File No. 110654

Committee Item No. 9
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date:** July 13, 2011

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	**Motion**
☐	☐	**Resolution**
☒	☐	**Ordinance**
☒	☐	**Legislative Digest**
☒	☐	**Budget & Legislative Analyst Report**
☐	☐	**Ethics Form 126**
☐	☐	**Introduction Form (for hearings)**
☒	☐	**Department/Agency Cover Letter and/or Report**
☐	☐	**MOU**
☐	☐	**Grant Information Form**
☐	☐	**Grant Budget**
☐	☐	**Subcontract Budget**
☐	☐	**Contract/Agreement**
☐	☐	**Award Letter**
☐	☐	**Application**

OTHER **(Use back side if additional space is needed)**

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Completed by: Victor Young **Date:** July 8, 2011
Completed by: Victor Young **Date:** _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

FILE NO. 110654 ORDINANCE NO.

[General Obligation Bond Election - Road Repaving and Street Safety - $248,000,000]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 8, 2011, for the purpose of submitting to the voters a proposition to incur the following bonded debt of the City and County: $248,000,000 to finance the repaving and reconstruction of roads, the rehabilitation and seismic improvement of street structures, the replacement of sidewalks, the installation and renovation of curb ramps, the redesign of streetscapes to include pedestrian and bicycle safety improvements, and the construction, rehabilitation and renovation of traffic infrastructure 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 San Francisco 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 the proposed bond is not a project under the California Environmental Quality Act, (CEQA); finding that the proposed bond is in conformity with the 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 San Francisco 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 the San Francisco Administrative Code, Sections 5.30 – 5.36; and waiving the time requirements specified in San Francisco Administrative Code Section 2.34.

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

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

Section 1. Findings.

A. The Road Repaving and Street Safety Bond (the "Bond") will enhance the safety of pedestrians, people with disabilities, bicyclists, transit-riders and motorists by repaving streets, replacing and/or reconstructing sidewalks, stairways, bridges, tunnels and related street structures, installing curb ramps, and by constructing, rehabilitating and renovating traffic infrastructure, as well as by constructing and installing safety improvements to redesign and modernize street corridors.

B. This Board of Supervisors (this "Board") recognizes the need to enhance safety and accessibility for all users of the City's public rights-of-way and to provide stable and reliable funding for road, traffic, sidewalk and street infrastructure.

C. The Bond is recommended by the City's 10-year capital plan (the "Plan"), which is approved each year by the Mayor of the City and this Board.

D. This Board now wishes to describe the terms of a ballot measure seeking approval for the issuance of general obligation bonds to finance all or a portion of the City's

annual road, traffic, sidewalk and street structure construction, reconstruction and renovation needs as described above.

Section 2. A special election is called and ordered to be held in the City on Tuesday, the 8th day of November, 2011, for the purpose of submitting to the electors of the City a proposition to incur bonded indebtedness of the City for the project described in the amount and for the purposes stated:

"ROAD REPAVING AND STREET SAFETY BOND, 2011. $248,000,000 of bonded indebtedness to fix potholes and repave deteriorating streets in neighborhoods throughout San Francisco, repair and strengthen deteriorating stairways, bridges and overpasses, improve safety for pedestrians and bicyclists, improve disabled access to sidewalks, and construct and renovate traffic infrastructure to improve Municipal Transportation Agency transit reliability and traffic flow on local streets, and to pay related costs necessary or convenient for the foregoing purposes, subject to independent oversight and regular audits; and authorizing landlords to pass-through to residential tenants in units subject to Chapter 37 of the San Francisco Administrative Code (the "Residential Stabilization and Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost of the repayment of the bonds

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

Section 3. PROPOSED PROGRAM. To the extent permitted by law, the City shall ensure that contracts funded with the proceeds of bonds are administered in accordance with S.F. Administrative Code 6.22(G), the City's local hiring policy. The proposed program can be summarized as follows:

A. STREET REPAVING AND RECONSTRUCTION. A portion of the Bond shall be allocated toward the repaving, repair, reconstruction and new construction of City streets and toward the prevention of further deterioration. Selection of the streets for construction work will be prioritized according to the pavement condition score, clearances with utility companies and other city agencies, type and frequency of street use by vehicles, bicycles and transit, complaints, and geographic equity.

B. STREET STRUCTURE REHABILITATION AND SEISMIC IMPROVEMENTS. A portion of the Bond shall be allocated toward providing safe street structures for public use including the rehabilitation and replacement of structures that may include bridges, tunnels, stairways, retaining walls, and viaducts.

C. SIDEWALK ACCESSIBILITY IMPROVEMENTS. A portion of the Bond shall be allocated toward the construction, reconstruction, and renovation of curb ramps and the replacement of buckling sidewalks for the safety and accessibility of residents and people with disabilities as mandated by the American with Disabilities Act. Sidewalk replacement will occur at locations that are the City's responsibility to maintain, including City, State and Federal properties and facilities, around City maintained street trees, and around other areas maintained by the Department of Public Works.

D. STREETSCAPE, PEDESTRIAN AND BICYCLE IMPROVEMENT AND ENHANCEMENT. A portion of the Bond shall be allocated toward the redesign and modernization of street corridors equitably distributed throughout City neighborhoods by constructing and installing safety improvements.

E. TRAFFIC SIGNAL INFRASTRUCTURE. A portion of the Bond shall be allocated toward the construction, reconstruction and renovation of traffic signal infrastructure

necessary to reduce travel time along key Muni transit routes and improve transit service reliability.

F. CITIZEN'S OVERSIGHT COMMITTEE. A portion of the Bond shall be used to perform audits of the Bond, as further described in Section 15.

The proposed uses described in this Section 3 are proposals only and, with the exception of Section 3F above, are subject, without limitation, to review and revision by the Mayor and the Board.

Section 4. BOND ACCOUNTABILITY MEASURES

The Bond shall include the following administrative rules and principles:

A. OVERSIGHT. The proposed bond funds shall be subjected to approval processes and rules described in the San Francisco Charter Administrative Code. Pursuant to S.F. Administrative Code 5.31, the Citizen's General Obligation Bond Oversight Committee shall conduct an annual review of bond spending, and shall provide an annual report of the bond program to the Mayor and the Board of Supervisors.

B. TRANSPARENCY. The City shall create and maintain a dedicated Web page outlining and describing the bond program, progress, and activity updates. The City shall also hold an annual public hearing and reviews on the bond program and its implementation before the Capital Planning Committee and the Citizen's General Obligation Bond Oversight Committee.

Section 5. The estimated cost of the bond financed portion of the project described in Section 2 above was fixed by the Board by the following resolution and in the amount specified below:

Resolution No. 248-11, Road Repaving and Street Safety General Obligation Bonds. $248,000,000.

Such resolution was passed by two-thirds or more of the Board and approved by the Mayor of the City (the "Mayor"). In such resolution it was recited and found by the Board that the sum of money specified is too great to be paid out of the ordinary annual income and revenue of the City in addition to the other annual expenses or other funds derived from taxes levied for those purposes and will require expenditures greater than the amount allowed by the annual tax levy.

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

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

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

Section 7. The Bond Special Election is consolidated with the General Election scheduled to be held in the City on Tuesday, November 8, 2011. The voting precincts, polling places and officers of election for the November 8, 2011 General Election are hereby adopted, established, designated and named, respectively, as the voting precincts, polling places and officers of election for the Bond Special Election called, and reference is made to the notice of election setting forth the voting precincts, polling places and officers of election

for the November 8, 2011 General Election by the Director of Elections to be published in the official newspaper of the City on the date required under the laws of the State of California.

Section 8. The ballots to be used at the Bond Special Election shall be the ballots to be used at the November 8, 2011 General Election. The word limit for ballot propositions imposed by San Francisco Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond Special Election, in addition to any other matter required by law to be printed thereon, shall appear the following as a separate proposition:

"SAN FRANCISCO ROAD REPAVING AND STREET SAFETY BOND, 2011. To fix potholes and repave deteriorating streets in neighborhoods throughout San Francisco, repair and strengthen deteriorating stairways, bridges and overpasses, improve safety for pedestrians and bicyclists, improve disabled access to sidewalks, and construct and renovate traffic infrastructure to improve Municipal Transportation Agency transit reliability and traffic flow on local streets, shall the City and County of San Francisco issue $248,000,000 in general obligation bonds subject to independent oversight and regular audits?"

