 Infrastructure projects.

3 Section 4. The Board finds and declares that the proposed Bond is (i) in conformity
4 with the eight priority policies of Planning Code, Section 101.1(b), (ii) in accordance with
5 Charter, Section 4.105 and Administrative Code, Section 2A.53(f), and (iii) consistent with the
6 General Plan, and adopts the findings of the Planning Department, as set forth in the General
7 Plan Referral Report dated May 8, 2019, a copy of which is on file with the Clerk of the Board
8 in File No. 190500 and incorporates such findings by reference.

9 Section 5. The time limit for approval of this resolution specified in Administrative
10 Code, Section 2.34 is waived.

11 Section 6. Under Administrative Code, Section 2.40, the ordinance submitting this
12 proposal to the voters shall contain a provision authorizing landlords to pass-through 50% of
13 the resulting property tax increases to residential tenants in accordance with Administrative
14 Code, Chapter 37.

15 Section 7. Documents referenced in this resolution are on file with the Clerk of the
16 Board of Supervisors in File No. 190500, which is hereby declared to be a part of ///

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25 this resolution as if set forth fully herein.

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this resolution as if set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: Kenneth David Roux
KENNETH DAVID ROUX
Deputy City Attorney
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<p>Items 2 and 3 Files 19-0500 and 19-0494</p>	<p>Department: Office of Public Finance (OPF)</p>
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EXECUTIVE SUMMARY

Legislative Objectives

File 19-0500 is a resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management’s 911 Call Center, and other disaster response infrastructure and facilities; providing for the levy and collection of taxes to pay the bond principal and interest; adopting findings under the California Environmental Quality Act (CEQA); and waiving time limits in Administrative Code, Section 2.34.

File 19-0494 is an ordinance calling and providing for a special election on March 3, 2020, to submit a proposition to San Francisco voters to incur \$628,500,000 of general obligation bonded indebtedness to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management’s 9-1-1 Call Center, and other disaster response infrastructure and facilities.

Key Points

- In June 2010, voters approved Proposition B, which authorized the issuance of \$412,300,000 of Earthquake Safety and Emergency Response (ESER) general obligation bonds to finance the construction, acquisition, improvement, and retrofitting of police and fire facilities and replacement of the Emergency Firefighting Water System.
- In June 2014, San Francisco voters approved Proposition A, which authorized the issuance of an additional \$400,000,000 of ESER general obligation bonds to fund the continuation of certain projects funded by the 2010 ESER bonds as well as new ESER projects.
- All of the authorized 2010 and 2014 ESER bonds have been sold and appropriated.

Fiscal Impact

- The bonds would be sold in four issuances between 2020 and 2028, and are projected to have an annual interest rate of 6.0 percent over approximately 20 years. Total debt service payments are estimated to be \$1,080,000,000, including approximately \$451,500,000 in interest and \$628,500,000 in principal, with estimated average annual debt service payments of \$38,500,000.
- A single family residence with an assessed value of \$500,000 would pay average annual additional property taxes to the City of \$73.18 per year to cover the debt service.
- The proposed issuances are consistent with the City’s policies to keep the property tax rate for City general obligation bonds below the FY 2005-06 rate.

Recommendation

Approval of the proposed ordinance and resolution is a policy decision for the Board of Supervisors.

MANDATE STATEMENT

According to Article 16, Section 18(a) of the State of California Constitution, no county, city, town, township, board of education, or school district, shall incur any indebtedness or liability for any purpose exceeding in any year the income and revenue provided for such year, without the approval of two-thirds of the voters of the public entity voting at an election to be held for that purpose.

City Administrative Code Section 2.34 requires that a resolution of public interest and necessity for the acquisition, construction or completion of any municipal improvement be adopted by the Board of Supervisors not less than 141 days before the election at which such proposal will be submitted to the voters. These time limits may be waived by resolution of the Board of Supervisors.

BACKGROUND

In June 2010, the voters of San Francisco approved Proposition B, which authorized the issuance of \$412,300,000 of Earthquake Safety and Emergency Response (ESER) general obligation bonds to finance the construction, acquisition, improvement, and retrofitting of 19 Fire Stations, a new Public Safety Building, repair, replacement and expansion of the City's Emergency Firefighting Water System and other firefighting infrastructure and facilities related to earthquake safety.

In June 2014, San Francisco voters approved Proposition A, which authorized the issuance of an additional \$400,000,000 of ESER general obligation bonds to fund the continuation of certain projects funded by the 2010 ESER bonds as well as new ESER projects. All of the authorized 2010 and 2014 ESER bonds have been sold and appropriated, as shown in Table 1 below.

**Table 1: 2010 and 2014 Earthquake Safety and Emergency Response
General Obligation Bond Appropriations**

Description	ESER 2010 Appropriations	ESER 2014 Appropriations	Total
Public Safety Building	\$239,000,000		\$239,000,000
Emergency Firefighting Water System ¹	102,400,000	\$54,347,209	156,747,209
Neighborhood Fire Stations	66,906,311	80,353,118	147,259,429
Traffic Company & Forensic Services Division		163,375,148	163,375,148
Office of Chief Medical Examiner		67,533,024	67,533,024
Police Facilities		29,643,932	29,643,932
Oversight and Cost of Bond Issuance	3,993,689	4,747,568	8,741,257
Total	\$412,300,000	\$400,000,000	\$812,300,000

DETAILS OF PROPOSED LEGISLATION

File 19-0494: The proposed ordinance would call and provide for a special election to be held in San Francisco on March 3, 2020, in order to submit to San Francisco voters a proposition to incur \$628,500,000 of general obligation bonded indebtedness to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 9-1-1 Call Center, and other disaster response infrastructure and facilities.

File 19-0500: The proposed resolution would determine and declare that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 9-1-1 Call Center, and other disaster response infrastructure and facilities.

