

File No. 200582

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 8, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Appendix A May 2020 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Notice of Intention to Sell |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Official Notice of Sale |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Preliminary Official Statement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | MTA Board of Director's Resolutions |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Linda Wong

Date July 2, 2020

Completed by: Linda Wong

Date _____

1 [General Obligation Bonds - Transportation and Road Improvement Bonds, 2014 - Not to
2 Exceed \$140,000,000]

3 **Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate**
4 **principal amount of one or more series of taxable or tax-exempt bonds to be**
5 **designated generally as the City and County of San Francisco General Obligation**
6 **Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if**
7 **consisting of multiple series, to be designated as the City and County of San Francisco**
8 **General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series**
9 **2020B-1 and City and County of San Francisco General Obligation Bonds**
10 **(Transportation and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable), or**
11 **such alternate designation as may be approved by the Director of Public Finance;**
12 **prescribing the form and terms of said bonds; authorizing the execution,**
13 **authentication, and registration of said bonds; providing for the appointment of**
14 **depositories and other agents for said bonds; providing for the establishment of**
15 **accounts related to said bonds; providing for the manner of sale of said bonds by**
16 **competitive and/or negotiated sale; approving the forms of Official Notice of Sale and**
17 **Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to**
18 **Sell Bonds; approving the form of Purchase Contract; approving the form of the**
19 **Preliminary Official Statement and the form and execution of the Official Statement**
20 **relating to the sale of said bonds; approving the form of the Continuing Disclosure**
21 **Certificate; approving the form of the Placement Agent Agreement; approving the form**
22 **of Paying Agent Agreement; authorizing and approving modifications to documents, as**
23 **defined herein; declaring the City's official intent to reimburse certain expenditures;**
24 **waiving the deadline for submission of Bond Accountability Reports; adopting findings**
25 **under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter**

1 **31 of the Administrative Code; ratifying certain actions previously taken as defined**
2 **herein; and granting general authority to City officials to take necessary actions in**
3 **connection with the authorization, issuance, sale, and delivery of said bonds, as**
4 **defined herein.**

5
6 WHEREAS, Resolution No. 228-14, adopted by the Board of Supervisors (“Board”) of
7 the City and County of San Francisco (“City”) on July 8, 2014 and signed by the Mayor of the
8 City (“Mayor”) on July 18, 2014, determined and declared that public interest and necessity
9 demands the acquisition, construction and improvement of street, transportation and related
10 infrastructure as therein described (“Project”); and

11 WHEREAS, Ordinance No. 148-14, adopted by the Board on July 15, 2014, and signed
12 by the Mayor on July 24, 2014 (“Bond Ordinance”), duly called a special election to be held on
13 November 4, 2014 (“Bond Election”), for the purpose of submitting to the electors of the City a
14 proposition to incur bonded indebtedness in the amount not to exceed \$500,000,000 to
15 finance the Project (“2014 Proposition A”) , and such proposition was approved by not less
16 than a two-thirds vote of the qualified electors of the City voting on such proposition; and

17 WHEREAS, Resolution No. 193-15, adopted by the Board on June 2, 2015 and signed
18 by the Mayor on June 9, 2015 (“Authorizing Resolution”), the City authorized the issuance of
19 not to exceed \$500,000,000 of its General Obligation Bonds (Transportation and Road
20 Improvement Bonds, 2014) (“Bonds”); and

21 WHEREAS, Resolution No. 192-15, adopted by the Board of Supervisors on June 2,
22 2015, and signed by the Mayor on June 9, 2015, authorized the sale by the City of a portion of
23 the Bonds (“Series 2015B Bonds”), which Series 2015B Bonds were issued in the principal
24 amount of \$67,005,000; and

25 ///

1 WHEREAS, Resolution No. 17-18, adopted by the Board of Supervisors on January
2 23, 2018, and signed by the Mayor on February 1, 2018, authorized the sale by the City of an
3 additional series of the Bonds (“Series 2018B Bonds”), which Series 2018B Bonds were
4 issued in the principal amount of \$174,445,000; and