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

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

The votes cast for and against the proposition shall be counted separately and when two-thirds of the qualified electors, voting on the proposition, vote in favor, the proposition shall be deemed adopted.

Section 10. For the purpose of paying the principal and interest on the bonds, the Board shall, at the time of fixing the general tax levy and in the manner for such general tax levy provided, levy and collect annually each year until such bonds are paid, or until there is a sum in the Treasury of said City, or other account held on behalf of the Treasurer of said City, set apart for that purpose to meet all sums coming due for the principal and interest on the bonds, a tax sufficient to pay the annual interest on such bonds as the same becomes due and also such part of the principal thereof as shall become due before the proceeds of a tax levied at the time for making the next general tax levy can be made available for the payment of such principal.

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

Section 12. The Board finds and declares for the reasons set forth in the letter from the City Planning Department, dated May 12, 2011, a copy of which is on file with the Clerk of the Board in File No. 110654 and incorporated by reference, that the Bond proposal is not a project under the California Environmental Quality Act ("CEQA") because as the establishment of a government financing mechanism that does not identify individual specific projects to be constructed with the funds the Bond proposal is not a project as defined by CEQA and CEQA Guidelines. The use of Bond proceeds to finance any project or portion of any project will be subject to approval of the Board upon completion of planning and any further required environmental review under CEQA for those individual projects.

Section 13. The Board finds and declares that the proposed Bond is (i) in conformity with the priority policies of Section 101.1(b) of the City Planning Code, (ii) in accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the City Administrative Code, and (iii) consistent with the City's General Plan, and adopts the findings of the City Planning Department, as set forth in the General Plan Referral Report, dated 5/20/11, 2011, a copy of which is on file with the Clerk of the Board in File No. 110654 and incorporates said findings by reference.

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

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

Section 16. The time requirements specified in Section 2.34 of the San Francisco Administrative Code are waived.

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

Section 18. Documents referenced in this ordinance are on file with the Clerk of the Board of Supervisors in File No. 110654, which is hereby declared to be a part of this ordinance 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

FILE NO. 110654

LEGISLATIVE DIGEST

[Road Repaving and Street Safety General Obligation Bond Election.]
Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 8th 2011, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: $248,000,000 to finance the repaving and reconstruction of roads, the rehabilitation and seismic improvement of street structures, the replacement of sidewalks, the installation and renovation of curb ramps, the redesign of streetscapes to include pedestrian and bicycle safety improvements, and the construction, rehabilitation and renovation of traffic infrastructure 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 San Francisco 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 the proposed bond is not a project under the California Environmental Quality Act, ("CEQA"); finding that the proposed bond is in conformity with the 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 San Francisco 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 San Francisco Administrative Code, Sections 5.30 – 5.36; and waiving the time requirements specified in Section 2.34 of the San Francisco Administrative Code.

Existing Law

General Obligation Bonds of the City and County of San Francisco may be issued only with the assent of two-thirds of the voters voting on the proposition.

Ballot Proposition

This ordinance authorizes the following ballot proposition to be placed on the November 8, 2011 ballot:

SAN FRANCISCO ROAD REPAVING AND STREET SAFETY BOND, 2011. To fix potholes and repave deteriorating streets in neighborhoods throughout San Francisco, repair and strengthen deteriorating stairways, bridges and overpasses, improve safety for pedestrians and bicyclists, improve disabled access to sidewalks, and construct and renovate traffic infrastructure to improve Municipal Transportation Agency transit reliability and traffic flow on local streets, shall the City and County of San Francisco issue $248,000,000 in general obligation bonds subject to independent oversight and regular audits?

The ordinance fixes the maximum rate of interest on the Bonds, and provides for a levy and a collection of taxes to repay both the principal and interest on the Bonds. The ordinance also describes the manner in which the Bond Special Election will be held, and the ordinance provides for compliance with applicable state and local laws.

Background Information

The Board of Supervisors found that the amount of specified for this project is and 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 therefor by the annual tax levy.

Item 9 File 11-0654	**Departments:** Controller's Office of Public Finance (OPF), Department of Public Works (DPW), Municipal Transportation Agency (MTA), and the Department of Elections

EXECUTIVE SUMMARY

Legislative Objective

- The proposed ordinance would call and provide for a special election in San Francisco on November 8, 2011 to submit to San Francisco voters a proposition to (1) incur City bonded debt of $248,000,000 in General Obligation Bonds (GO Bonds) to finance (a) repaving and reconstruction of roads, (b) rehabilitation and seismic improvement of street structures, (c) replacement of sidewalks, (d) installation and renovation of curb ramps, (e) redesign of streetscapes to include pedestrian and bicycle safety improvements, and (f) construction, rehabilitation and renovation of traffic infrastructure and the payment of related costs necessary for such purposes; (2) authorize landlords to pass through 50 percent of the resulting Property Tax increase to residential tenants in accordance with Chapter 37 of the City's Administrative Code; (3) find that the estimated cost of $248,000,000 for such improvements is too great to be paid out of the ordinary annual income and revenue of the City and will require incurring bonded indebtedness; (4) recite the estimated cost of such proposed project; (5) find that the proposed bond is not subject to the California Environmental Quality Act (CEQA); (4) find the proposed bond is in conformity with the priority policies of Planning Code Section 101.1(b) and the General Plan consistency requirement of Charter Section 4.105 and Administrative Code Section 2A.53; (5) declare the City's official intent to reimburse prior expenditures; and (6) waive the time limits set forth in Administrative Code Section 2.34.

Key Points

- The Board of Supervisors previously approved a resolution on June 7, 2011 (File 11-0655) approving necessary findings regarding the proposed Road Repaving and Street Safety GO Bond to provide $248,000,000 for five street and sidewalk improvement programs.
- The subject ordinance, File 11-0654, would call and provide for a special election asking San Francisco voters to approve the Safe Streets and Road Repair GO Bond. Approval of the GO Bond requires two-thirds approval of San Francisco voters.

Fiscal Impacts

- The cost of including the proposed ordinance on the November 8, 2011 Citywide ballot would be approximately $231,718, or approximately 7.3 percent of the estimated $3,185,289 cost of conducting the November City election.
- The estimated total debt service requirement between July 1, 2011 and June 30 of 2035, a period of 24 years, will be $437,249,617, or an average annual debt service of $18,218,734 per year. Authorization of the proposed bond funds would result in increased Property Taxes, for a single family residence assessed at $500,000 of $37.33 annually after deduction for the $7,000 homeowner's exemption. However, the proposed GO Bond would be timed such that increases to Property Taxes would be offset by the retiring of existing GO Bonds.

Recommendation

- Based on the Board of Supervisors approval of resolution (File 11-0655), declaring the public interest and necessity for the proposed issuance of General Obligation Bonds, approve the proposed ordinance.

MANDATE STATEMENT & BACKGROUND

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.

According to San Francisco Charter Section 9.118, any agreement with a term of over ten years or expenditures of over $10,000,000 is subject to approval by the Board of Supervisors. The proposed issuance of $248,000,000 in General Obligation bond debt requires the City to enter into an agreement which exceeds ten years and $10,000,000.

Background

Road resurfacing and reconstruction, street repairs, installation of curb ramps, pedestrian safety features and the repair of the City's sidewalks and street structures have historically been funded with a combination of General Fund monies, State and local transportation revenues including Gas Tax revenues, and Federal grants. However, according to Mr. Douglas Legg, Budget and Finance Manager with DPW, the historical and current sources of funding for City street and sidewalk improvements do not provide consistent or sufficient revenues to fund such infrastructure projects.

According to Mr. Legg, over the past five years, the budget for street resurfacing has averaged $42 million annually, which is $23.5 million less than the estimated $65.5 million which DPW, at this time, considers to be necessary to improve street pavement conditions. This shortfall has produced backlog of streets in need of repair. As a result, San Francisco's streets currently have a Pavement Condition Index (PCI) score[1] of 64, which is the bottom of the "good" rating range, as shown in Table 1 below. Without increased funding in street repairs, DPW projects that San Francisco's PCI score would drop to 61, a "fair" rating, in only three years. As shown in Table 1 below, the lower the PCI score, the higher the average cost of repairing each street block.