Both the proposed ordinance (File 19-0494) and resolution (File 19-0500) would:

- Authorize landlords to pass-through 50 percent of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37;
- Find that the estimated cost of \$628,500,000 for such proposed projects will be too great to be paid out of the ordinary annual income and revenue of the City and will require expenditures greater than the amount allowed by the annual tax levy;
- Recite the estimated cost of such proposed projects;

¹ The Emergency Firefighting Water System is an independent fire protection system, also referred to as the Auxiliary Water Supply System which was designed after the 1906 Earthquake and Fire as a secondary defense against fires in the event the domestic water system fails. It includes a reservoir, two storage tanks, two pump stations, approximately 135 miles of pipes with approximately 1,600 hydrants and 52 connection along the waterfront to allow fire engines to pump water from the Bay. The Emergency Firefighting Water System also includes 153 underground cisterns throughout the City, which store water available for firefighting.

- Fix the maximum rate of interest on the bonds and provide for the levy and collection of taxes to pay both principal and interest on the bonds;
- Find that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopt findings under CEQA for the remaining portion of the proposed bond;
- Find that the proposed bonds are in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and
- Waive the time requirements specified in Administrative Code, Section 2.34.

Possible uses of the bond proceeds are shown in Table 2 below.

Table 2: Possible Uses of the Proposed 2020 ESER Bond

Program	2020 Bond Budget	Explanation
Emergency Firefighting Water System	\$153,500,000	SFPUC completed planning studies in 2013 and 2018 that will inform the selection and design of specific projects to be funded through ESER 2020. Funding will be focused on improving high-pressure fire suppression capabilities of the City's western neighborhoods. Approximately \$157 million was previously appropriated as part of the ESER 2010 and ESER 2014 bonds.
Neighborhood Fire Stations	275,000,000	Preliminary assessment of the neighborhood fire stations determined that the cost to correct structural and seismic deficiencies would require more than \$350 million (in 2009 dollars). Approximately \$148 million was previously appropriated as part of the ESER 2010 and ESER 2014 bonds. This programmatic area would also fund a new firefighter training facility on Treasure Island to replace the current facility acquired from the U.S. Navy that is planned to close to make way for a development project on the island.
Police Facilities	121,000,000	A March 2013 comprehensive facility report identified up to \$250 million (in 2013 dollars) of various mechanical, electrical and other renovation and seismic upgrades needed to correct deficiencies at police district stations. Approximately \$30 million was previously appropriated as part of the ESER 2014 bond.
Disaster Response Facilities	70,000,000	The public facilities that could be pressed into service after a disaster includes some City-owned buildings known to have seismic vulnerabilities and functional and/or life-safety deficiencies that could hinder their use. ESER 2020 funding would allow the City to make seismic upgrades and functional and life-safety improvements to support deployment of aid, provide shelter and coordinate disaster response at select City-owned buildings after a disaster.
9-1-1 Call Center	9,000,000	Expansion of the 9-1-1 Call Center will increase the number of dispatcher work stations and reconfigure the supervisor bridge for better visual oversight of all dispatchers.
Total	\$628,500,000	

FISCAL IMPACT**Rationale for Proposed Costs**

According to Ms. Heather Green, Capital Planning Director in the Office of the City Administrator, the proposed funding amounts are based on recent examples of similar seismic station retrofits or replacements and SFPUC estimates for Emergency Firefighting Water System improvements until the next planned bond in 2027.

The proposed 2020 ESER Bond does not specify which fire stations, police stations, disaster response facilities, or Emergency Firefighting Water System projects would be renovated or the scope of work that would be completed for each station or project. Ms. Green notes, with the exception of the 9-1-1 Call Center project, specific projects have not yet been detailed, as specific projects would be subject to CEQA review which is infeasible to accomplish prior to March 2020. If the proposed \$628.5 million ESER Bond is approved by voters, Police and Fire Department staff would work with Public Works and SFPUC staff to prioritize the needs of each specific facility, station, and project and to scope the individual projects. All issuances of the bonds and appropriations of the bond fund proceeds would be subject to Board of Supervisors approval, at which time CEQA review and approval of the specific projects would be required and the project costs would be identified.

Proposed Bond Financing Costs

If the proposed \$628,500,000 of ESER General Obligation Bonds are approved by the San Francisco voters in March 2020, Mr. Vishal Trivedi, Financial Analyst in the Office of Public Finance, anticipates that these bonds would be sold in four issuances between 2020 and 2028. According to Mr. Trivedi, the \$628,500,000 of ESER General Obligation Bonds are projected to have an annual interest rate of 6.0 percent over approximately 20 years, with estimated total debt service payments of \$1,080,000,000, including approximately \$451,500,000 in interest and \$628,500,000 in principal, with estimated average annual debt service payments of \$38,500,000.

Repayment of such annual debt service would be recovered through increases to the annual property tax rate. A single family residence with an assessed value of \$500,000, assuming a homeowners exemption of \$7,000, would pay average annual additional property taxes to the City of \$73.18 per year to cover the debt service on the proposed \$628,500,000 of ESER General Obligation Bonds.

Oversight and bond issuance costs are included in the budget shown in Table 3 above. According to Mr. Trivedi, 0.2 percent of project funds would be allocated to the City Services Auditor audit function and 0.1 percent of the par would be allocated to the General Obligation Bond Oversight Committee. The Office of Public Finance typically assumes issuance costs of approximately \$600,000 per issuance and a 1 percent underwriter's discount, although these costs are subject to change per transaction.

Debt Limit

Section 9.106 of the City Charter limits the amount of general obligation bonds the City can have outstanding at any given time to three percent of the total assessed value of property in San Francisco. The FY 2018-19 total assessed value of property in the City is approximately \$259.3 billion, such that the general obligation debt limit is currently approximately \$7.78 billion. According to Mr. Trivedi, as of June 30, 2019, there will be \$2,293,487,973 of general obligation bonds outstanding, or approximately 0.9 percent of the total assessed value of property in the City. If the subject \$628,500,000 of ESER General Obligation Bonds are issued as proposed, the outstanding general obligation bonds would total \$2,921,987,973, or approximately 1.1 percent of the total assessed value of property.

