

LEGISLATIVE DIGEST

[General Obligation Bond Election - Earthquake Safety and Emergency Response - Not to Exceed \$535,000,000]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 2, 2026, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of up to \$535,000,000 to finance the construction, acquisition, improvement, rehabilitation, renovation, expansion, and seismic retrofitting of the Emergency Firefighting Water System, Firefighting Facilities and Infrastructure, Police Facilities and Infrastructure, transportation facilities for the Municipal Railway Bus Storage and Maintenance Facility at Potrero Yard, and other Public Safety Facilities and Infrastructure for earthquake and public safety and related costs necessary or convenient for the foregoing purposes (collectively, the “ESER Facilities”); authorizing landlords to pass-through 50% of the resulting property tax increase, if any, to residential tenants in accordance with Chapter 37 of the Administrative Code; finding that the estimated cost of such proposed ESER Facilities 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 ESER Facilities; 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 portions of the bond proposal are not a “project” under the California Environmental Quality Act (CEQA) and adopting findings under CEQA for the remaining portion of the bond proposal; finding that the bond proposal is in conformity with the eight priority policies of Planning Code, Section 101.1(b) and is consistent with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in Section 53410 of the California Government Code; incorporating the provisions of the Administrative Code, Sections 5.30–5.36; and waiving the time requirements specified in Section 2.34 of the Administrative Code.

Existing Law

This is new law.

Background Information

To safeguard and enhance the City's earthquake safety and emergency response and recovery the City must provide for the rehabilitation and improvement of critical facilities that support the City's first responders and provide reliable public transportation after a major seismic event.

The proposed Ordinance provides for a special election to be held June 2, 2026, to authorize the issuance of up to \$535,000,000 of the City's General Obligation Bonds ("Bonds"). Proceeds of the Bonds will be applied to finance the cost of the construction, acquisition, improvement, rehabilitation, renovation, expansion, and seismic retrofitting of the Emergency Firefighting Water System, Firefighting Facilities and Infrastructure, Police Facilities and Infrastructure, transportation facilities for the Municipal Railway ("Muni") Bus Storage and Maintenance Facility at Potrero Yard, and other Public Safety Facilities and Infrastructure for earthquake and public safety and related costs necessary or convenient for the foregoing purposes (collectively, the "ESER Facilities").

Bonds proceeds are expected to be allocated as follows:

- **Emergency Firefighting Water System.** Up to \$130,000,000 of Bond proceeds will be allocated to the renovation, seismic upgrading, improvement, or expansion of the emergency firefighting water system and related facilities, including but not limited to cisterns, pipes and tunnels, and related facilities.
- **Firefighting Facilities and Infrastructure.** Up to \$100,000,000 of Bond proceeds will be allocated to the construction, acquisition, improvement, renovation, retrofitting, or replacement of critical firefighting facilities and infrastructure for earthquake safety and emergency response, including without limitation, neighborhood fire stations, and supporting facilities.
- **Police Facilities and Infrastructure.** Up to \$72,000,000 of Bond proceeds will be allocated to the construction, acquisition, improvement, renovation, retrofitting, or replacement of police facilities and infrastructure for earthquake safety and emergency response, including without limitation, neighborhood police stations and supporting facilities.
- **Muni Bus Storage and Maintenance Facility at Potrero Yard.** Up to \$200,000,000 of Bond proceeds will be allocated to construct, acquire, improve,

replace, or retrofit critical transportation facilities and infrastructure, including replacing the existing Potrero Yard, a 110-year-old, bus storage and maintenance facility that is seismically unsafe and outmoded with a seismically resilient facility designed to store and maintain Muni vehicles and support continued transit operations after a major earthquake.

- **Public Safety Facilities and Infrastructure.** Up to \$33,000,000 of Bond proceeds will be allocated to the repair, improvement, renovation or retrofitting of public safety facilities and infrastructure. A process will be developed by the Office of Resilience of Capital Planning to designate facilities eligible for financing, such projects subject to approval by the Capital Planning Committee.

Pursuant to Administrative Code Section 5.31, the Citizen's General Obligation Bond Oversight Committee will conduct an annual review of Bond spending and will provide an annual report of the Bond program to the Mayor and the Board of Supervisors.

In addition, the City is required to create and maintain a web page outlining and describing the bond program, progress, and activity updates, and hold an annual public hearing and review on the bond program and its implementation before the Capital Planning Committee. The City will also hold periodic public hearings and reviews on the bond program and its implementation before the Police and Fire Commissions and the Citizen's General Obligation Bond Oversight Committee.