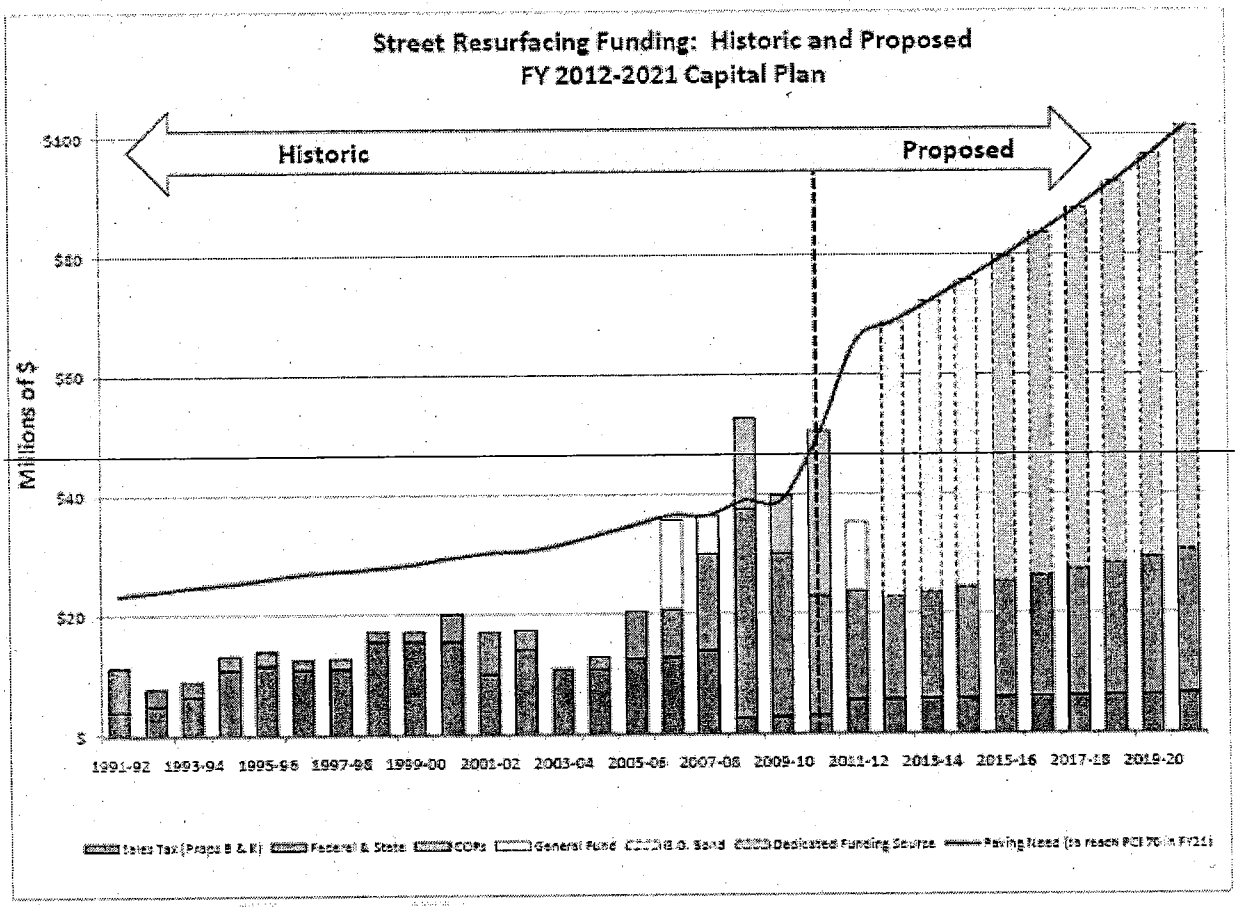
[1] The PCI scoring system was developed by the U.S. Army Corps of Engineers to evaluate roadway conditions.

Table 1: Pavement Condition Index (PCI) Scoring Descriptions

Percent of SF Streets	PCI Score	Treatment	Average Cost/Block
19%	85 – 100 "excellent"	No improvement needed	$0
30%	64 – 84 "good"	Pavement preservation – slurry sealing or crack sealing to extend life of street	$9,000
28%	50 – 63 "fair"	Repave grind off and replace the top two inches of asphalt	$97,800
23%	0 – 49 "poor"	Reconstruction reconstruct the street including concrete base and top layer of asphalt; or Resurface with base repair grind off and replace the top two inches of asphalt and complete localized repairs to the concrete base	$436,400; or $140,000

The City's ten-year Capital Plan sets a goal of improving San Francisco's streets PCI score from 64 to 70 in ten years, or by 2021. According to Mr. Legg, increasing the City's average PCI score to 70 in ten years, the City would need to appropriate $65.5 million annually, increasing five percent per year. Anticipated funding from local Proposition K Sales Tax, state gas tax (formerly Proposition 42), and Federal grant funds are projected to be insufficient to maintain the current condition of the City's streets. Figure 1, below, illustrates the increased funding that would be needed to achieve a PCI score of 70 in ten years.

Figure 1: Street Resurfacing Funding: Historic and Proposed



DPW has estimated that without additional revenue, the PCI score could fall to 54 in ten years, or by 2021.

Two years ago, on April 28, 2009, the Board of Supervisors (File 09-0404) approved the issuance of $42,000,000 in Certificates of Participation (COPs) to finance the same categories of street improvement projects, and on October 26, 2010, the Board of Supervisors (File 10-1159) approved the issuance of an additional $48,000,000 COPs issuance, with the main difference being the specific streets and locations of those projects.

In addition to street paving needs, DPW has identified funding needs to improve sidewalk accessibility and condition, street structures, and pedestrian and bikeways, and the Municipal Transportation Agency (MTA) has identified funding needs to improve transit street signal infrastructure.

Previously Passed Resolution (File 11-0655)

On June 7, 2011, the Board of Supervisors approved File 11-0655, a resolution pertaining to street and sidewalk improvements, which:

(1) determined and declared that the public interest and necessity demand (a) the repaving and reconstruction of roads, (b) the rehabilitation and seismic improvement of street structures, (c) the replacement of sidewalks, (d) the installation and renovation of curb ramps, (e) the redesign of streetscapes to include pedestrian and bicycle safety improvements, and (f) the construction, rehabilitation and renovation of traffic infrastructure and the payment of related costs necessary or convenient for the foregoing purposes;

(2) found that the estimated cost of $248,000,000 for such improvements 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 incurring bonded indebtedness;

(3) found that the proposed bond is not a project under the California Environmental Quality Act (CEQA);

(4) found that the proposed bond is in conformity with the 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;

(5) provided for the City to declare its official intent to reimburse prior expenditures; and

(6) waived the time limits set forth in City Administrative Code Section 2.34.

The proposed Safe Streets and Road Repair General Obligation Bond (GO Bond) issuance would provide $248,000,000 in GO Bond fund revenues to five street and sidewalk improvement programs, shown in Table 2 below. Approval of the GO Bond requires approval by two-thirds of San Francisco voters. Approval by the Board of Supervisors of File 11-0655 was the first of two steps required to put the proposed GO Bond before the San Francisco voters in November 2011. The second piece of legislation is the subject ordinance, File 11-0654, which would call and provide for a special election.

The use of GO Bond proceeds to finance any project or portion of any project would be subject to future appropriation approval of the Board of Supervisors subsequent to completion of planning and any further required environmental review under CEQA for those individual projects.

Ms. Nadia Sesay Director of the Office of Public Finance (OPF) anticipates issuing the not-to-exceed $248,000,000 GO Bonds in three issuances between 2012 and 2016. As shown in Table 2, below, the estimated issuance of $248,000,000 in GO Bond would fund $244,500,000 in project costs for five programs, and $3,500,000 in financing costs. Attachment I to this report includes expanded descriptions of the five street and sidewalk improvement programs.