5 WHEREAS, It is now necessary and desirable to issue additional series of taxable or
6 tax-exempt Bonds in aggregate principal amount of not to exceed \$140,000,000 to be
7 designated generally as the City and County of San Francisco General Obligation Bonds
8 (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if consisting of
9 multiple series, to be designated as the City and County of San Francisco General Obligation
10 Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-1 (“Series 2020B-
11 1 Bonds”) and City and County of San Francisco General Obligation Bonds (Transportation
12 and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable) (“Series 2020B-2 Bonds”
13 and, together with the Series 2020B-1 Bonds, the “Series 2020B Bonds”), or such alternate
14 designation as may be approved by the Director of Public Finance, to finance a portion of the
15 costs of the Project; and

16 WHEREAS, The Series 2020B Bonds are being issued pursuant to the Authorizing
17 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
18 Code, the Charter of the City (“Charter”), the Bond Ordinance and the Bond Election; and

19 WHEREAS, The City has paid and expects to pay certain expenditures in connection
20 with the Project to be financed by the Series 2020B Bonds prior to the issuance and sale of
21 the Series 2020B Bonds, and the City intends to reimburse itself and to pay third parties for
22 such prior expenditures from the proceeds of the Series 2020B Bonds; and

23 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
24 Internal Revenue Code of 1986 (“Reimbursement Regulations”) requires the City to declare its
25 reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent

1 borrowing; and

2 WHEREAS, The Reimbursement Regulations require that any reimbursement
3 allocation of proceeds of the Series 2020B Bonds to be made with respect to expenditures
4 incurred prior to the issuance of the Series 2020B Bonds will occur not later than eighteen
5 (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on
6 which the facilities are placed in service, but in no event later than three (3) years after the
7 expenditure is paid; and

8 WHEREAS, The Citizens' General Obligation Bond Oversight Committee shall conduct
9 an annual review of bond spending and shall provide an annual report on the management of
10 the program to the Mayor and the Board, and, to the extent permitted by law, one-tenth of one
11 percent (0.1%) of the gross proceeds of the Series 2020B Bonds shall be deposited in a fund
12 established by the City Controller's Office and appropriated by the Board at the direction of
13 the Citizens' General Obligation Bond Oversight Committee to cover the costs of such
14 Committee and its review process; and

15 WHEREAS, To the extent permitted by law, one-fifth of one percent (0.2%) of the
16 amount of gross proceeds of the Series 2020B Bonds deposited into the Series 2020B Project
17 Subaccount (as defined in Section 10 herein) shall be applied to pay the City Services Auditor
18 Fee; and

19 WHEREAS, In compliance with Section 5852.1 of the California Government Code, this
20 Board has obtained from the Municipal Advisor (as identified in Section 30 herein) the
21 required good faith estimates, and such estimates are disclosed and set forth in the staff
22 memoranda posted relating to this meeting; now, therefore, be it

23 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
24 follows:

25 ///

1 Section 1. Recitals. All of the recitals in this Resolution are true and correct.

2 Section 2. Conditions Precedent. All conditions, things and acts required by law to
3 exist, to happen and to be performed precedent to the issuance of the Series 2020B Bonds
4 and the adoption of this Resolution exist, have happened and have been performed in due
5 time, form and manner in accordance with applicable law, and the City is now authorized
6 pursuant to the Bond Election and the Charter and applicable law to incur indebtedness in the
7 manner and form provided in this Resolution.

8 Section 3. Documents. The documents presented herein to the Board are on file
9 with the Clerk of the Board in File No. 200582.

10 Section 4. Issuance and Sale of Series 2020B Bonds; Determination of Certain
11 Terms; Designation. The Board hereby authorizes the issuance and sale of not to exceed
12 \$140,000,000 in aggregate principal amount of Bonds to be designated as “City and County of
13 San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds,
14 2014), Series 2020B” (or such other designation as may be necessary or appropriate), for the
15 purposes set forth in the Bond Ordinance and in the 2014 Proposition A approved by the
16 voters at the Bond Election.