The proposed issuances are consistent with the City's current debt management policy and the intent of the City's approved Ten Year Capital Plan, to keep the property tax rate for City general obligation bonds below the FY 2005-06 rate by issuing new bonds as older ones are retired and the tax base grows, though this property tax rate may vary based on other factors.

POLICY CONSIDERATION

Approval of the proposed resolution (File 19-0500) requires two-thirds or more of the Board of Supervisors approval and approval by the Mayor. In addition, approval of this \$628,500,000 General Obligation Bond would require approval by at least two-thirds of San Francisco voters.

RECOMMENDATION

Approval of the proposed ordinance and resolution is a policy decision for the Board of Supervisors.



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date: May 8, 2019
Case No. Case No. 2019-006218GPR
ESER 2020 Bond

Block/Lot No.: Various
Project Sponsor: San Francisco Department of Real Estate
25 Van Ness Ave.
San Francisco, CA 94102

Applicant: Naomi Kelly
Office of the City Administrator
City Hall, Room 362; 1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102
(415) 554-4851
city.administrator@sfgov.org

Staff Contact: Seung Yen Hong -- (415) 575-9026
seungyen.hong@sfgov.org

Recommendation: Finding the project, on balance, is in conformity with
the General Plan.

Recommended
By: 
John Rahaim, Director of Planning

PROJECT DESCRIPTION

The Project is the City's proposed Earthquake Safety and Emergency Response (ESER) Bond for the November 2019 ballot, the purpose of which is to fund repairs and improvements that would allow San Francisco to more quickly and effectively respond to a major earthquake or other disaster. The City Administrator, on behalf of the City and County of San Francisco is proposing a \$622.5 million Earthquake Safety and Emergency Response (ESER) Bond for the November 2019 ballot. The purpose of the ESER 2020 Bond is to fund repairs and improvements that would allow San Francisco to more quickly and effectively respond to a major earthquake or other disaster. The ESER 2020 Bond program would build on the 2014 Earthquake Safety and Emergency Response Bond that funded a wide range of projects.

The ESER 2020 bond proposal consists of the following program components. Specific projects under these program components will be identified and evaluated according to established criteria that prioritizes enhancements to public safety. All projects will be subject to environmental review.

1. Replace or relocate the firefighting training facility on Treasure Island and strengthen, improve and rehabilitate neighborhood fire stations throughout the City;
2. Renovate, expand, and seismically upgrade the City's aging Emergency Firefighting Water System;
3. Make seismic, safety and programmatic improvements to outdated district police stations and support facilities;
4. Expand the City's 9-1-1 Call Center within the existing building at 1011 Turk Street to make way for more dispatchers, new technologies and increased efficiencies; and
5. Upgrade or replace critical City-owned disaster response facilities throughout the City to assure the City can deploy aid, provide emergency shelter, and coordinate emergency response and recovery activities.

The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.

ENVIRONMENTAL REVIEW

Bond proposals for Emergency Firefighting Water System (EFWS); Firefighting Facilities and Infrastructure; Police Facilities and Infrastructure; and Disaster Response Capable Facilities and Infrastructure:

- Not a project under CEQA Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment. The Bond proposal is not subject to CEQA because it establishes a government financing mechanism that does not involve any commitment to specific projects to be constructed with the funds, and it is not a project as defined by CEQA and the CEQA Guidelines. Any future projects that receive funding from the 2020 ESER Bond would be subject to environmental review.

Bond proposal for 911 Call Center (1011 Turk Street):

- The planning department determined that the 911 Call Center (1011 Turk Street) project is exempt from environmental review as a Class 1 Categorical Exemption, existing facilities, in a written determination dated MAY 3, 2019 and contained in Planning Department File No. 2019-005262ENV.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the City's proposed Earthquake Safety and Emergency Response (ESER) Bond for the November 2019 ballot, the purpose of which is to fund repairs and improvements that

would allow San Francisco to more quickly and effectively respond to a major earthquake or other disaster. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 as described in the body of this letter and is, on balance, in-conformity with the following Objectives and Policies of the General Plan:

COMMUNITY SAFETY ELEMENT

OBJECTIVE 1

**REDUCE STRUCTURAL AND NONSTRUCTURAL HAZARDS TO LIFE SAFETY AND
MINIMIZE PROPERTY DAMAGE RESULTING FROM FUTURE DISASTERS**

POLICY 1.3

Assure that new construction meets current structural and life safety standards.

POLICY 1.12

Ensure that new development on Treasure Island, Yerba Buena Island and Hunters Point Shipyard are resistant to natural disasters.

POLICY 1.15

Abate structural and non-structural hazards in City-owned structures.

POLICY 1.18

Identify and replace vulnerable infrastructure and critical service lifelines in high-risk areas.

POLICY 1.19

Mitigate against damage to City systems and infrastructure through awareness of threats posed by new forms of hazards such as terrorism and communication failures.

The proposed bond measure would provide funding for seismic upgrades to the City's aging Emergency Firefighting Water System, improvements to outdated district police stations and support facilities, and upgrades to critical City-owned disaster response facilities.

OBJECTIVE 2

**BE PREPARED FOR THE ONSET OF DISASTER BY PROVIDING PUBLIC EDUCATION
AND TRAINING ABOUT EARTHQUAKES AND OTHER NATURAL AND MAN-MADE
DISASTERS, BY READYING THE CITY'S INFRASTRUCTURE, AND BY ENSURING THE
NECESSARY COORDINATION IS IN PLACE FOR A READY RESPONSE**

POLICY 2.7

Continue to expand the City's fire department prevention and firefighting capability with sufficient personnel and training

POLICY 2.8

Ensure potable water is available in an emergency

POLICY 2.14

Support the Emergency Operations Center, and continue maintenance of alternative operations centers in the case of an emergency

POLICY 2.16

Plan to address security issues that may arise post-disaster, and balance these issues with the other demands that will be placed on public safety personnel as emergency response providers

POLICY 2.19

Seek funding for preparedness projects.