Table 2: Uses of GO Bond Proceeds

Five Programs	Scope	Project Costs (millions)	Audit, oversight, & issuance (millions)	Total (millions)
1. Street Repaving and Reconstruction	Slurry sealing, repaving, re-construction and new construction of approximately 2,540 street segments	$146.3	$2.1	$148.4
2. Sidewalk Accessibility Improvements	Design and construct approximately 1,900 curb ramps citywide and improve 125,000 square feet of City responsibility sidewalks	21.7	0.3	22.0
3. Street Structures Rehabilitation	Rehabilitate, repair and improve aging street infrastructure such as bridges, guardrails, tunnels, viaducts, retaining walls and stairs.	7.2	0.1	7.3
4. Streetscape, Pedestrian, and Bicycle Safety Improvements	Pedestrian/bicycle safety and streetscape improvements such as pedestrian countdown signals and lighting, sidewalk extension, bulb-outs, bicycle improvements, tree planting and landscaping.	49.3	0.7	50.0
5. Transit Street Signal Infrastructure	Rehabilitate and upgrade existing traffic signal infrastructure to reduce travel time along key Muni routes and improve transit reliability.	20	0.3	20.3
Total		**$244.5**	**$3.5**	**$248.0**

With regard to the Street Repaving and Reconstruction Program, as shown above in Table 2, DPW anticipates that the GO Bond revenue of $146,300,000 would allow the DPW to increase the City's Pavement Condition Index (PCI) score from 64 to 66 in three years. According to Mr. Legg, with regard to the City's goal of achieving a PCI score of 70 in ten years, the proposed GO Bond would serve as a stopgap, providing the City three years to identify additional sources of dedicated revenue for the ongoing Street Repaving and Reconstruction Program (Program 1 in Table 2, above). Programs 2 through 5 would not impact the City's PCI score.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance pertaining to street and sidewalk improvements would call and provide for a special election to be held in the City of San Francisco on November 8, 2011 for the purpose of submitting to San Francisco voters a proposition to (1) incur the following bonded debt of the City: $248,000,000 to finance (a) repaving and reconstruction of roads, (b) rehabilitation and seismic improvement of street structures, (c) replacement of sidewalks, (d) installation and renovation of curb ramps, (e) redesign of streetscapes to include pedestrian and bicycle safety improvements, and (f) construction, rehabilitation and renovation of traffic infrastructure and the payment of related costs necessary or convenient for the foregoing purposes; (2) authorize landlords to pass through 50 percent of the resulting Property Tax increase to residential tenants in accordance with Chapter 37 of the San Francisco Administrative

Code; (3) find that the estimated cost of $248,000,000 for such improvements is too great to be paid out of the ordinary annual income and revenue of the City and will require incurring bonded indebtedness; (4) recite the estimated cost of such proposed project; (5) find that the proposed bond is not a project under the California Environmental Quality Act (CEQA); (4) find the proposed bond is in conformity with the 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; (5) provide for the City to declare its official intent to reimburse prior expenditures; and (6) waive the time limits set forth in Administrative Code Section 2.34.

As is noted above, the subject resolution is the second of two steps required to put the proposed GO Bond before San Francisco voters in November 2011.

FISCAL IMPACTS

Fiscal Impacts of the GO Bond

Attachment II, provided by the Office of Public Finance, shows the estimated debt service requirements for the proposed $248,000,000 GO Bond issuance. As shown in Attachment II, once all $248,000,000 of the GO Bond have been sold, the estimated total debt service requirement between July 1, 2011 and June 30 of 2035, a period of 24 years, will be $437,249,617, or an average annual debt service of $18,218,734 per year ($248,000,000 in principal plus $189,249,617 in interest at an assumed interest rate of 6 percent).

Charter Section 9.106 requires that outstanding General Obligation bonded indebtedness cannot exceed three percent of the City's assessed value of all taxable real and personal property located within the City.

As shown in Attachment III, provided by Ms. Sesay, the City's total General Obligation debt capacity is currently $4,735,979,441 or three percent of the City's estimated net assessed property valuation of $157,865,981,382 for FY 2010-2011. As of May 22, 2011, the City had $1,481,159,429 in outstanding General Obligation bonds or approximately 0.94 percent of the net assessed property valuation. With the addition of the proposed $248,000,000 in General Obligation Bonds, outstanding bonds would be $1,729,159,429. As shown on Attachment III, based on this outstanding principal amount, without the consideration of other bond issuances, the $1,729,159,429 in outstanding principal represents 1.10 percent of the net assessed valuation of $157,865,981,382 ($1,729,159,429 ÷ $157,865,981,382) with available debt capacity of $3,006,820,012.

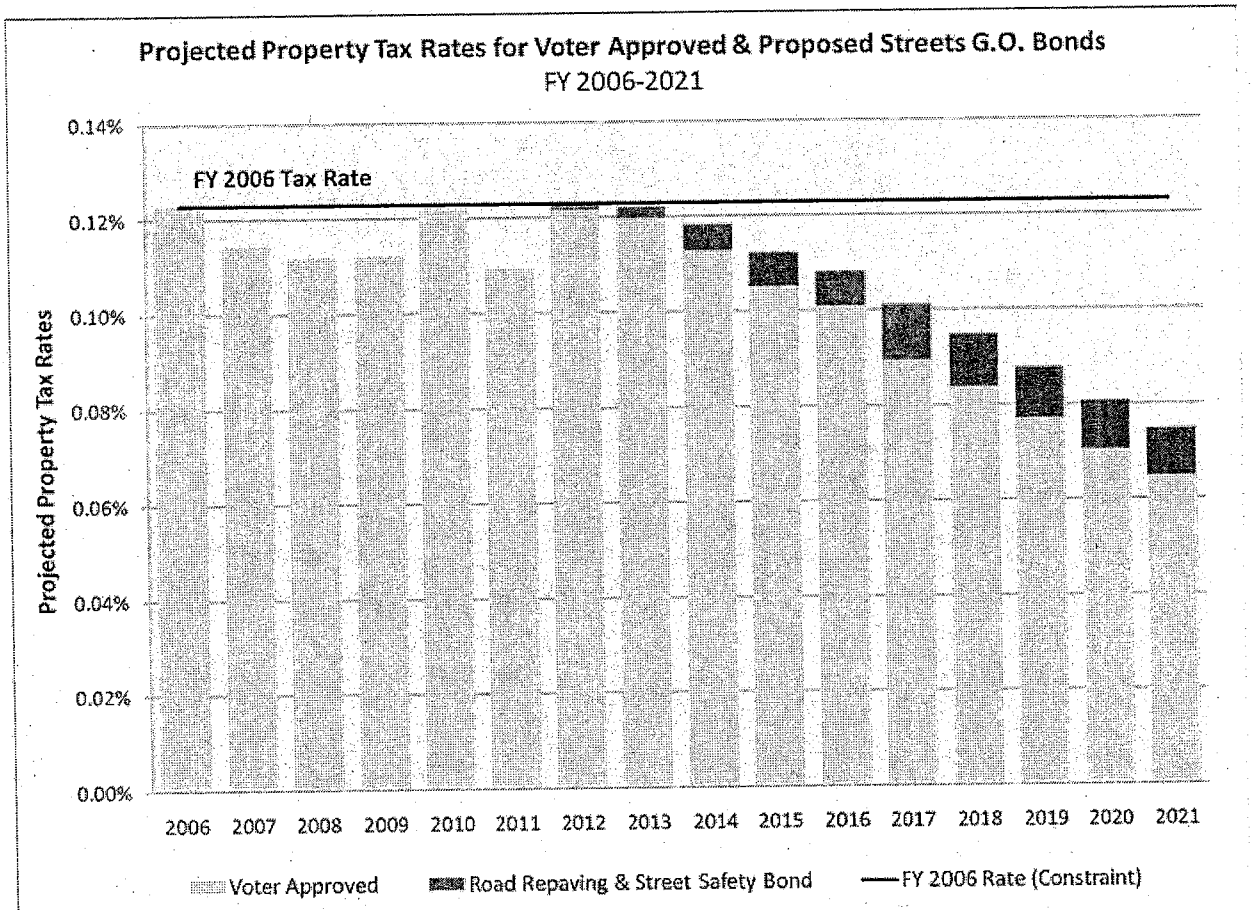
Impact on Property Taxes

The proposed $248,000,000 GO Bond principal and the estimated $189,249,617 of related interest expense, would be repaid from increased Property Taxes on all property owners in the City. Attachment II illustrates the impact of the proposed GO bond debt service requirements on Property Taxes. Authorization of the proposed bond funds would result in increased Property Taxes, for a single family residence assessed at $500,000 of $37.33 annually after deduction for the $7,000 homeowner's exemption. Pursuant to Chapter 37 of the Administrative Code (Residential Rent Stabilization and Arbitration Ordinance), residential landlords who are subject

to rent control would be permitted to pass through 50 percent of the Property Tax increase to the tenants in buildings constructed after 1979.