17 The Director of Public Finance of the City or designee thereof (“Director of Public
18 Finance”) is hereby authorized to determine, for the Series 2020B Bonds, the sale date, the
19 interest rates, the definitive principal amount, the maturity dates and the redemption dates, if
20 any, whether the Series 2020B Bonds shall be issued on a taxable or tax-exempt basis, and
21 the terms of any optional or mandatory redemption thereof, subject to the other specific
22 provisions of this Resolution, including the following terms and conditions: (i) the Series
23 2020B Bonds shall not have a true interest cost in excess of 12% (as such term is defined in
24 the Official Notice of Sale (as defined in Section 14(a) hereof); (ii) no Series 2020B Bond shall
25 have a coupon in excess of twelve percent (12%), as is mandated by Title 5, Article 4.5,

1 Section 53508(d) of the Government Code; and (iii) the Series 2020B Bonds shall have a final
2 maturity date no later than 25 years after the date of issuance thereof. The Director of Public
3 Finance is further authorized to give the Series 2020B Bonds such additional or other series
4 designation, or to modify such series designation, as may be necessary or appropriate to
5 distinguish the Series 2020B Bonds from every other series of Bonds and from other bonds
6 issued by the City, and in the event the Series 2020B Bonds shall consist of multiple series or
7 subseries, there may be one or more maturities in the first year following the issuance of the
8 Series 2020B Bonds, which maturity dates may be determined by the Director of Public
9 Finance.

10 Section 5. Execution, Authentication and Registration of the Series 2020B Bonds.

11 Each of the Series 2020B Bonds shall be in fully registered form without coupons in
12 denominations of \$5,000 or any integral multiple thereof. The officers of the City are hereby
13 directed to cause the Series 2020B Bonds to be prepared in sufficient quantity for delivery to
14 or for the account of the purchaser thereof and the Controller of the City or designee thereof
15 (“Controller”) is hereby authorized and directed to cause the blanks in the Series 2020B
16 Bonds to be completed in accordance with the Authorizing Resolution, the Bond Award (as
17 defined in Section 14(c) hereof) and/or the Purchase Contract (as defined in Section 16
18 hereof), to procure their execution by the proper officers of the City (including by facsimile
19 signature if necessary or convenient, excluding any facsimile signature for the Clerk of the
20 Board, which shall be required to be signed manually) and authentication as provided in this
21 Section 5, and to deliver the Series 2020B Bonds when so executed and authenticated to said
22 purchaser in exchange for the purchase price thereof, all in accordance with the Authorizing
23 Resolution.

24 The Series 2020B Bonds and the certificate of registration and authentication, to be
25 manually executed by the Treasurer of the City or designee thereof (“City Treasurer”), and the

1 form of assignment to appear on the Series 2020B Bonds shall be substantially in the form
2 attached hereto as Exhibit A (a copy of which is on file with the Clerk of the Board and which
3 is hereby declared to be a part of this Resolution as if fully set forth in this Resolution), with
4 such necessary or appropriate variations, omissions and insertions as permitted or required
5 by this Resolution.

6 Only Series 2020B Bonds bearing a certificate of registration and authentication
7 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
8 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
9 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
10 Series 2020B Bonds so authenticated have been duly authenticated and delivered under, and
11 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

12 The Controller shall assign a distinctive letter, or number, or letter and number to each Series
13 2020B Bond authenticated and registered by the City Treasurer and shall maintain a record
14 thereof which shall be available for inspection.

15 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
16 the office of the City Treasurer, or at the designated office of any registrar appointed by the
17 City Treasurer, separate and sufficient books for the registration and transfer of Series 2020B
18 Bonds, which books shall at all times be open to inspection, and upon presentation for such
19 purpose, the City Treasurer shall, under such reasonable regulations as he or she may
20 prescribe, register or transfer or cause to be registered or transferred, on said books Series
21 2020B Bonds, as provided in this Resolution. The City and the City Treasurer may treat the
22 registered owners of each Series 2020B Bond in such registration book (“Registered
23 Owners”) as the absolute owners thereof for all purposes, and the City and the City Treasurer
24 shall not be affected by any notice to the contrary.

25 ///

1 Section 7. Transfer or Exchange of Series 2020B Bonds. Any Series 2020B Bond
2 may, in accordance with its terms, be transferred upon the registration books required to be
3 kept pursuant to the provisions of Section 6 hereof, by the Registered Owner, in person or by
4 the duly authorized attorney of such person in writing, upon surrender of such Series 2020B
5 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
6 transfer in a form approved by the City Treasurer.

7 Any Series 2020B Bond may be exchanged at the office of the City Treasurer for a like
8 aggregate principal amount of other authorized denominations of the same interest rate and
9 maturity.