POLICY 2.20

Enhance communications with nearby jurisdictions.

POLICY 3.6

Support the ability to shelter-in-place for residents

The proposed bond measure would provide funding for seismic upgrades and new infrastructure for public safety and emergency services, including a firefighting training facility on Treasure Island, thereby improving the City's fire prevention and firefighting capability and assuring an adequate water supply to fight fires. The proposed bond measure would also provide funding for City-owned disaster response facilities throughout the City to assure the City can deploy aid, provide emergency shelter, and coordinate emergency response and recovery activities. The project would help enhance communications with nearby jurisdictions by providing funding for the City's 9-1-1 Call Center expansion.

ENVIRONMENTAL PROTECTION ELEMENT

OBJECTIVE 5

ASSURE A PERMANENT AND ADEQUATE SUPPLY OF FRESH WATER TO MEET THE PRESENT AND FUTURE NEEDS OF SAN FRANCISCO.

POLICY 5.5

Improve and extend the Auxiliary Water Supply system of the Fire Department for more effective fire fighting.

The proposed bond measure would provide funding for seismic upgrades to the City's Auxiliary Water Supply System (AWSS).

COMMUNITY FACILITIES ELEMENT

OBJECTIVE 1

DISTRIBUTE, LOCATE, AND DESIGN POLICE FACILITIES IN A MANNER THAT WILL ENHANCE THE EFFECTIVE, EFFICIENT AND RESPONSIVE PERFORMANCE OF POLICE FUNCTIONS.

POLICY 1.3

Provide the number of district stations that balance service effectiveness with community desires for neighborhood police facilities.

The proposed bond measure would provide funding for seismic, safety and programmatic improvements to outdated district police stations and support facilities, which would enhance the performance and efficiency of public safety agencies.

In summary, the proposed ESER Bond is, on balance, in conformity with the General Plan. However, individual projects of the bond will require project-level General Plan referrals and Environmental Review.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The Project would have no adverse effect on neighborhood serving retail uses or opportunities for employment in or ownership of such businesses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The Project would have no adverse effect on the City's housing stock or on neighborhood character. The existing housing and neighborhood character will be not be negatively affected.

3. That the City's supply of affordable housing be preserved and enhanced.

The Project would have no adverse effect on the City's supply of affordable housing.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The Project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The Project would not affect the existing economic base in this area.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

This Project would make seismic improvements to existing infrastructure and would create new public safety buildings in accordance with applicable building codes; hence, the project would improve preparedness for earthquakes and other emergencies.

7. That landmarks and historic buildings be preserved.

This project does not affect landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The Project would have no adverse effect on parks and open space or their access to sunlight and vista.

RECOMMENDATION:	Finding the Project, on balance, in-conformity with the General Plan
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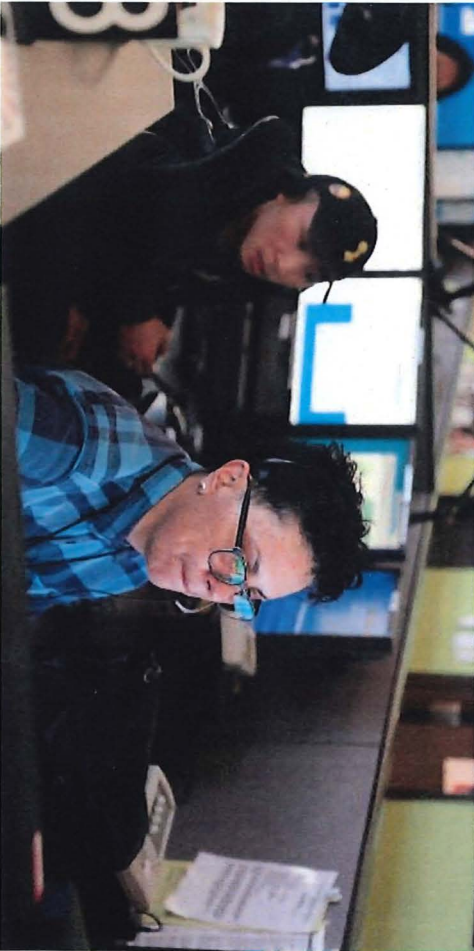
ESER