According to Ms. Sesay, the timing of the issuance of the proposed GO Bonds would occur such that increases in Property Taxes from the proposed GO Bonds would be offset by reductions in Property Taxes as the City's existing GO Bonds are being redeemed. Therefore, according to Ms. Sesay, the City's projected Property Tax rates to be assessed to residential and commercial property owners should remain at or below the FY 2005-06 Property Tax rates. Figure 2 below provided by DPW, illustrates the expected impact of the proposed GO Bond (shown in gray) on the City's projected Property Tax rates, assuming no additional GO Bond debt is issued by the City.

Figure 2: Impact of Proposed GO Bond on City Property Tax Rates



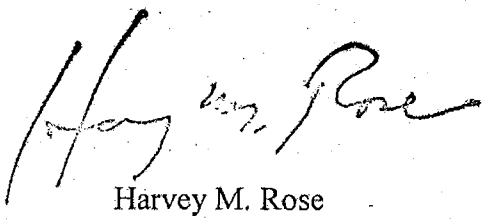
Source: DPW

Impact on Elections Costs

According to Ms. Aura Mendieta, Deputy Director of the Department of Elections, the cost of including the proposed ordinance on the November 8, 2011 Citywide ballot would be approximately $231,718, or approximately 7.3 percent of the estimated $3,185,289 cost of conducting the November 8, 2011 City election.

RECOMMENDATION

Based on the Board of Supervisors approval of resolution (File 11-0655), declaring the public interest and necessity for the proposed issuance of General Obligation Bonds, approve the proposed ordinance.



Harvey M. Rose

cc: Supervisor Chu
Supervisor Mirkarimi
Supervisor Kim
Supervisor Wiener
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner

Summary of Safe Streets and Road Repair General Obligation Bond Programs

The following is a summary of the program descriptions for the five programs that would be paid for under the proposed Safe Streets and Road Repair GO Bond. It is adapted from DPW's 2011 Road Repaving and Street Safety Bond Report. The five projects are:

1. Street Repaving and Reconstruction
2. Sidewalk Accessibility Improvements (Curb Ramps and Sidewalks)
3. Street Structures Rehabilitation
4. Streetscape, Pedestrian, and Bicycle Safety Improvements
5. Transit Street Signal Infrastructure

1. Street Repaving and Reconstruction

Causes of Pavement Deterioration

The City's roadway system is complex and streets deteriorate over time. However, three major factors can accelerate deterioration:

1. Heavy wear and tear – In San Francisco, streets and roads have an average useful life of 14 to 21 years. However, a street's lifecycle depends on how heavily that street is used, particularly by heavy buses and trucks. For example, a street with heavy traffic can deteriorate seven years sooner than a street that carries lighter traffic.

2. Excavation – Underneath our streets exist a vast network of underground utility lines; pipes and cables. Each time one of these utility lines or services needs repair or replacement; utility companies must cut a trench in the pavement, leaving a vulnerable spot in the street. Over time these vulnerable spots in the street can reduce the life span of the street.

3. Deferred work – Without adequate funding in place, work that is needed will be deferred. This increases the occurrence of street degradation, including potholes, and greatly increases the cost of repairing that street in the future.

Pavement Management Strategy and Treatment

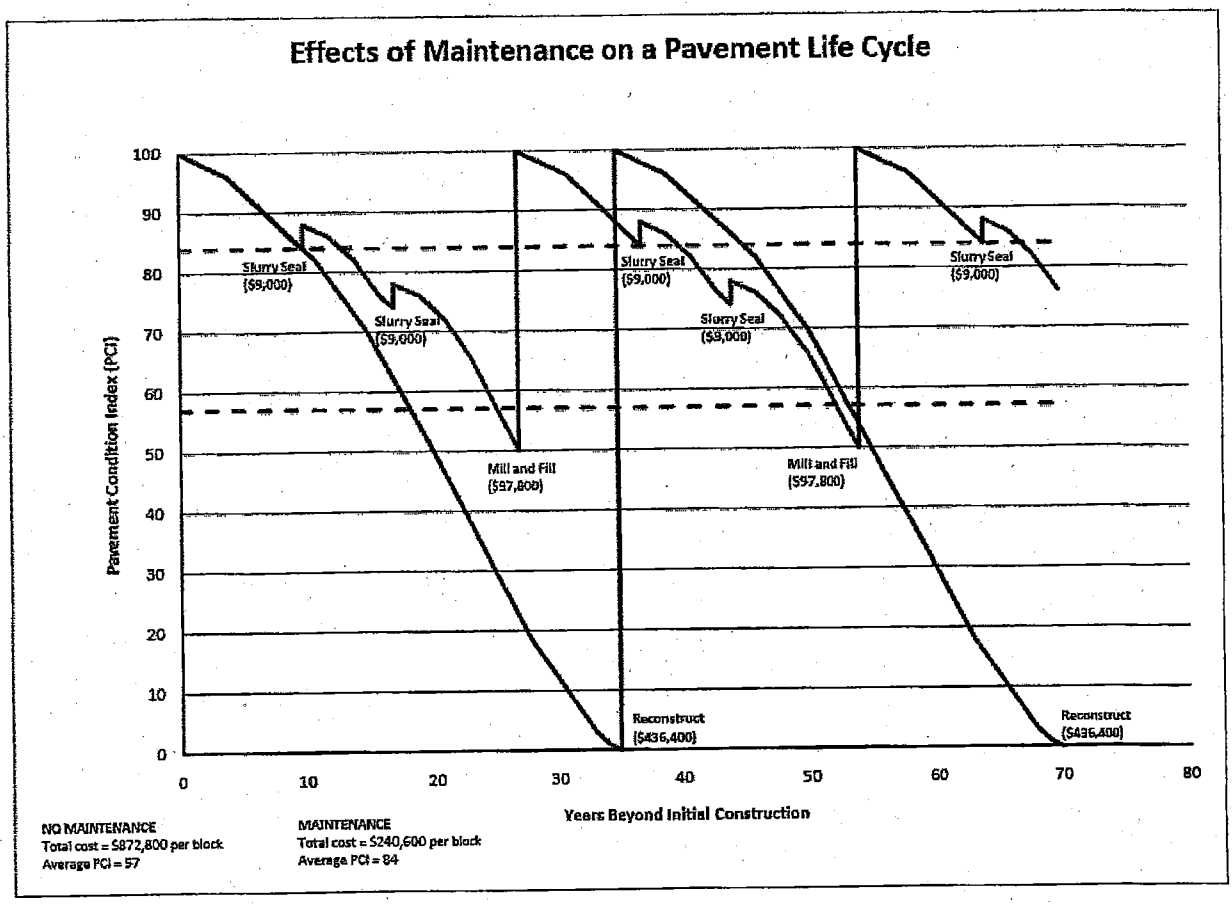
To track the impact of wear, erosion, and age on each street segment, the City uses a Pavement Management and Mapping System (PMMS). This system assesses street deterioration by establishing a rating for each street segment based on a visual survey done by DPW engineers. Each segment is evaluated based on ride quality, cracking, and raveling of the roadway. The ratings are used to create a Pavement Condition Index (PCI) score for each street segment using a scale of 0 – the worst score– to 100 –a freshly paved street. Refer to Map 1 for an overview of the City's streets by PCI score.

The table below summarizes the current condition of the City's streets, required pavement treatment and the cost for the associated PCI range.