10 Whenever any Series 2020B Bond shall be surrendered for transfer or exchange, the
11 designated City officials shall execute (as provided in Section 5 hereof) and the City Treasurer
12 shall authenticate and deliver a new Series 2020B Bond of the same interest rate and maturity
13 in a like aggregate principal amount. The City Treasurer shall require the payment by any
14 Registered Owner requesting any such transfer of any tax or other governmental charge
15 required to be paid with respect to such transfer or exchange.

16 No transfer or exchange of Series 2020B Bonds shall be required to be made by the
17 City Treasurer during the period from the Record Date (as defined in Section 8 hereof) next
18 preceding each interest payment date to such interest payment date or after a notice of
19 redemption shall have been mailed with respect to such Series 2020B Bonds.

20 Section 8. Terms of the Series 2020B Bonds; General Redemption Provisions.

21 (a) Date of the Series 2020B Bonds. The Series 2020B Bonds shall be dated the
22 date of their delivery or such other date (“Dated Date”), as specified in the Bond Award and/or
23 the Purchase Contract.

24 (b) Payment of the Series 2020B Bonds. The principal of the Series 2020B Bonds
25 shall be payable in lawful money of the United States of America to the Registered Owner

1 thereof, upon the surrender thereof at maturity or earlier redemption at the office of the City
2 Treasurer. The interest on the Series 2020B Bonds shall be payable in like lawful money to
3 the Registered Owner whose name appears on the bond registration books of the City
4 Treasurer as the Registered Owner thereof as of the close of business on the last day of the
5 month immediately preceding an interest payment date (“Record Date”), whether or not such
6 day is a Business Day (as defined below).

7 Except as may be otherwise provided in connection with any book-entry only system
8 applicable to the Series 2020B Bonds, payment of the interest on any Series 2020B Bond
9 shall be made by check mailed on the interest payment date to its Registered Owner at such
10 Owner’s address as it appears on the registration books as of the Record Date; provided,
11 however, if any interest payment date occurs on a day that banks in California or New York
12 are closed for business or the New York Stock Exchange is closed for business, then such
13 payment shall be made on the next succeeding day that banks in both California and New
14 York are open for business and the New York Stock Exchange is open for business (each, a
15 “Business Day”); and provided, further, that the Registered Owner of an aggregate principal
16 amount of at least \$1,000,000 of Series 2020B Bonds may submit a written request to the City
17 Treasurer on or before a Record Date preceding an interest payment date for payment of
18 interest on the next succeeding interest payment date and thereafter by wire transfer to a
19 commercial bank located within the United States of America.

20 For so long as any Series 2020B Bonds are held in book-entry form by a securities
21 depository selected by the City pursuant to Section 11 hereof, payment of principal and
22 interest shall be made to the Registered Owner of the Series 2020B Bonds designated by
23 such securities depository by wire transfer of immediately available funds.

24 (c) Interest on the Series 2020B Bonds. The Series 2020B Bonds shall bear
25 interest at rates to be determined upon the sale of the Series 2020B Bonds, calculated on the

1 basis of a 360 day year comprised of twelve 30 day months, payable on December 15, 2020
2 (or such other date as may be designated in the applicable Bond Award and/or the Purchase
3 Contract), and semiannually thereafter on June 15 and December 15 of each year. Each
4 Series 2020B Bond shall bear interest from the interest payment date next preceding the date
5 of authentication thereof unless it is authenticated as of a day during the period from the
6 Record Date next preceding any interest payment date to the interest payment date, inclusive,
7 in which event it shall bear interest from such interest payment date, or unless it is
8 authenticated on or before the first Record Date, in which event it shall bear interest from the
9 Dated Date; provided, however, that if, at the time of authentication of any Series 2020B
10 Bond, interest is in default on the Series 2020B Bonds, such Series 2020B Bond shall bear
11 interest at its stated rate from the interest payment date to which interest has previously been
12 paid or made available for payment on the Series 2020B Bonds or from the Dated Date if the
13 first interest payment is not made.

14 (d) Optional Redemption. The Series 2020B Bonds shall be subject to optional
15 redemption prior to maturity as provided in the Official Notice of Sale, the Bond Award and/or
16 the Purchase Contract.