2020

Earthquake Safety
and Emergency
Response Bond

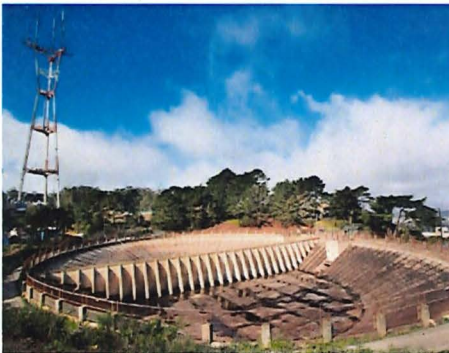


ONESF
Building Our Future



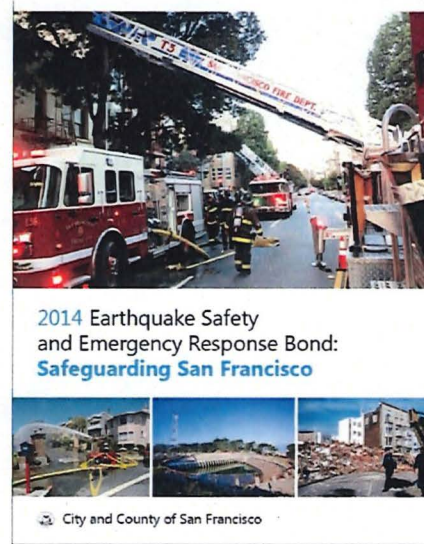
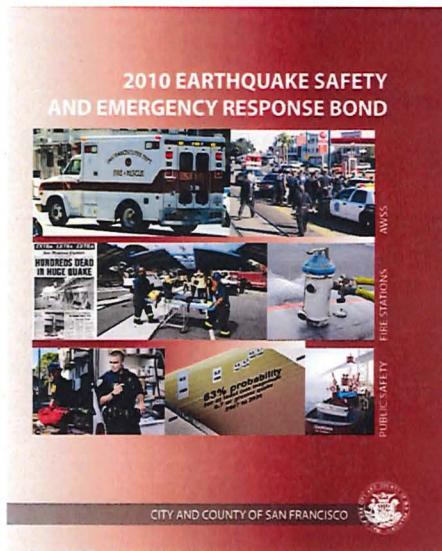
ESER 2020: Bond Breakdown

Component	Budget
Emergency Firefighting Water System	\$153.5 million
Neighborhood Fire Stations and Support Facilities	\$275 million
District Police Stations and Support Facilities	\$121 million
Disaster Response Facilities	\$70 million
9-1-1 Call Center	\$9 million
Total	\$628.5 million

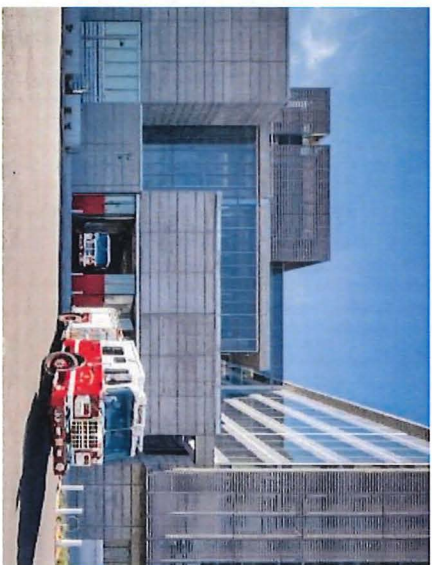


Act Now for a Safer Tomorrow

- 72 percent chance of a 6.7 or greater magnitude earthquake striking the Bay Area in the next 20 years
- Previous ESER bonds (2010 and 2014) received overwhelming support from San Francisco voters

