

File No. 190836

Committee Item No. 10

Board Item No. 3

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 4, 2019

Board of Supervisors Meeting

Date September 17, 2019

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

- Power Point Presentation
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Completed by: Linda Wong Date August 29, 2019
 Completed by: Linda Wong Date September 5, 2019

1 [Appropriation - Fund Balance - San Francisco Seawall Earthquake Safety and Disaster
2 Prevention Program - \$11,500,000 - FY2019-2020]

3 Ordinance appropriating \$11,500,000 of fund balance to the Port for the San
4 Francisco Seawall Earthquake Safety and Disaster Prevention Program in FY2019-
5 2020.

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

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

12 Section 1. The sources of funding outlined below are herein appropriated in Fiscal
13 Year 2019-20.

14
15 SOURCES Appropriation

16 Fund /	Project & Activity	Account	Description	Amount
17 Department ID	/ Authority			
18 23680 / 210646	10026770 & 0001/	499999	Fund Balance	\$11,500,000
19 PRT-OP Annual	10000			
20 Account Ctrl/	PO Real Estate/			
21 PRT Commercial	Operating			
22				
23 Total SOURCES Appropriation				<u>\$11,500,000</u>

1 Section 2. The uses of funding outlined below are herein appropriated to Department
 2 of Port to fund San Francisco Earthquake and Disaster Prevention Program in Fiscal Year
 3 2019-20.

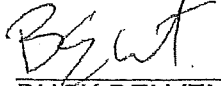
4
 5 **Uses Appropriation**

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
23700 / 232116	10032237 & 0001	567000	San Francisco	\$11,500,000
PRT-OP	/12672	Bldgs,Struct&Imprv	Earthquake and	
ContinuingAuthorityCtrl/	PO Seawall	Proj-Budget	Disaster Prevention	
PRT Port Commission	Resiliency Project/		Program	
(Portwide)	PO Seawall &			
	Marginal Wharf Re			
Total USES Appropriation				<u><u>\$11,500,000</u></u>

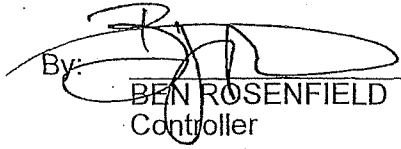
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 17 Section 3. The Controller is authorized to record transfers between funds and adjust
 18 the accounting treatment of sources and uses appropriated in this Ordinance as necessary
 19 to conform to Generally Accepted Accounting Principles.

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

By: 
BUCK DELVENTHAL
Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
BEN ROSENFELD
Controller

Mayor Breed; Supervisor Peskin
BOARD OF SUPERVISORS

<p>Item 10 File 19-0836</p>	<p>Department: Port</p>
<p>EXECUTIVE SUMMARY</p>	
<p>Legislative Objectives</p>	
<p>The proposed ordinance would appropriate \$11,500,000 of unappropriated fund balance in the Port Harbor Fund to the Port's Seawall Earthquake and Disaster Prevention Program</p>	
<p>Key Points</p>	
<ul style="list-style-type: none"> • In November 2018, San Francisco voters approved Proposition A, authorizing the \$425 million Embarcadero Seawall Earthquake Safety General Obligation Bond to support the Seawall Earthquake Safety and Disaster Prevention Program. • In July 2019, the Board of Supervisors authorized the first issuance, sale, and appropriation of the Seawall Bond for up to \$50.0 million, including issuance costs, to support the planning and preliminary design phases of the Seawall Program. • In April 2019, plaintiffs filed an action against the City regarding the Seawall Bond. Although the San Francisco Superior Court dismissed the plaintiffs' claims, the plaintiffs filed an appeal in July 2019. The City has chosen to delay the first bond issuance until the lawsuit is resolved. 	
<p>Fiscal Impact</p>	
<ul style="list-style-type: none"> • The Port Harbor Fund had an estimated available fund balance of \$14.2 million at the end of FY 2018-19. • The proposed ordinance would appropriate \$11.5 million of the fund balance, leaving approximately \$2.7 million of available fund balance. • The proposed ordinance would appropriate funding for the work of Port staff and consultants in the Seawall Program's planning phase through FY 2019-20. These funds would be reimbursed through future Seawall Bond sales, when they occur. 	
<p>Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed ordinance. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

In November 2018, San Francisco voters approved Proposition A, authorizing a \$425 million General Obligation Bond known as the Embarcadero Seawall Earthquake Safety Bond to support the Seawall Earthquake Safety and Disaster Prevention Program (Seawall Program).