17 (e) Mandatory Redemption. The Series 2020B Bonds shall be subject to mandatory
18 redemption at par, by lot, in any year in which the purchaser thereof has designated that the
19 principal amount payable with respect to that year shall constitute a mandatory sinking fund
20 payment, as and to the extent provided in the Official Notice of Sale and/or Purchase
21 Contract. Any Series 2020B Bonds subject to mandatory redemption shall be designated as
22 such in the Official Notice of Sale, the Bond Award and/or the Purchase Contract.

23 The principal of and interest on the Series 2020B Bonds subject to mandatory redemption
24 shall be paid from the applicable Series 2020B Bond Subaccount (as defined in Section 9
25 hereof), pursuant to Section 9 hereof. In lieu of any such mandatory redemption for the

1 Series 2020B Bonds, at any time prior to the selection of the Series 2020B Bonds for
2 mandatory redemption, the City may apply amounts on deposit in the applicable Series 2020B
3 Bond Subaccount to purchase Series 2020B Bonds subject to such redemption, at public or
4 private sale, as and when and at such prices not in excess of the principal amount thereof
5 (including sales commission and other charges but excluding accrued interest), as the City
6 may determine.

7 (f) Selection of Series 2020B Bonds for Redemption. Whenever less than all of the
8 outstanding Series 2020B Bonds are called for redemption on any date, the City Treasurer will
9 select the maturities of the Series 2020B Bonds to be redeemed in the sole discretion of the
10 City Treasurer. Whenever less than all of the outstanding Series 2020B Bonds maturing on
11 any one date are called for redemption on any one date, the City Treasurer will select the
12 Series 2020B Bonds or portions thereof, in denominations of \$5,000 or any integral multiple
13 thereof, to be redeemed from the outstanding Series 2020B Bonds maturing on such date not
14 previously selected for redemption, by lot in any manner which the City Treasurer in its sole
15 discretion deems fair. If the Series 2020B Bonds to be optionally redeemed are also subject
16 to mandatory redemption, the City Treasurer shall designate the mandatory sinking fund
17 payment or payments (or portions thereof) against which the principal amount of the Series
18 2020B Bonds optionally redeemed shall be credited.

19 (g) Notice of Redemption. The date on which Series 2020B Bonds that are called
20 for redemption are to be presented for redemption is herein called the "Redemption Date."
21 The City Treasurer shall mail, or cause to be mailed by its agent, including but not limited to
22 an Escrow Agent, notice of any redemption of Series 2020B Bonds, postage prepaid, to the
23 respective Registered Owner thereof at the addresses appearing on the registration books not
24 less than twenty (20) days nor more than sixty (60) days prior to the Redemption Date. The
25 notice of redemption shall (i) state the Redemption Date; (ii) state the redemption price; (iii)

1 state the maturity dates of the Series 2020B Bonds to be redeemed and, if less than all of any
2 such maturity is called for redemption, the distinctive numbers of the Series 2020B Bonds of
3 such maturity to be redeemed, and in the case of any Series 2020B Bonds to be redeemed in
4 part only, the respective portions of the principal amount thereof to be redeemed; (iv) state the
5 CUSIP number, if any, of each Series 2020B Bond to be redeemed; (v) require that such
6 Series 2020B Bonds be surrendered by the Registered Owners at the office of the City
7 Treasurer or his or her agent; and (vi) give notice that interest on such Series 2020B Bonds or
8 portions of such Series 2020B Bonds to be redeemed will cease to accrue after the
9 designated Redemption Date. Unless funds are on deposit in the Series 2020B Redemption
10 Account for any Series 2020B Bonds called for redemption on the date the notice of
11 redemption is given, redemption shall be conditioned on sufficient moneys to redeem such
12 bonds being on deposit in the Series 2020B Redemption Account for the Series 2020B Bonds
13 called for redemption on the Redemption Date, and if sufficient moneys to redeem the Series
14 2020B Bonds called for redemption are not on deposit in the Series 2020B Redemption
15 Account for such Series 2020B Bonds on the Redemption Date, the Series 2020B Bonds
16 called for redemption shall not be redeemed and shall remain Outstanding for all purposes of
17 this Resolution and the redemption not occurring shall not constitute an event of default under
18 this Resolution.