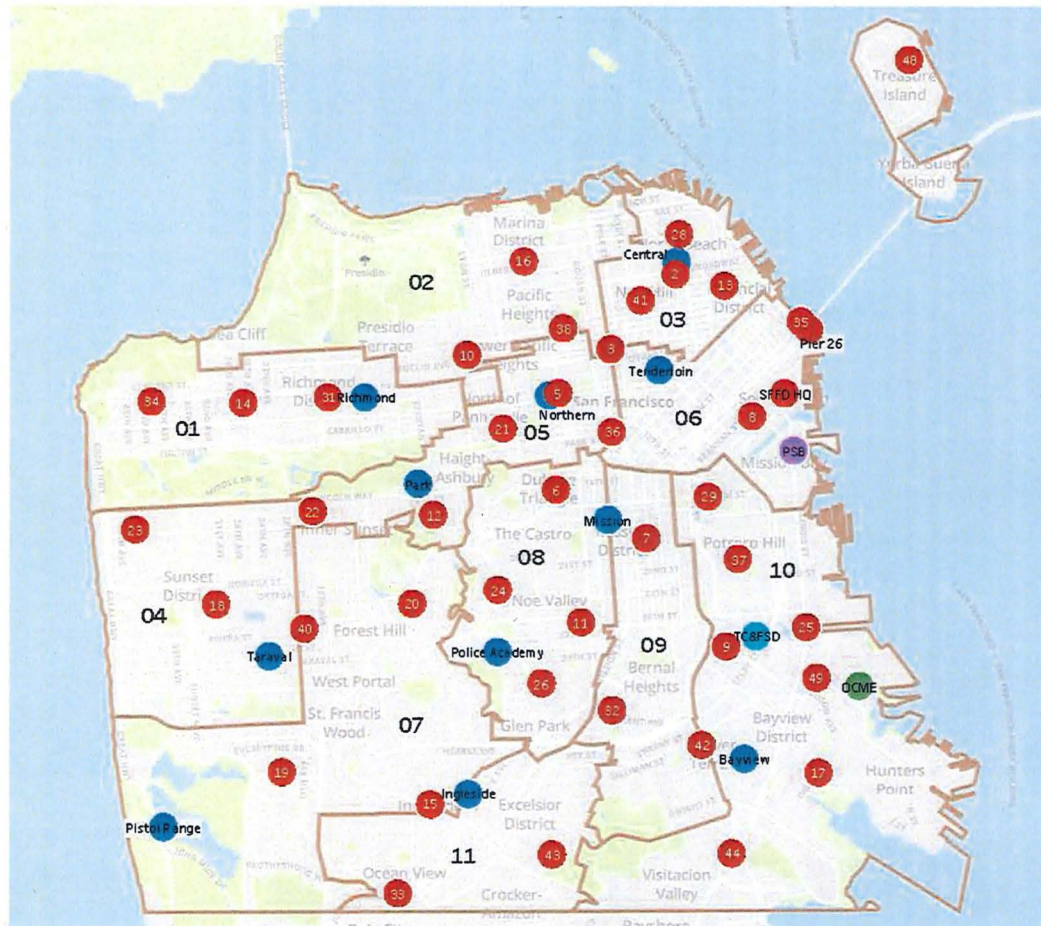


ESER 2010 and 2014 Accomplishments



Previous ESER Project Locations

First Response Facilities

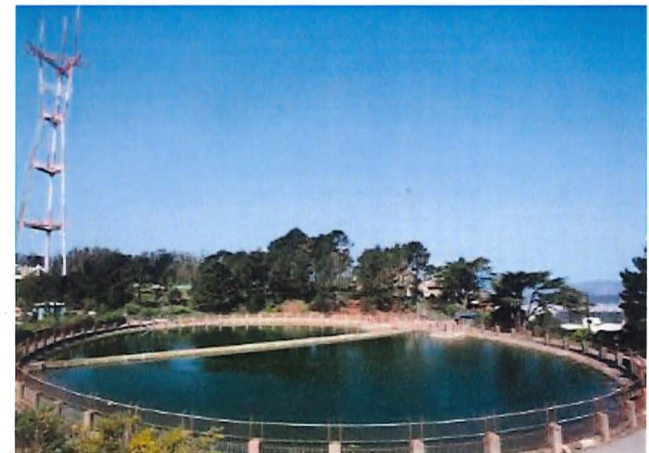
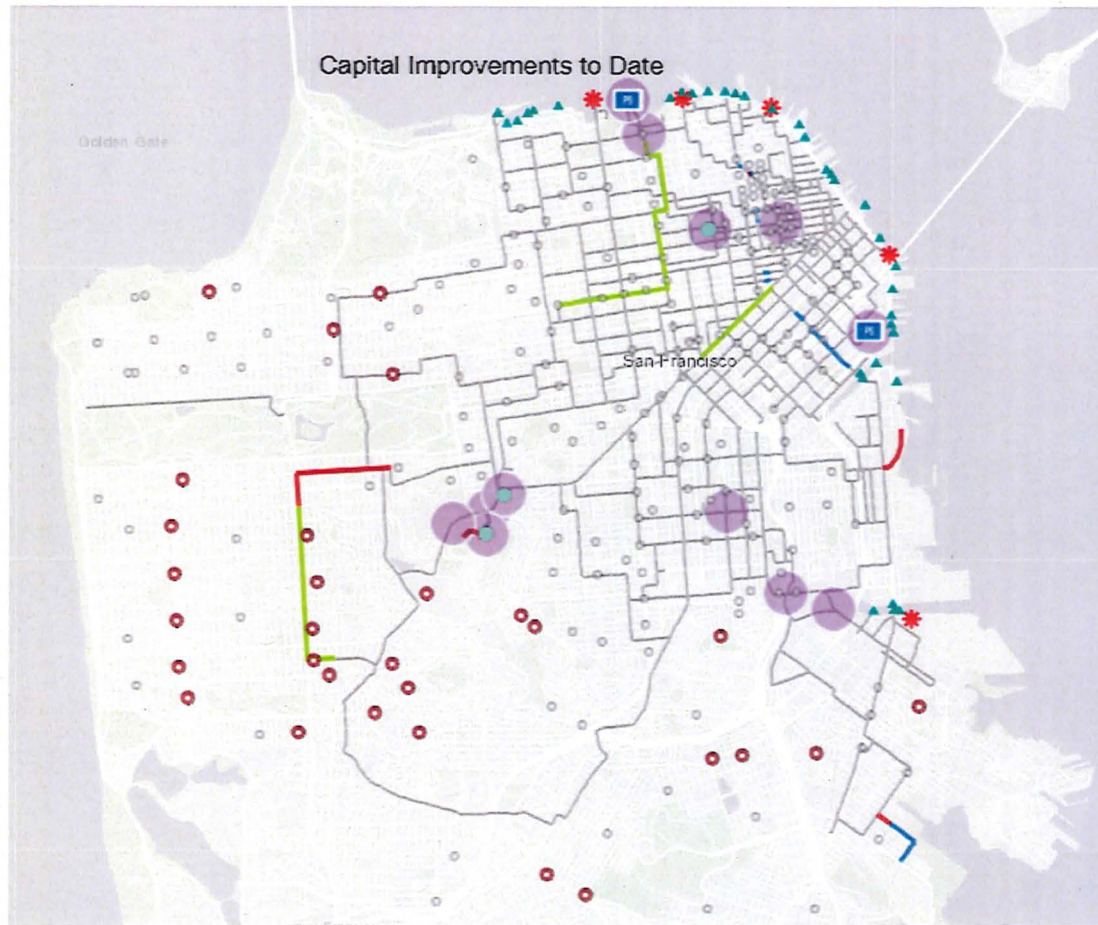


- Neighborhood Fire Stations
- District Police Stations
- Public Safety Building
- Motorcycle Police and Crime Lab
- Office of the Chief Medical Examiner

- Previous ESER work touches every San Francisco neighborhood
- More work is needed to further strengthen these facilities

Previous ESER Project Locations

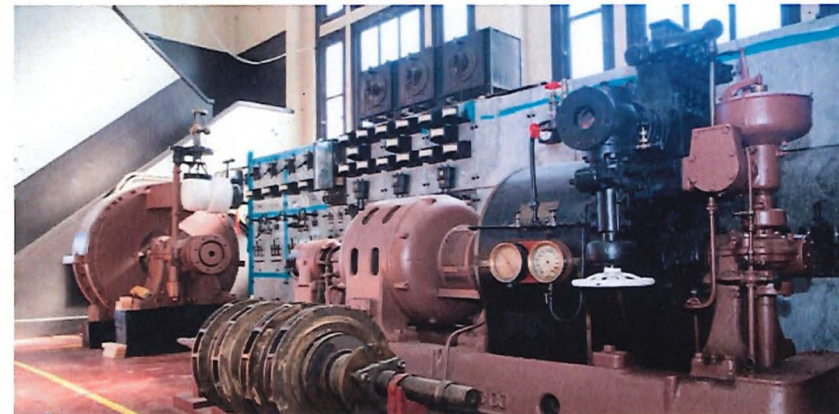
Emergency Firefighting Water System (EFWS)