In July 2019, the Board of Supervisors authorized the first issuance, sale, and appropriation of the Seawall Bond for up to \$50.0 million, including issuance costs, to support the planning and preliminary design phases of the Seawall Program (Files 19-0356, 19-0357, and 19-0358).

In April 2019, plaintiffs filed an action against the City alleging that San Francisco officials violated state and local election laws in connection with the voter approval of the Seawall Bond. The San Francisco Superior Court dismissed all of the plaintiffs' claims and entered judgment for the City on June 19, 2019, and on July 18, 2019, the plaintiffs filed an appeal. The City Attorney expects that the Court of Appeals will set a briefing schedule by the end of the calendar year. Although the City Attorney advises that the lawsuit is without merit, the City has chosen to delay the first bond issuance until the lawsuit is resolved.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$11,500,000 of unappropriated fund balance in the Port Harbor Fund to the Port's Seawall Earthquake and Disaster Prevention Program.

FISCAL IMPACT

The Port Harbor Fund had an estimated available fund balance of \$14.2 million at the end of FY 2018-19, according to Ms. Katharine Petrucione, Deputy Director of Finance and Administration at the Port. The proposed ordinance would appropriate \$11.5 million of the fund balance, leaving approximately \$2.7 million of available fund balance.

The proposed expenditures of the \$11.5 million appropriation are shown in Table 1 below.

Table 1: Proposed Expenditures of Supplemental Appropriation, FY 2019-20

Expenditures	Amount
Program Labor (Port)	\$969,000
Program Management (Consultant)	1,872,000
Public Outreach	1,368,000
General Investigation	1,944,000
Data Collection, Review, and Existing Conditions	130,000
Multi-Hazard Risk Assessment	1,422,000
Alternatives Formulation, Analysis and Program Development	1,548,000
Seismic Peer Review Panel	342,000
LBE Support and Workforce Development	306,000
Other City Department/Government Agencies	540,000
Subtotal	10,441,000
Contingency (10%)	1,044,100
Total	\$11,485,100

The proposed ordinance would appropriate funding for the work of Port staff and consultants in the Seawall Program's planning phase through FY 2019-20. These funds would be reimbursed through future Seawall Bond sales, when they occur.

RECOMMENDATION

Approve the proposed ordinance.

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Sophia Kittler
RE: Appropriation – \$11,500,000 of Fund Balance to Department of Port for San Francisco Seawall Earthquake Safety and Disaster Prevention Program - FY2019-20
DATE: 7/30/19

JK

Ordinance appropriating \$11,500,000 of fund balance to Department of Port for San Francisco Seawall Earthquake Safety and Disaster Prevention Program in FY2019-20.

Please note that Supervisor Peskin is a co-sponsor of this legislation.

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

2019 JUL 30 PM 3:59
AK

File # 180836
Received in Comms 9/4/2019
9/4/19 *jm*

**PROTECT THE CITY:
STRENGTHEN
THE SEAWALL**

**Seawall/Resilience Program
Supplemental Appropriation Request**

September 3, 2019

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**SEAWALL EARTHQUAKE SAFETY
PROGRAM BOND REPORT**

April 2018

www.portofsanfrancisco.com [portofsanfrancisco](https://www.facebook.com/portofsanfrancisco) [portofsanfrancisco](https://www.instagram.com/portofsanfrancisco) [portofsanfrancisco](https://twitter.com/portofsanfrancisco)

SEAWALL EARTHQUAKE SAFETY & DISASTER PREVENTION PROGRAM

The Port of San Francisco is requesting approval for a supplemental appropriation of \$11.5 million to support the Seawall Program's planning and preliminary design work in FY 2019-20

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Proposition A Litigation

- April 2019, two SF residents filed litigation challenging Proposition A (Seawall Bond)
- June 18, 2019, litigation dismissed by Superior Court
- July 18, 2019, plaintiffs filed notice of intent to appeal
- First sale of Seawall Bond has been delayed

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PHASE I FUNDING – ALL SOURCES

Funding Sources	Fiscal Year 16/17	17/18	18/19	19/20	20/21	21/22	22/23	23-27
Port Capital	\$2.9		\$1.1					\$10.0
Port Harbor Funds				\$11.5	(\$11.5)			
City Revolving Fund	\$1.0	\$3.0	\$5.0		(\$6.0)	(\$3.0)		
SFMTA Contribution	\$0.5	\$0.5						
Planning Dept Contribution	\$0.5	\$0.25	\$0.25					
State Sources			\$5.0					
2018 General Obligation Bond					\$50.0	\$250.0		\$125.0
Other Funds*								\$54.0
Total Planned Sources	\$4.9	\$3.8	\$11.4	\$11.5	\$32.5	\$247.0	\$0.0	\$189.0
Cumulative Sources	\$4.9	\$8.7	\$20.0	\$31.5	\$64.0	\$311.0	\$311.0	\$500.0
Current Funding								
First Bond Sale Pending Litigation								
*Pending								