19 The actual receipt by the Registered Owner of any Series 2020B Bond of notice of
20 such redemption shall not be a condition precedent to redemption, and failure to receive such
21 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
22 for the redemption of such Series 2020B Bonds or the cessation of accrual of interest on such
23 Series 2020B Bonds on the Redemption Date.

24 The notice or notices required for redemption shall be given by the City Treasurer, or
25 any agent appointed by the City. A certificate of the City Treasurer or such other appointed

1 agent of the City that notice of redemption has been given to the Registered Owner of any
2 Series 2020B Bond in accordance with this Resolution shall be conclusive against all parties.

3 (h) Series 2020B Redemption Account. At the time the City Treasurer determines
4 to optionally call and redeem any of the Series 2020B Bonds, the City Treasurer or his or her
5 agent shall establish a redemption account to be described or known as the “General
6 Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B
7 Redemption Account” (“Series 2020B Redemption Account”), and prior to or on the
8 Redemption Date there must be set aside in the Series 2020B Redemption Account moneys
9 available for the purpose which, taken together with any interest earned thereon, will be
10 sufficient to redeem, as provided in this Resolution, the Series 2020B Bonds designated in
11 said notice of redemption, subject to the provisions of Section 8(j) hereof. Said moneys must
12 be set aside in the Series 2020B Redemption Account solely for the purpose of, and shall be
13 applied on or after the Redemption Date to, payment of the redemption price of the Series
14 2020B Bonds to be redeemed upon presentation and surrender of such Series 2020B Bonds.
15 Any interest due on or prior to the Redemption Date may be paid from the applicable Series
16 2020B Bond Subaccount as provided in Section 9 hereof or from the Series 2020B
17 Redemption Account. Moneys held from time to time in the Series 2020B Redemption
18 Account shall be invested by the City Treasurer pursuant to the City’s policies and guidelines
19 for investment of moneys in the General Fund of the City. If, after all of the Series 2020B
20 Bonds called for redemption have been redeemed and canceled or paid and canceled, there
21 are moneys remaining in the Series 2020B Redemption Account, said moneys shall be
22 transferred to the General Fund of the City or to such other fund or account as required by
23 applicable law; provided, however, that if said moneys are part of the proceeds of refunding
24 bonds, said moneys shall be transferred pursuant to the resolution authorizing such refunding
25 bonds.

1 (i) Effect of Redemption. When notice of optional redemption has been given,
2 substantially as provided in this Resolution, the Series 2020B Bonds designated for
3 redemption shall become due and payable on the Redemption Date therefor (subject to the
4 condition set forth in Section 8(g) herein and any conditions set forth in the notice of
5 redemption pursuant to subsection (j) of this Section), and upon presentation and surrender of
6 said Series 2020B Bonds at the place specified in the notice of redemption, such Series
7 2020B Bonds shall be redeemed and paid at said redemption price out of the Series 2020B
8 Redemption Account. No interest will accrue on such Series 2020B Bonds called for
9 redemption after the Redemption Date and the Registered Owners of such Series 2020B
10 Bonds shall look for payment of such Series 2020B Bonds only to the Series 2020B
11 Redemption Account. All Series 2020B Bonds redeemed shall be canceled forthwith by the
12 City Treasurer and shall not be reissued.

13 (j) Conditional Notice of Optional Redemption; Rescission of Redemption. Any
14 notice of optional redemption given as provided in Section 8(g) hereof may provide that such
15 redemption is conditioned upon: (i) deposit in the Series 2020B Redemption Account of
16 sufficient moneys to redeem the Series 2020B Bonds called for optional redemption on the
17 anticipated Redemption Date, or (ii) the occurrence of any other event specified in the notice
18 of redemption. If conditional notice of optional redemption has been given, substantially as
19 provided herein, and on the scheduled Redemption Date (A) sufficient moneys to redeem the
20 Series 2020B Bonds called for optional redemption on the Redemption Date have not been
21 deposited in the Series 2020B Redemption Account, or (B) any other event specified in the
22 notice of redemption as a condition to the redemption has not occurred, then (y) the Series
23 2020B Bonds for which conditional notice of redemption was given shall not be redeemed on
24 the anticipated Redemption Date and shall remain Outstanding for all purposes of this
25

1 Resolution, and (z) the redemption not occurring shall not constitute an event of default under
2 this Resolution or the Authorizing Resolution.