ESER Work Underway



- **Motorcycle Police and Crime Lab:** construction scheduled to begin in summer 2019
- **Fireboat Station at Pier 22 ½:** construction scheduled to run through the end of 2020
- **Pump Station No. 2 (EFWS):** upgrades to be complete in 2020



Scope of Work Overview

- **Emergency Firefighting Water System:** focusing on the City's western neighborhoods
- **Neighborhood Fire Stations and Support Facilities:** seismic upgrades, comprehensive renovations and focused scope improvements; building a new, resilient training facility at a site to be determined
- **District Police Stations and Support Facilities:** seismic upgrades, comprehensive renovations and focused scope improvements
- **Disaster Response Facilities:** retrofitting and renovating infrastructure that can be used for shelter and recovery
- **9-1-1 Call Center:** increasing the number of dispatch stations and the amount of training space



ESER 2020 Prioritization: Facilities

Criteria spelled out in the bond report:

Fire and Police Stations

Similar to ESER 2010 and 2014, facilities projects at public safety stations will be selected based on the relative seismic risk, renewal need, and operational and tactical importance of the facilities to ensure effective deployment of first responders in the event of a major earthquake or disaster.

Disaster Response Facilities

City-owned buildings with sufficient capacity to serve multiple disaster response functions that pose serious risk of casualties and/or significant financial impact will be prioritized.

ESER 2020 Prioritization: EFWS

Focusing on the City's western neighborhoods

- Phase 1 funded through a combination of ESER 2020 and SFPUC revenue bonds
- Phase 2 to be constructed in the next ESER bond

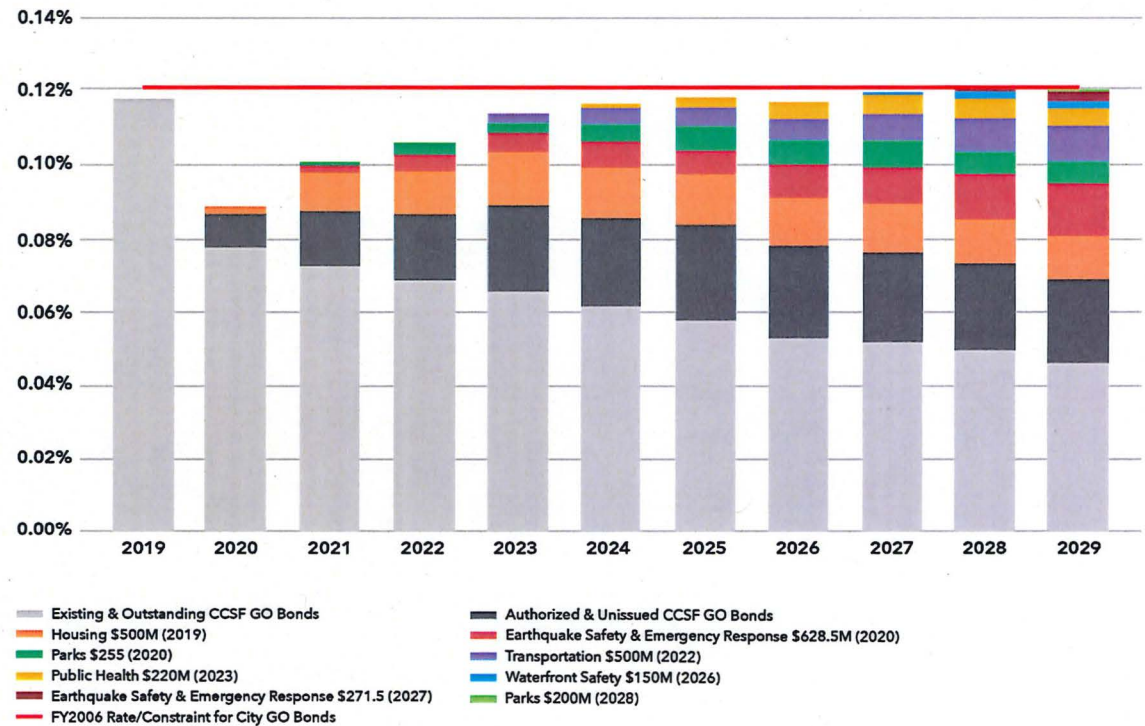
Manifold Projects



The Ten-Year Capital Plan

- The City's commitment to strategic, long-term planning to address infrastructure needs
- Prioritizes seismic and safety projects
- Does not raise property tax rate
- Strong accountability and oversight measures
- onesanfrancisco.org

Proposed FY 2020-2029 Capital Plan
General Obligation (G.O.) Bond Program



Keeping Up with a Growing City

- ESER 2020 will allow us too act now for a safer tomorrow
- With a growing population comes an increase in calls for emergency response
- Responding quickly in an emergency reduces the number of injuries, deaths and damage done to people and property



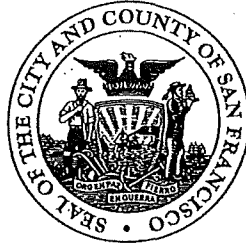
ESER: Safeguarding San Francisco



This bond is vital to ensure our public safety systems are ready for the next major earthquake, fire or other disaster and to build a resilient San Francisco.

sfearthquakesafety.org

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

May 21, 2019

File No. 190494 & 190500

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

Dear Ms. Gibson:

On May 7, 2019, Mayor Breed introduced legislation for the following proposed General Obligation Bond for the March 3, 2020, Election:

File No. 190494

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$628,500,000 to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the

proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; 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 of Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

File No. 190500

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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 \$628,500,000 for 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 maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; and waiving the time requirements specified in Administrative Code, Section 2.34.

