

1 [General Obligation Bonds - Health and Recovery - Not to Exceed \$487,500,000]

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3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the acquisition or improvement of real property, including: facilities to house and/or**
5 **deliver services for persons experiencing mental health challenges, substance use**
6 **disorder, and/or homelessness; parks, open space, and recreation facilities, including**
7 **green and climate resilient infrastructure; and streets, curb ramps, street structures**
8 **and plazas, and related costs necessary or convenient for the foregoing purposes;**
9 **authorizing landlords to pass-through 50% of the resulting property tax increase to**
10 **residential tenants under Administrative Code Chapter 37; adopting findings under the**
11 **California Environmental Quality Act; and finding that the proposed Bonds are in**
12 **conformity with the General Plan, and with the eight priority policies of Planning Code,**
13 **Section 101.1(b).**

14
15 WHEREAS, According to the City and County of San Francisco (“City”) Point-in-Time
16 Count conducted in January 2019, about 8,000 people experience homelessness in the City
17 on any given night, and over the course of an entire year, many more people experience
18 homelessness; and

19 WHEREAS, According to Department of Homelessness and Supportive Housing
20 (“HSH”) records, in Fiscal Year 2018-2019, HSH served about 18,000 people experiencing
21 homelessness, and of those, 4,000 have a history of both mental health and substance use
22 disorders; and

23 WHEREAS, An estimated 24,500 people inject drugs in the City and recent data
24 indicate that 39 percent of people who inject drugs in the City reported injecting
25 methamphetamine. Methamphetamine is increasingly being consumed in public spaces, and

1 residents are more regularly encountering individuals who present challenging psychosis-
2 related behaviors or experience moments of mental health crisis; and

3 WHEREAS, The City, through HSH, currently offers temporary shelter to approximately
4 3,400 people per night through shelters, Navigation Centers, stabilization beds, and
5 transitional housing -- 566 additional beds have opened since October 2018 and another 499
6 are in development -- but additional shelter beds are needed to match the waitlist for
7 individuals looking to access shelter; and

8 WHEREAS, The City administers locally and federally funded supportive housing to
9 provide long-term affordable housing with on-site social services to people exiting chronic
10 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,
11 newly constructed units, and apartment buildings that operate under a master lease between
12 private property owners and the City (“Permanent Supportive Housing”), but the City does not
13 have a sufficient supply of Permanent Supportive Housing units to meet the demand; and

14 WHEREAS, DPH provides behavioral health services in a number of settings and
15 through a number of different mechanisms including at existing facilities such as San
16 Francisco General Hospital, the Behavioral Health Access Center, Residential Care Facilities,
17 community clinics, and through contracts with nonprofit service providers; and

18 WHEREAS, When there is not enough capacity at any one level of care or facility,
19 longer wait times for services have a detrimental effect on the ability of people to heal and
20 become healthier, and the City has an inadequate number of beds to help those recovering
21 from substance use, mental health, or a dual diagnosis, with some residential care facilities
22 having wait lists of up to seven months as of 2019; and

23 WHEREAS, Limited state and federal resources and the high cost of construction put a
24 greater burden on local governments to contribute their own limited resources to produce
25 more facilities to serve those struggling with behavioral health and substance use disorders,

1 temporary shelters, and permanent supportive housing, and consequently the City’s supply of
2 these resources has not kept pace with demand; and

3 WHEREAS, The proposed Health and Recovery Bond (“Bond”) will provide a portion of
4 the critical funding necessary to acquire or improve real property, including permanent
5 supportive housing and shelters, and existing and potential new behavioral health facilities
6 and institutions; and

7 WHEREAS, On March 16, 2020, the Public Health Officers of six Bay Area counties
8 jointly issued a Shelter in Place Public Health Order to protect the health and well-being of
9 Bay Area residents in the face of the COVID-19 Public Health Emergency (“Public Health
10 Emergency”); and

11 WHEREAS, The Public Health Emergency brought with it City unemployment levels
12 approaching 10% within three weeks of the first Shelter in Place Public Health Order and full
13 or partial job loss impacts on industries with an estimated 166,936 employees, creating an
14 urgent need to invest in projects that create jobs and support the City’s economic recovery;
15 and

16 WHEREAS, The City’s most recent 10-year capital plan identifies a deferred
17 maintenance backlog of \$799 million for streets and General Fund facilities, and the
18 Recreation and Parks Department’s more recent facilities condition assessment shows \$950
19 million in deferred maintenance; and