3 The City may rescind any optional redemption and notice thereof for any reason on any
4 date prior to any Redemption Date by causing written notice of the rescission to be given to
5 the Registered Owners of all Series 2020B Bonds so called for redemption. Notice of such
6 rescission of redemption shall be given in the same manner notice of redemption was
7 originally given. The actual receipt by the Registered Owner of any Series 2020B Bond of
8 notice of such rescission shall not be a condition precedent to rescission, and failure to
9 receive such notice or any defect in such notice so mailed shall not affect the validity of the
10 rescission.

11 Section 9. Series 2020B Bond Subaccount. There is hereby established with the
12 City Treasurer a special subaccount in the General Obligation Bonds (Transportation and
13 Road Improvement Bonds, 2014) Bond Account (“Bond Account”) created pursuant to the
14 Authorizing Resolution to be designated the “General Obligation Bonds (Transportation and
15 Road Improvement Bonds, 2014), Series 2020B Bond Subaccount” and, in the event the
16 Series 2020B Bonds shall consist of multiple series or subseries, a special subaccount therein
17 for each such series or subseries (individually and collectively, the “Series 2020B Bond
18 Subaccount”), the designation of which subaccounts may be approved by the Director of
19 Public Finance, each to be held separate and apart from all other accounts of the City. All
20 taxes collected pursuant to Section 7 of the Authorizing Resolution shall be deposited in the
21 Bond Account, and the Bonds shall be equally and ratably secured by the taxes collected
22 pursuant to that Section 7 of the Authorizing Resolution. In addition, principal and interest on
23 the Bonds shall be secured by the statutory lien of California Government Code Section
24 53515. Any bid premium received upon the delivery of the Series 2020B Bonds shall be
25 deposited into the applicable Series 2020B Bond Subaccount. All interest earned on amounts

1 on deposit in each Series 2020B Bond Subaccount shall be retained in such Series 2020B
2 Bond Subaccount.

3 On or prior to the date on which any payment of principal of or interest on the Series
4 2020B Bonds is due, including any Series 2020B Bonds subject to mandatory redemption on
5 said date, the City Treasurer shall allocate to and deposit in the Series 2020B Bond
6 Subaccount, from amounts held in the Bond Account, an amount which, when added to any
7 available moneys contained in such Series 2020B Bond Subaccount, is sufficient to pay
8 principal of and interest on the Series 2020B Bonds on such date.

9 On or prior to the date on which any Series 2020B Bonds are to be redeemed at the
10 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
11 in the Series 2020B Redemption Account, from amounts held in the Bond Account pursuant to
12 Section 8 of the Authorizing Resolution, an amount which, when added to any available
13 moneys contained in the Series 2020B Redemption Account and any interest to be earned
14 thereon between the date moneys are deposited and the Redemption Date, is sufficient to pay
15 principal, interest and premium, if any, with respect to such Series 2020B Bonds on such
16 date. The City Treasurer may make such other provision for the payment of principal of and
17 interest and any redemption premium on the Series 2020B Bonds as is necessary or
18 convenient to permit the optional redemption of the Series 2020B Bonds.

19 Amounts in the Series 2020B Bond Subaccount may be invested in any investment of
20 the City in which moneys in the General Fund of the City are invested. The City Treasurer
21 may (i) commingle any of the moneys held in the Series 2020B Bond Subaccount with other
22 City moneys, or (ii) deposit amounts credited to the Series 2020B Bond Subaccount into a
23 separate fund or funds for investment purposes only; provided, however, that all of the
24 moneys held in each Series 2020B Bond Subaccount shall be accounted for separately
25 notwithstanding any such commingling or separate deposit by the City Treasurer.