% of SF Streets	PCI Score	Treatment	Average Cost/Block
19%	85 – 100 "excellent"	No improvement needed	$0
30%	64 – 84 "good"	Pavement preservation – slurry sealing or crack sealing to extend life of street	$9,000
28%	50 – 63 "fair"	Repave - grind off and replace the top two inches of asphalt	$97,800
23%	0 – 49 "poor"	Reconstruction - reconstruct the street including concrete base and top layer of asphalt Resurface with base repair - grind off and replace the top two inches of asphalt and complete localized repairs to the concrete base	$436,400 $140,000

The most cost-effective pavement management strategy is to preserve streets in good condition instead of letting them deteriorate. The lower the PCI score, the more expensive it is to fix. While new pavements generally remain in good-to-excellent condition for several years with little or no upkeep, the rate of deterioration increases rapidly after 7-20 years, depending on the type and use of the street. By reducing the frequency of asset replacement, research shows that preservation treatments can increase the life-cycle and reduce the cost by 75-90 percent.

The figure below illustrates potential cost savings that can be realized through the proper application cycle in order to preserve and extend the life of a street. If the appropriate treatment is applied in a timely manner, a street with a PCI starting at 100 could be maintained over the course of two life cycles for an average cost of $240,600 per block and yield a "very good" average PCI score of 84. If this methodology is not followed and a street is allowed to reach a point where reconstruction is required, the cost more than triples to $872,800 and results in an "at-risk" average PCI score of 57.



Roadway resurfacing work under this bond may include, but will not be limited to:

- Pavement preservation treatments to extend the life of the street
- Mill and fill asphalt surface over concrete base; perform repairs to the concrete base
- Reconstruct concrete streets
- Replace concrete parking strip, and concrete medians
- Replace concrete bus pads
- Replace concrete curb edge
- Reconstruct concrete sidewalk
- Reconstruct concrete curb ramps with detectable surface tiles
- Traffic routing, adjusting City-owned manhole frames and covers, castings, and catch basin frames and gratings to grade related to paving and reconstruction projects

2. Sidewalk Accessibility Improvements

Curb ramps are an essential link in the public path of travel. For people with disabilities, many seniors, parents with strollers, and others, curb ramps provide safe navigation over public street intersections and sidewalks. Curb ramps are also key to the full social integration of people with mobility disabilities and people who are blind or have low-vision. Accessible walkways allow people with disabilities to be independent, and fully integrate both socially and professionally. For people with disabilities, being able to move around the City independently reduces social isolation and dependence on expensive services such as Paratransit.

San Francisco has been building curb ramps for years; however many of the City's corners still lack curb ramps. Some of the existing ramps are too old, too steep, or too narrow, and others are in disrepair. The inventory indicates that we need to build 22,959 ramps at approximately at various locations throughout the City. (The total cost to build 22,959 ramps is $177 million. Although many of the ramps will be built through paving, sewer, or private development projects; some will need to be constructed as standalone curb ramp projects. This ensures that a full and navigable path of travel is accessible to everyone who needs it.

Design and construction of approximately 1,767 curb ramps will be completed at various locations throughout the City. Work may include, but will not be limited to:

- Design engineering of curb ramps
- Construction of curb ramps
- Related work needed to bring the curb ramp to current standards, which may include reconstruction of concrete gutters, curbs and parking strips; relocation or adjustment of utility poles, utility pull boxes, castings, relocation or construction of sewer catch basins and reconstruction of adjacent sidewalks.

3. Street Structure Rehabilitation & Seismic Strengthening

The City, under the jurisdiction of DPW, has an on-going program to identify repairs needed on the 307 City street structures maintained by DPW (Refer to Map 2). Out of the 307 City-maintained structures, approximately 100 have been identified for rehabilitation. These street structures are used by the public every day. Consequently, failure to correct these deficiencies increases the risk to public safety.

Funding from the bond may be used to repair or replace the following:

- cracked/spalled concrete and exposed steel reinforcement
- structural movement, including tilting, settlement, and damaged construction joints
- deteriorated and damaged concrete and metal railings
- structure lighting improvements
- mechanical and electrical equipment repair and stabilization of bridges and tunnels
- structural deficiencies on City maintained bridges and street structures

Failure to correct these conditions will increase the City' exposure to liability and result in additional costs when corrective actions are no longer discretionary, but immediately required.
The proposed bond funds allocated to street structures may also provide a match to supplement other financing, such as federal or state grants and private gifts, which often require matching local funds.

4. Streetscape, Pedestrian and Bicycle Safety Improvements

Between 200 and 2005, San Francisco implemented few major streetscape improvement projects. Recognizing a need and regional prioritization of comprehensive public realm improvements, the Great Streets Program was created in 2005. Since its inception, the program has implemented six capital streetscape improvement projects throughout the City San Bruno Avenue, Valencia Street, Leland Avenue, Polk Street, Divisadero Street, and Van Ness Avenue.

To build upon the important work of the Great Streets Program, the proposed bond will fund the next phase of streetscape improvement projects. Streetscape improvements can vary from simple plantings on street medians to the complete revitalization of the street, site furnishings, landscaping and infrastructure. As such, project costs can range between $55,000 per block to $2,000,000 per block. A streetscape improvement project may include one or several of the following elements:

- Sidewalk extension – Increase the usable sidewalk space for pedestrians and greening
- Bulb-out – shorten the street crossing distance and provide visibility for pedestrian safety
- Crosswalk treatment – Highlight pedestrian crossing areas for pedestrian safety
- Pedestrian countdown signals/lighting – Install pedestrian countdown signals and pedestrian upgrade lighting for energy efficiency and safety
- Utility undergrounding—Remove visible utility overhead service wires and poles and install conduits underground to connect services to homes
- Street tree planting – Provide traffic calming and ecological benefits
- Roadway median expansion and/or planting – provide traffic calming and ecological benefits
- Sidewalk and roadway lighting– Improve and upgrade street lighting for safety and energy efficiency
- Bicycle improvements – Separated bicycle lanes, bicycle racks or other amenities to improve bicycle conditions
- Public art elements – Create a sense of place, interest, and neighborhood identity
- Site furnishings – Provide resting areas, bicycle racks, trash receptacles
- Stormwater elements (Low Impact Design) – Improve drainage and reduce flooding

5. Traffic Signal Improvements

The City has an on-going program to replace and upgrade of the deteriorated or obsolete signal hardware for over 1,100 signalized intersections, including controllers and foundations, vehicle and pedestrian signal heads, poles, conduit, pull boxes, wiring and loop detectors. Additionally, a goal of this program is to modify signal operations to improve safety and efficiency by installing signal mast arms where necessary to improve visibility.

This program was originally identified in the City's Transit First legislation of 1973. The SFMTA works with other City departments repair and replaced aged traffic infrastructure to streets with a high volume of rail vehicles and/or buses, in order to reduce delays to transit services, increase reliability and improve access.

City and County of San Francisco
Proposed General Obligation Bonds
Summary of Tax Levy (Tax Rate Per $500K A.V.)