20 WHEREAS, Infrastructure investment is a known and tested jobs stimulus strategy with
21 a strong multiplier effect, estimated at 5.93 jobs for every million dollars in construction
22 spending according to the REMI Policy Insight model; and

23 WHEREAS, Since 2005, the City has engaged in regular, long-term capital planning to
24 identify and advance shovel-ready projects that deliver improvements in line with adopted
25 funding principles that prioritize legal and regulatory mandates, life safety and resilience,

1 asset preservation and sustainability, programmatic and planned needs, and economic
2 development; and

3 WHEREAS, Parks, recreation facilities, open spaces, streets, curb ramps, street
4 structures, and plazas are all essential infrastructure for which the City is responsible and
5 must maintain a state of good repair for public health, safety, and equitable accessibility; and

6 WHEREAS, Parks, recreation facilities, and open spaces offer space to relax and enjoy
7 nature and places to play and exercise, increase residents' quality of life, support good mental
8 and physical health, and can help people deal with trauma or find comfort in a time of distress,
9 as a growing body of work shows that time spent outdoors in natural environments can help
10 lower stress, depression, anxiety, diabetes, risk of preterm birth, high blood pressure, asthma,
11 stroke, heart disease and other health improvements; and

12 WHEREAS, During the Public Health Emergency, City residents have sought solace
13 and refuge in City parks and open spaces and heavily utilized these spaces for exercise and
14 as an alternative to private back yards, and more so in denser neighborhoods and in Equity
15 Zones; and

16 WHEREAS, During the Public Health Emergency, many of the City's recreation
17 facilities served as childcare centers for emergency and healthcare workers, helping to
18 alleviate child care concerns for these important professionals; and

19 WHEREAS, A recent survey by the National Recreation and Park Association (NRPA)
20 found that eighty-three percent (83%) of American adults agree that visiting their local parks,
21 trails and open spaces is essential for their mental and physical well-being during the COVID-
22 19 Emergency, and fifty nine percent (59%) said that access to these amenities is very or
23 extremely essential to their mental and physical health during this crisis; and

24 WHEREAS, Urban agriculture provides proven benefits to San Franciscans by
25 connecting City residents to the broader food system, providing green space and recreation,

1 providing ecological benefits and green infrastructure, building community, and offering food
2 access, public health, and workforce development potential, in particular for low-income and
3 vulnerable communities; and

4 WHEREAS, A park system as large and diverse as the City's -- over 220 parks spread
5 over 3,400 acres, and containing 181 playgrounds, 82 recreation centers and clubhouses, 37
6 community gardens, 29 off-leash dog areas, 9 swimming pools, and numerous tennis courts,
7 ball fields, soccer fields, and other sports and athletic venues -- requires continued and
8 consistent investment to address dilapidated playgrounds, worn out playfields, run-down
9 buildings, and crumbling outdoor courts; and

10 WHEREAS, The City is responsible for the state of good repair of more than 1,200
11 miles of streets, approximately 50,000 curb ramp locations, 371 street structures, and 9
12 plazas, which are heavily used and have longstanding deferred maintenance needs; and

13 WHEREAS, Streets, curb ramps, street structures, and plazas connect people to jobs,
14 hospitals, shopping centers, and transit -- places that are vital to daily life -- and providing
15 smooth and pot-hole free streets and pedestrian right-of-way is essential to reducing the costs
16 of road-induced damage, preventing accidents for bicyclists and drivers, and creating safe
17 passage for pedestrians; and

18 WHEREAS, City staff have identified and planned several park, open space, and
19 recreation facilities improvement projects to address public safety hazards, improve waterfront
20 access, improve disabled access, enhance the condition of neighborhood and citywide park,
21 recreation, and open space facilities and lands, address deferred maintenance, support
22 population growth, enhance green infrastructure, improve climate resiliency and seismic
23 safety, ensure equitable access to high-quality open spaces, and other issues facing the
24 City's park system that can put people to work quickly and support local economic recovery;
25 and

1 WHEREAS, The Bond will provide a portion of the critical funding necessary to acquire
2 or improve real property, including to improve the safety and quality of neighborhood, citywide
3 and waterfront parks and open spaces and recreation facilities under the jurisdiction of the
4 Recreation and Park Commission; and

5 WHEREAS, City staff have identified street repaving, curb ramp, street structures, and
6 plaza improvement programs to address public safety hazards, reduce the backlog of
7 deferred maintenance, improve disabled access, and equitably improve the public right-of-way
8 that can similarly put people to work quickly; and