These legislations are being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

Linda Wong
for By: Linda Wong, Assistant Clerk
Budget and Finance Committee

Attachment

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

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment. Any physical change would require separate environmental review.

joy
navarrete

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dc=cityplanning, ou=CityPlanning,
ou=Environmental Planning, cn=joy
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May 21, 2019

File No. 190494 & 190500

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Environmental Review Officer
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1650 Mission Street, Suite 400
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These legislations are being transmitted to you for environmental review.

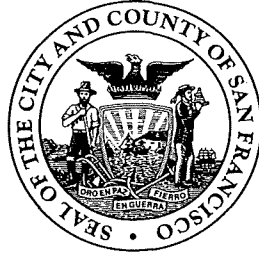
Angela Calvillo, Clerk of the Board

for By: 
Linda Wong, Assistant Clerk
Budget and Finance Committee

Attachment

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

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Fax No. 554-5163
TDD/TTY No. 554-5227

May 21, 2019

John Rahaim, Director
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Director Rahaim:

On May 7, 2019, Mayor Breed introduced the following legislations:

File No. 190494

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$628,500,000 to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan;

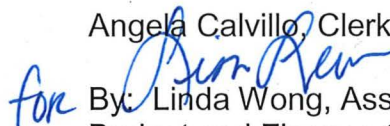
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The proposed legislations are being transmitted to the Planning Department for review and determination regarding consistency with the City's General Plan and eight priority policies of Planning Code Section 101.1. These legislations are pending before the Budget and Finance Committee and will be scheduled for hearing following receipt of your response.

Angela Calvillo, Clerk of the Board

for  By: Linda Wong, Assistant Clerk
Budget and Finance Committee

Attachment

- c: Jonas Ionin, Director of Commission Affairs
- Dan Sider, Director of Executive Programs
- Aaron Starr, Manager of Legislative Affairs
- AnMarie Rodgers, Director of Citywide Planning
- Scott Sanchez, Acting Deputy Zoning Administrator
- Corey Teague, Zoning Administrator
- Lisa Gibson, Environmental Review Officer
- Devyani Jain, Deputy Environmental Review Officer
- Joy Navarrete, Environmental Planning
- Laura Lynch, Environmental Planning

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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

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

DATE: May 21, 2019

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
March 3, 2020 Election

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond for the March 3, 2020, Election, introduced by Mayor Breed on May 7, 2019. These matters are being referred to you in accordance with Rules of Order 2.22.4.

File No. 190494

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$628,500,000 to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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

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Please review and prepare a financial analysis of the proposed measures prior to the first Budget and Finance Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7719 or email: linda.wong@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller
Peg Stevenson, City Performance Director
Natasha Mihal, City Services Auditor

BOARD of SUPERVISORS



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MEMORANDUM

TO: Sophia Kittler, Liaison to the Board of Supervisors, Mayor's Office
Jon Givner, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
LeeAnn Pelham, Executive Director, Ethics Commission
Naomi Kelly, City Administrator, Office of the City Administrator
Mary Ellen Carroll, Executive Director, Department of Emergency Management
Jeanine Nicholson, Chief, Fire Department
William Scott, Police Chief, Police Department
Jose Cisneros, Treasurer, Office of the Treasurer & Tax Collector
Andrico Penick, Director, Real Estate Division
Alaric Degrafinreid, Assistant Director, Office of Contract Administration
Adrienne Pon, Executive Director, Office of Civic Engagement & Immigrant Affairs
Regina Dick-Endrizzi, Director, Office of Small Business
Mohammed Nuru, Director, Public Works
Maura Lane, Committee Staff, Citizens General Obligation Bond Oversight Committee

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

DATE: May 21, 2019

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
March 3, 2020 Election

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond for the March 3, 2020, Election, introduced by Mayor Breed on May 7, 2019. These matters are being referred to you in accordance with Rules of Order 2.22.4.

File No. 190494

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, March 3, 2020, for the purpose of

submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$628,500,000 to finance the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; 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 of Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

File No. 190500

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, firefighting facilities and infrastructure, police facilities and infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other disaster response facilities and infrastructure for earthquake and public 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 \$628,500,000 for 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 maximum rate of

interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and is consistent with the General Plan; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; and waiving the time requirements specified in Administrative Code, Section 2.34.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7719 or email: linda.wong@sfgov.org. To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Andres Power, Mayor's Office
Rebecca Peacock, Mayor's Office
Patrick Ford, Ethics Commission
Lynn Khaw, Office of the City Administrator
Lihmeei Leu, Office of the City Administrator
Victor Lim, Department of Emergency Management
Theresa Ludwig, Fire Department
Rowena Carr, Police Department
Asja Steeves, Police Department
Deirdre Hussey, Police Department
Amanda Kahn Fried, Office of the Treasurer & Tax Collector
Florence Kyaun, Office of Contract Administration
Dominica Donovan, Office of Small Business
David Steinberg, Public Works
Jeremy Spitz, Public Works
Jennifer Blot, Public Works
John Thomas, Public Works
Lena Liu, Public Works



SK

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Earthquake Safety and Emergency Response General Obligation Bonds
DATE: May 7, 2019

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, renovation, and seismic retrofitting of the Emergency Firefighting Water System, Firefighting Facilities and Infrastructure, Police Facilities and Infrastructure, facilities for the Department of Emergency Management's 911 Call Center, and other Disaster Response Facilities and Infrastructure for earthquake and public 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 Chapter 37 of the Administrative Code; 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; finding that a portion of the proposed bond is not a project under CEQA and adopting findings under CEQA for the remaining portion of the proposed bond; finding that the proposed bond is in conformity with the priority policies of Planning Code Section 101.1(b) and is consistent with the General Plan; 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 Section 53410 of the California Government Code; incorporating the provisions of the Administrative Code, Sections 5.30 – 5.36; and waiving the time requirements specified in Section 2.34 of the Administrative Code.

Please note that Supervisors Fewer and Stefani are co-sponsors of this legislation.

Should you have any questions, please contact Sophia Kittler at 415-554-6153.

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