Fiscal Year	% AV Growth	Net Assessed Valuation	Existing & Outstanding GO Bonds: Aggregate Debt Service	Levy Rate	Tax Per $500K A.V. Total Levy Amount	Proposed GO Bonds: SSRR 2012	SSRR 2014	SSRR 2016	Agg Debt Service	Levy Rate	Tax Per $500K A.V. Total Levy Amount	Existing + Auth/Unissued + Proposed: Levy Rate	Tax Per $500K A.V. Total Levy Amount	+ Capital Plan Proposed GO Bonds: Levy Rate	Tax Per $500K A.V. Total Levy Amount	CPC FY2006 Prop Tax Rate Constraint	$Over (Below) Constrain Per $500K A
2012	0.20%	158,181,713,345	190,639,405	0.1205%	594.16	3,434,650	$ -	$ -	$ 3,434,650	0.0022%	10.70	0.1227%	604.86	0.1227%	604.86	0.1229%	(1.26)
2013	0.70%	159,288,985,338	189,173,377	0.1188%	585.49	6,554,400	-	-	6,554,400	0.0041%	20.29	0.1229%	605.78	0.1229%	605.78	0.1229%	(0.34)
2014	2.40%	163,111,920,986	187,049,352	0.1147%	565.35	6,346,400	-	-	6,346,400	0.0039%	19.18	0.1186%	584.53	0.1229%	605.99	0.1229%	(0.12)
2015	2.70%	167,515,942,853	175,971,598	0.1050%	517.89	6,044,400	5,785,207	-	11,829,607	0.0071%	34.81	0.1121%	552.70	0.1228%	605.40	0.1229%	(0.71)
2016	2.70%	172,038,873,310	168,572,164	0.0980%	483.07	5,454,400	6,051,500	5,629,560	17,135,460	0.0100%	49.10	0.1079%	532.17	0.1229%	606.09	0.1229%	(0.02)
2017	4.50%	179,780,622,609	166,851,759	0.0928%	457.55	7,539,400	6,051,500	7,191,400	20,782,300	0.0116%	56.99	0.1044%	514.54	0.1229%	606.09	0.1229%	(0.02)
2018	4.50%	187,870,750,626	167,374,949	0.0891%	439.22	7,540,700	6,054,300	7,013,400	20,608,400	0.0110%	54.08	0.1001%	493.30	0.1229%	606.09	0.1229%	(0.02)
2019	4.50%	196,324,934,404	150,459,249	0.0766%	377.82	7,540,600	6,054,300	9,216,400	22,811,300	0.0116%	57.28	0.0883%	435.11	0.1229%	605.74	0.1229%	(0.37)
2020	4.50%	205,159,556,453	141,421,893	0.0689%	339.84	7,543,500	6,051,200	8,232,900	21,827,600	0.0106%	52.45	0.0796%	392.29	0.1229%	606.03	0.1229%	(0.08)
2021	4.50%	214,391,736,493	145,620,423	0.0679%	334.86	7,543,500	6,049,700	9,215,900	22,809,100	0.0106%	52.45	0.0786%	387.31	0.1222%	602.53	0.1229%	(3.63)
2022	4.50%	224,039,364,635	143,776,709	0.0642%	316.38	7,540,000	6,049,200	9,215,200	22,804,400	0.0102%	50.18	0.0744%	366.56	0.1166%	574.69	0.1229%	(31.86)
2023	4.50%	234,121,136,044	141,639,796	0.0605%	298.26	7,542,400	6,054,100	9,215,700	22,812,200	0.0097%	48.04	0.0702%	346.29	0.1129%	556.52	0.1229%	(50.29)
2024	4.50%	244,656,587,166	137,994,891	0.0564%	278.07	7,539,500	6,053,500	9,216,500	22,809,500	0.0093%	45.96	0.0657%	324.03	0.1088%	536.60	0.1229%	(70.50)
2025	4.50%	255,666,133,588	132,143,543	0.0517%	254.81	7,540,700	6,052,100	9,216,700	22,809,500	0.0089%	43.98	0.0606%	298.80	0.1020%	502.85	0.1229%	(104.72)
2026	4.50%	267,171,109,600	120,414,895	0.0451%	222.20	7,539,800	6,049,300	9,215,400	22,804,500	0.0085%	42.08	0.0536%	264.28	0.0932%	459.57	0.1229%	(148.62)
2027	4.50%	279,193,809,532	120,267,225	0.0431%	212.37	7,540,900	6,049,500	9,216,700	22,807,100	0.0082%	40.27	0.0512%	252.64	0.0892%	439.51	0.1229%	(168.96)
2028	4.50%	291,757,530,961	119,634,707	0.0410%	202.15	7,542,800	6,051,800	9,219,400	22,814,000	0.0078%	38.55	0.0488%	240.70	0.0851%	419.52	0.1229%	(189.24)
2029	4.50%	304,886,619,854	113,914,327	0.0374%	184.20	7,539,300	6,050,300	9,217,300	22,806,900	0.0075%	36.88	0.0448%	221.08	0.0796%	392.20	0.1229%	(216.95)
2030	4.50%	318,606,517,747	104,291,306	0.0327%	161.38	7,539,500	6,049,400	9,219,500	22,808,400	0.0072%	35.29	0.0399%	196.67	0.0731%	360.41	0.1229%	(249.19)
2031	4.50%	332,943,811,046	79,539,971	0.0239%	117.78	7,541,900	6,053,200	9,214,500	22,809,600	0.0069%	33.77	0.0307%	151.55	0.0625%	308.25	0.1229%	(302.08)
2032	4.50%	347,926,282,543	50,394,750	0.0145%	71.41	-	6,050,500	9,216,400	15,266,900	0.0044%	21.63	0.0189%	93.04	0.0493%	242.98	0.1229%	(368.28)
2033	4.50%	363,582,963,257	31,538,200	0.0087%	42.76	-	6,050,700	9,218,400	15,269,100	0.0042%	20.70	0.0129%	63.47	0.0420%	206.95	0.1229%	(404.83)
2034	4.50%	379,944,198,694	31,541,550	0.0083%	40.93	-	6,052,600	9,219,000	15,271,600	0.0040%	19.82	0.0123%	60.74	0.0366%	180.50	0.1229%	(431.65)
2035	4.50%	397,041,687,635	31,542,700	0.0079%	39.17	-	-	9,216,700	9,216,700	0.0023%	11.44	0.0103%	50.61	0.0319%	157.04	0.1229%	(455.45)
						$140,948,750	$120,763,907	$175,536,960	$437,249,617								
					Total Principal	80,475,000	69,335,000	98,190,000	248,000,000								
					Total Interest	60,473,750	51,428,907	77,346,960	189,249,617								
									Proposed DS								
							Average Annual DS		$18,218,734								
							Average Annual Levy Rate		0.0076%								
							Highest Annual Levy Rate		0.0116%								
							Lowest Annual Levy Rate		0.0022%								
							Total Debt Service		$437,249,617								

Annual Levy Par $500K A.V.		Annual Levy Par $500K A.V.		Annual Levy Par $500K A.V.		Annual Levy Par $500K A.V.	
Average	$307.06	Average	$37.33	Average	$334.71	Average	$474.67
Maximum	$594.16	Maximum	$57.28	Maximum	$605.78	Maximum	$606.09
Minimum	$39.17	Minimum	$10.70	Minimum	$50.61	Minimum	$157.04

Prepared by Controller's Office of Public Finance

City and County of San Francisco General Obligation Bonds

Net Assessed value (August 1, 2010)		$157,865,981,382
Bond debt limit	3%	
Bonding Capacity		$4,735,979,441
Outstanding GO Bonds at 5/22/2011		**$1,481,159,429**
Outstanding indebtness as % of Net AV		0.94%
Principal Amount of Proposed GO Bonds		$248,000,000
Total Outstanding Indebtedness plus GO Bonds		$1,729,159,429
Available Debt Capacity		**$3,006,820,012**
Outstanding indebtedness plus Proposed GO Bonds as % of Net AV		1.10%
Authorized & Unissued bonds		$1,164,889,772
Avail.D/C less Auth & Uniss. Bonds		**$1,841,930,240**

City and County of San Francisco

San Francisco Department of Public Works
Office of the Deputy Director for Engineering
Bureau of Engineering
30 Van Ness, 5th Floor
San Francisco, CA 94102
(415) 558-4001 ■ www.sfdpw.org

Edwin M. Lee, Mayor
Edward D. Reiskin, Director

Patrick Rivera, P.E., Bureau Manager

May 12, 2011

11·0508 R

Stephen Shotland
San Francisco Planning Department
1650 Mission Street Suite 400
San Francisco, CA 94103

Dear Mr. Shotland:

The Department of Public Works requests a General Plan Referral and CEQA Exemption for a $248 million Road Repaving and Street Safety General Obligation Bond proposed for the November 2011 ballot. We are making this request pursuant to Section 4.105 of the San Francisco Charter and Section 2A.52 of the Administrative Code, which requires the Planning Department to determine consistency with the General Plan prior to the Board of Supervisors consideration of, and action on any ordinance or resolution. The General Plan Referral and CEQA finding is needed prior to the Board's first action on the Resolution of Public Interest and Necessity anticipated Wednesday, June 1.

The proposed bond provides funding for five programmatic categories:
1. $148.8 million for Street Repaving and Reconstruction
2. $ 7.3 million for Street Structure Rehabilitation and Seismic Improvement
3. $ 22.0 million for Sidewalk Accessibility Improvements
4. $ 50.0 million for Streetscape, Pedestrian and Bicycle Safety Improvements
5. $ 20.3 million for Transit Signal Infrastructure Improvements

Projects completed through the bond are anticipated to be within existing City rights of way and on City owned property. The bond proposal does not specify which projects will be completed through this bond, but it does list the scope of improvements and potential projects that may be completed. If the bond is approved by voters in November, individual projects will require project-level General Plan referrals, Environmental Review and other approvals.