9 WHEREAS, The Bond will provide a portion of the funding necessary to acquire or
10 improve real property, including to improve access for the disabled and the condition of the
11 City’s streets and other public right-of-way and related assets; and

12 WHEREAS, City staff have identified a capital improvement need totaling
13 \$487,500,000 in projects and programs relating to acquiring or improving real property,
14 including to stabilize, improve, and make permanent investments in permanent and
15 transitional supportive housing facilities, shelters, and/or facilities that deliver services to
16 persons experiencing mental health challenges, substance use disorder, and/or
17 homelessness; improve the safety and quality of neighborhood, citywide, and waterfront parks
18 and open spaces and recreation facilities, and urban agriculture sites under the jurisdiction of
19 the Recreation and Park Commission; and improve access for the disabled and the condition
20 of the City’s streets and other public right-of-way and related assets; and sites or properties
21 otherwise specified in the ordinance submitting this proposal to the voters (collectively,
22 “Project”); and

23 WHEREAS, The Bond will allow the City to finance the acquisition or improvement of
24 the Project in the most cost-effective manner possible; and

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1 WHEREAS, The Bond is recommended by the City's 10-year capital plan, approved
2 each odd-numbered year by the Mayor of the City and the Board of Supervisors of the City
3 ("Board"); be it

4 RESOLVED, The Board determines and declares that the public interest and necessity
5 demand the acquisition or improvement of real property, including facilities to house and/or
6 deliver services for persons experiencing mental health challenges, substance use disorder,
7 and/or homelessness; parks, open space, and recreation facilities, including green and
8 climate resilient infrastructure; and streets, curb ramps, street structures and plazas, and
9 related costs necessary or convenient for the foregoing purposes; and, be it

10 FURTHER RESOLVED, The estimated cost of \$487,500,000 for the Bond is and will
11 be too great to be paid out of the ordinary annual income and revenue of the City, will require
12 an expenditure greater than the amount allowed by the annual tax levy, and will require the
13 incurrence of bonded indebtedness in an amount not to exceed \$487,500,000; and, be it

14 FURTHER RESOLVED, The Board, having reviewed the proposed legislation, makes
15 the following findings in compliance with the California Environmental Quality Act ("CEQA"),
16 California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 15 Cal.
17 Administrative Code, Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco
18 Administrative Code, Chapter 31. The Board, finds, affirms and declares:

19 A. FACILITIES TO HOUSE AND/OR DELIVER SERVICES FOR PEOPLE
20 EXPERIENCING MENTAL HEALTH CHALLENGES, SUBSTANCE USE DISORDER,
21 AND/OR HOMELESSNESS:

22 The proposed funding described in Section 3A of the Ordinance is excluded from
23 CEQA because such funding is not defined as a "project" under CEQA Guidelines section
24 15378(b)(4), but is the creation of a government funding mechanism that does not involve any
25 commitment to any specific projects at any specific locations.

1 B. PARK, OPEN SPACE, AND RECREATION FACILITIES:

2 (i) For the improvements to the India Basin Open Space (as defined in Section
3 3B of the Ordinance), the Board of Supervisors, in Motion No. 18-136, affirmed certification of
4 the India Basin Mixed-Use Project Final Environmental Impact Report (State Clearinghouse
5 Number 2016062003) and, in Ordinance No. 252-18, adopted findings under CEQA related to
6 approvals in furtherance of the project and Development Agreement, including adoption of a
7 Mitigation Monitoring and Reporting Program (“MMRP”), and a Statement of Overriding
8 Considerations. The Planning Department determined that no further environmental review
9 for this proposal is required because there are no changes to the approved Project or its
10 surrounding circumstances that would necessitate additional environmental review, for the
11 reasons set forth in its Memorandum dated June 19, 2020. The findings contained in
12 Ordinance No. 258-18, including the MMRP, and the Planning Department Memorandum
13 dated June 19, 2020, are hereby incorporated into the Ordinance as though fully set forth
14 therein. For purposes of the Ordinance, the Board relies on said actions and their supporting
15 documents, copies of which are in Board of Supervisors File Nos. 180842 and 180681 and
16 incorporates these documents by reference;

17 (ii) Four other Neighborhood Park projects, the Gene Friend Recreation Center,
18 the Herz Playground Recreational Center, Buchanan Street Mall, and the Japantown Peace
19 Plaza, each have been determined to be categorically exempt under CEQA. The separate
20 projects located at the Gene Friend Recreation Center and the Herz Recreational Center were
21 each determined to be exempt as Category 32 exemptions for Infill Development Projects,
22 and the separate projects located at the Buchanan Street Mall and the Japantown Peace
23 Plaza were each determined to be exempt as a Category 1 exemption as a minor alteration to
24 an existing facility, with Buchanan Street Mall also determined to be exempt as a Category 4
25 exemption as a minor alteration to existing land, as set forth in the Planning Department’s