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SEAWALL PROGRAM CASH FLOW

WATERFRONT RESILIENCE PROGRAM
Projected spend down for supplemental appropriation

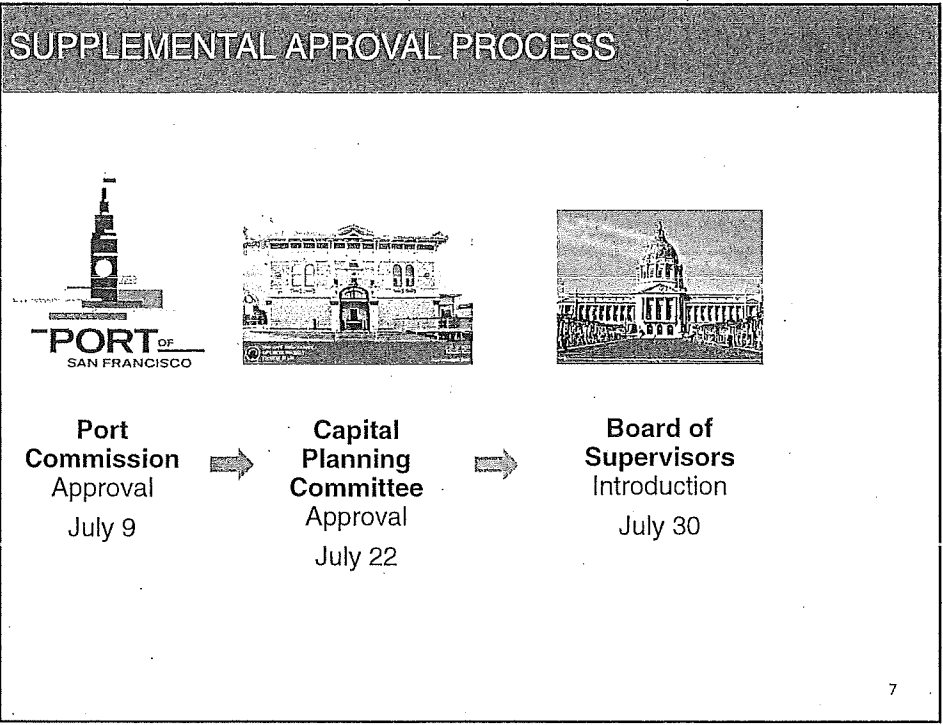
EXPENDITURES	Q1	Q2	Q3	Q4	TOTAL
Program Labor (Port)	\$ 321,000	\$ 321,000	\$ 324,000	\$ 324,000	\$ 1,290,000
Consultant Services	\$ 1,966,000	\$ 3,712,100	\$ 2,286,000	\$ 2,286,000	\$ 10,250,100
US Army Corps of Engineers - General Investigation	\$ 200,000	\$ 648,000	\$ 648,000	\$ 648,000	\$ 2,144,000
Other City Depts/Gov Agencies	\$ 180,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 540,000
Subtotal	\$ 2,487,000	\$ 4,861,100	\$ 3,438,000	\$ 3,438,000	\$ 14,224,100
Contingency (10%)	\$ 248,700	\$ 486,110	\$ 343,800	\$ 343,800	\$ 1,422,410
Total	\$ 2,735,700	\$ 5,347,210	\$ 3,781,800	\$ 3,781,800	\$ 15,646,510
Port Capital Funds Balance	\$ 2,112,429	\$ 7,729	\$ (3,921,481)	\$ (7,703,281)	\$ (11,485,081)
State Grant Funds Balance	\$ 2,049,000	\$ 1,418,000	\$ -	\$ -	\$ -
CUMULATIVE BALANCE	\$ 4,161,429	\$ 1,425,729	\$ (3,921,481)	\$ (7,703,281)	\$ (11,485,081)

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FY 2019-20 OCTOBER - JUNE SEAWALL PROGRAM EXPENDITURES

EXPENDITURES	TOTAL
Program Labor (Port)	\$ 969,000
Program Management (Consultant)	\$ 1,872,000
Public Outreach	\$ 1,368,000
General Investigation	\$ 1,944,000
Data Collection, Review, and Existing Conditions	\$ 130,000
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Port of San Francisco

CITY OF SAN FRANCISCO

BOARD OF SUPERVISORS

Questions?

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