Please contact me, (415) 558-4001 or Patrick.Rivera@sfdpw.org; or contact Frank Filice at (415) 558.4011 or Frank.Filice@sfdpw.org with any questions about this request.

Exempt per CEQA Guidelines
Statutory Exemption Section 15273-
Rates, Tolls, Fares and charges.

Brett Bollinger 5/19/11
Approved Planning Dept. Brett Bollinger

Sincerely,

Patrick Rivera
Bureau Manager

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 20, 2011

Case No. **Case No. 2011.0508R**
$248 Million Road Repaving and Street Safety General Obligation Bond
November 2011 Ballot

Project Sponsor: Patrick Rivera, Bureau Manager
City & County of San Francisco
Department of Public Works
Office of the Deputy Director for Engineering
Bureau of Engineering
30 Van Ness Avenue, 5th Floor
San Francisco, CA 94102

Referred By: Patrick Rivera, Bureau Manager
City & County of San Francisco
Department of Public Works
Office of the Deputy Director for Engineering
Bureau of Engineering
30 Van Ness Avenue, 5th Floor
San Francisco, CA 94102

Staff Contact: Jon Swae – (415) 575-9069
jon.swae@sfgov.org

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

Recommended By: John Rahaim, Director of Planning

PROJECT DESCRIPTION

On May 12, 2011, the Planning Department (herein "the Department") received a request from the Department of Public Works for a General Plan Referral for the proposed $248

Million Road Repaving and Street Safety General Obligation Bond. The General Plan Referral is required by Sections 2A.52 of the Administrative Code. If approved by the Capital Planning Committee, Board of Supervisors and Mayor, the bond would be placed before voters on the November 20011 ballot.

Recommended as part of the citywide ten-year Capital Plan to improve and invest in the City's infrastructure, the proposed bond would improve streetscapes for pedestrian and bicyclist safety, improve traffic flow on local streets and install sidewalk and curb ramps to meet the City's obligations under the Americans with Disabilities Act. The bond would also provide funding to repave streets and fix potholes in neighborhoods throughout San Francisco and seismically strengthen deteriorating bridges, overpasses and stairways.

If approved by the voters, the proposed bond would make funding available in the following five programmatic categories:

1. Street Repaving and Reconstruction ($148.8 million)
2. Street Structure Rehabilitation and Seismic Improvement ($7.3 million)
3. Sidewalk Accessibility Improvements ($22.0 million)
4. Streetscape, Pedestrian and Bicycle Safety Improvements ($50.0 million)
5. Transit Signal Infrastructure Improvements ($20.3 million)

This Referral provides review for the bond proposal only and not specific capital projects that may be funded by it. The proposal does not specify which projects will be completed using bond funds. A copy of the "Road Repair and Street Safety Bond Summary Report" is included as **Attachment 1.**

ENVIRONMENTAL REVIEW

The Department has determined that the proposed General Obligation Bond is exempt under CEQA Guidelines Statutory Exemption Section 15373(a)(4)-Rates, Tolls, Fares and Charges. Individual projects, if funded, would require project-level CEQA environmental clearance.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The proposed Road Repaving and Street Safety General Obligation Bond is, on balance, in conformity with the intent of the General Plan to provide safe and well-maintained streets and sidewalks. If the Bond is approved and funds for street and sidewalk improvements become available, **some projects will require project-level General Plan referrals,** as required by Section 4.105 of the San Francisco Charter and § 2A.53 of the Administrative Code. Projects may also require Environmental Review and other discretionary actions by the Planning Department.

When specific project(s) are designed, the Department of Public Works (or sponsoring Department) should submit a General Plan Referral application on the specific project(s) to the Planning Department, prior to consideration of and approval of individual projects. We request that the sponsoring City Departments confer with the Planning Department to determine whether individual projects funded by bond are subject to a General Plan Referral, Environmental Review, or other discretionary action by the Planning Department. Any required General Plan Referral applications should be submitted early in the approval process, providing adequate time for Department review, consistent with Section 2A.53 of the Administrative Code.

EIGHT PRIORITY POLICIES

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 General Obligation Bond would not adversely effect neighborhood serving retail uses or opportunities for employment in or ownership of such businesses. Potential construction impacts associated with any road or repaving work should be minimized as much as possible.

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

   The General Obligation Bond would not have an adverse effect on the City's housing stock or on neighborhood character.

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

   The General Obligation Bond would not adversely impact the City's supply of affordable housing.

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

   The General Obligation Bond would not result in commuter traffic impeding Muni's transit service, however, individual Muni lines may be impacted temporarily during street construction work. The bond program would not overburden streets or neighborhood parking. The bond would provide funds for repaving City streets, ADA and safety improvements to streetscapes, sidewalks and curb ramps.

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 General Obligation Bond would not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

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

   The General Obligation Bond would not adversely affect the City's emergency preparedness. Repaving roads and strengthening street structures will provide safe and clear paths for emergency access in the event of a natural disaster. The budget, if funded, would fund seismic improvements to public infrastructure, including public streets and roadways, pedestrian rights-of-way and similar facilities.

7. That landmarks and historic buildings be preserved.

   The General Obligation Bond would not impact landmarks or historic buildings.

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

   The General Obligation Bond would have no adverse effect on parks and open space or their access to sunlight and vistas.

RECOMMENDATION:	**Finding the General Obligation Bond, on balance, in-conformity with the General Plan**

Attachments:

1. 2011 Road Repaving and Street Safety Bond Program Summary Report

CC:

Edward D. Reiskin, Director, DPW
Patrick Rivera, Engineering Bureau Manager, DPW
Frank Filice, Manager of Capital Planning, DPW
Simone Jacques, Transportation Finance Analyst, DPW
Jon Swae, Planning Department

Capital Planning Committee

Amy L. Brown, Acting City Administrator, Chair

MEMORANDUM

May 16, 2011

To: Supervisor David Chiu, Board President

From: Amy L. Brown, Acting City Administrator and Capital Planning Committee Chair

Copy: Members of the Board of Supervisors
Angela Calvillo, Clerk of the Board
Capital Planning Committee

Regarding: Recommendation on the FY 2011-12 Capital Budget and the Road Repaving and Street Safety General Obligation Bond

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In accordance with Section 3.21 of the Administrative Code, on May 16, 2011, the Capital Planning Committee (CPC) reviewed the following action items. The CPC's recommendations are set forth below.

1. Board File Number [Various]: Recommendation on the FY 2011-2012 capital budget.

Recommendation: Recommend approval of the FY 2011-2012 capital budget. General Fund sources make up 52 percent of the total at $43,112,564. With $2,085,000 in sustainability and energy efficiency grants from the Public Utilities Commission and $38,084,926 in additional non-GF sources, the proposed FY 2011-12 capital budget totals $83,282,490.

Comments: The CPC recommends approval of this item by a vote of 8-0.

Committee members or representatives in favor include Amy L. Brown, Acting City Administrator; Dawn Kamalanathan, Recreation and Parks Department; Ed Harrington, SFPUC; Darton Ito, SFMTA; Cindy Nichol, San Francisco International Airport; Nadia Sesay, Controller's Office; Judson True, Board President's Office; and Rick Wilson, Mayor's Budget Office.

2. Board File Numbers TBD:	**(1) Resolution of Public Interest and Necessity establishing the need for and (2) Ordinance submitting for voter consideration the Road Repaving and Street Safety General Obligation Bond ($248,000,000).**
Recommendation:	Support adoption of the Resolution of Public Interest and Necessity and Ordinance.
Comments:	The CPC recommends approval of this item by a vote of 10-0.
	Committee members or representatives in favor include Amy L. Brown, Acting City Administrator; Brad Benson, Port of San Francisco; Dawn Kamalanathan, Recreation and Parks Department; Ed Harrington, SFPUC; Darton Ito, SFMTA; Cindy Nichol, San Francisco International Airport; Ed Reiskin, Department of Public Works; Nadia Sesay, Controller's Office; Judson True, Board President's Office; and Rick Wilson, Mayor's Budget Office.