1 memorandum dated June 19, 2020, which determinations are hereby affirmed and adopted by
2 this Board for the reasons set forth in the Planning Department's Memorandum dated June
3 19, 2020; and

4 (iii) The remaining proposed Parks, Open Space and Recreation Facilities
5 funding identified in Section 3B2 to 3B10 (the "Program Funding") is excluded from CEQA
6 because the Program Funding is not defined as a "project" under CEQA Guidelines section
7 15378(b)(4), but is the creation of a government funding mechanism that does not involve any
8 commitment to any specific projects at any specific locations.

9 C. STREETS, CURB RAMPS, STREET STRUCTURES AND PLAZAS: The
10 proposed funding described in Section 3C of the Ordinance is excluded from CEQA because
11 such funding is not defined as a "project" under CEQA Guidelines section 15378(b)(4), but is
12 the creation of a government funding mechanism that does not involve any commitment to
13 any specific projects at any specific locations.

14 D. CITIZENS' OVERSIGHT COMMITTEE: The funding described in Section 3D of
15 the Ordinance is excluded from CEQA because the funding is not defined as a "project" under
16 CEQA Guidelines section 15378(b)(5), but is organizational activity that does not result in a
17 direct or indirect impact on the environment; and be it

18 FURTHER RESOLVED, The Board finds and declares that the proposed Bonds (a)
19 were referred to the Planning Department in accordance with Section 4.105 of the San
20 Francisco Charter and Section 2A.53(f) of the Administrative Code, (b) are in conformity with
21 the priority policies of Section 101.1(b) of the San Francisco Planning Code, and (c) are
22 consistent with the City's General Plan, and adopts the findings of the Planning Department,
23 as set forth in the General Plan Referral Report dated May 15, 2020, a copy of which is on file
24 with the Clerk of the Board in File No. 200479 and incorporates such findings by this
25 reference; and, be it

1 FURTHER RESOLVED, The time limit for approval of this resolution specified in
2 Administrative Code, Section 2.34 is waived; and, be it

3 FURTHER RESOLVED, Under Administrative Code, Section 2.40, the ordinance
4 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-
5 through 50% of the resulting property tax increases to residential tenants in accordance with
6 Administrative Code, Chapter 37; and, be it

7 FURTHER RESOLVED, The City hereby declares its official intent to reimburse prior
8 expenditures of the City incurred or expected to be incurred prior to the issuance and sale of
9 any series of the Bonds in connection with the Bond. The Board hereby declares the City's
10 intent to reimburse the City with the proceeds of the Bond for the expenditures with respect to
11 the Project (the "Expenditures" and each, an "Expenditure") made on and after that date that
12 is no more than 60 days prior to the adoption of this Resolution; and, be it

13 FURTHER RESOLVED, The City reasonably expects on the date hereof that it will
14 reimburse the Expenditures with the proceeds of the Bond; and, be it

15 FURTHER RESOLVED, Each Expenditure was and will be either (a) of a type properly
16 chargeable to a capital account under general federal income tax principles (determined in
17 each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bond,
18 (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to
19 a party that is not related to or an agent of the City so long as such grant does not impose any
20 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
21 City. The maximum aggregate principal amount of the Bond expected to be issued for the
22 Project is \$487,500,000. The City shall make a reimbursement allocation, which is a written
23 allocation by the City that evidences the City's use of proceeds of the applicable series of the
24 Bond to reimburse an Expenditure, no later than 18 months after the later of the date on which
25 the Expenditure is paid or the related portion of the Project is placed in service or abandoned,

1 but in no event more than three years after the date on which the Expenditure is paid. The
2 City recognizes that exceptions are available for certain “preliminary expenditures,” costs of
3 issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year of
4 issuance and not the year of expenditure) and Expenditures for construction projects of at
5 least 5 years; and, be it

6 FURTHER RESOLVED, Documents referenced in this resolution are on file with the
7 Clerk of the Board of Supervisors in File No. 200479, which is hereby declared to be a part of
8 this resolution as if set forth fully herein.

9

10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA
12 City Attorney

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13 By: /s/ Kenneth David Roux
14 KENNETH DAVID ROUX
15 Deputy City Attorney
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