1 Section 10. Series 2020B Project Subaccount. There is hereby established with the
2 City Treasurer a special subaccount in the General Obligation Bonds (Transportation and
3 Road Improvement Bonds, 2014) Project Account (“Project Account”) created pursuant to the
4 Authorizing Resolution to be designated the “General Obligation Bonds (Transportation and
5 Road Improvement Bonds, 2014), Series 2020B Project Subaccount”, and in the event the
6 Series 2020B Bonds shall consist of multiple series or subseries, a special subaccount therein
7 for each such series or subseries (individually and collectively, the “Series 2020B Project
8 Subaccount”), the designation of which subaccounts may be approved by the Director of
9 Public Finance, each to be held separate and apart from all other accounts of the City. All
10 interest earned on amounts on deposit in each Series 2020B Project Subaccount shall be
11 retained in such Series 2020B Project Subaccount. Amounts in the Series 2020B Project
12 Subaccount shall be expended in accordance with the provisions of the Authorizing
13 Resolution for the acquisition, construction or reconstruction of the Project or portions thereof.

14 Amounts in the Series 2020B Project Subaccount may be invested in any investment of
15 the City in which moneys in the General Fund of the City are invested. The City Treasurer
16 may (i) commingle any of the moneys held in the Series 2020B Project Subaccount with other
17 City moneys, or (ii) deposit amounts credited to the Series 2020B Project Subaccount into a
18 separate fund or funds for investment purposes only; provided, however, that all of the
19 moneys held in each Series 2020B Project Subaccount (including interest earnings)
20 hereunder shall be accounted for separately notwithstanding any such commingling or
21 separate deposit by the City Treasurer.

22 The City Treasurer also is hereby authorized to pay or cause to be paid from the
23 proceeds of the Series 2020B Bonds on deposit in each Series 2020B Project Subaccount, on
24 behalf of the City, the costs of issuance associated with such Series 2020B Bonds. Costs of
25 issuance of the Series 2020B Bonds shall include, without limitation, bond and financial

1 printing expenses, mailing and publication expenses, rating agency fees, the fees and
2 expenses of paying agents, registrars, financial consultants, disclosure counsel and co-bond
3 counsel and the reimbursement of departmental expenses in connection with the issuance of
4 the Series 2020B Bonds.

5 Section 11. Appointment of Depositories and Other Agents; Paying Agent Agreement.

6 The City Treasurer is authorized and directed to appoint one or more depositories as he or
7 she may deem desirable and the procedures set forth in Sections 6, 7 and 8 hereof relating to
8 registration of ownership of the Series 2020B Bonds and payments and redemption notices to
9 owners of the Series 2020B Bonds may be modified to comply with the policies and
10 procedures of such depository. The City will not have any responsibility or obligation to any
11 purchaser of a beneficial ownership interest in any Series 2020B Bonds or to any participants
12 in such depository with respect to: (i) the accuracy of any records maintained by such
13 securities depository or any participant therein; (ii) any notice that is permitted or required to
14 be given to the Registered Owners of such Series 2020B Bonds under this Resolution; (iii) the
15 selection by such securities depository or any participant therein of any person to receive
16 payment in the event of a partial redemption of such Series 2020B Bonds; (iv) the payment by
17 such securities depository or any participant therein of any amount with respect to the
18 principal or redemption premium, if any, or interest due with respect to such Series 2020B
19 Bonds; (v) any consent given or other action taken by such securities depository as the
20 Registered Owner of such Series 2020B Bonds; or (vi) any other matter.

21 The Depository Trust Company or any successor thereto ("DTC") is hereby appointed
22 as securities depository for the Series 2020B Bonds. The Series 2020B Bonds shall be
23 initially issued only in book-entry form. Upon initial issuance, the ownership of each Series
24 2020B Bond shall be registered in the bond registration books in the name of Cede & Co., as
25 nominee of DTC. So long as each Series 2020B Bond is registered in book-entry form, each

1 Series 2020B Bond shall be registered in the name of Cede & Co. or in the name of such
2 successor nominee as may be designated from time to time by DTC or any successor as
3 depository.

4 The City Treasurer is hereby also authorized and directed to appoint one or more
5 agents, as he or she may deem necessary or desirable. To the extent permitted by applicable
6 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
7 fiscal agent, rebate calculation agent, escrow agent or registrar for the Series 2020B Bonds,
8 or may assist the City Treasurer in performing any or all of such functions and such other
9 duties as the City Treasurer shall determine. If the City Treasurer appoints one or more
10 paying agents, the procedures set forth in Sections 6 and 8 hereof relating to registration of
11 ownership of the Series 2020B Bonds and payments and redemption notices to Registered
12 Owner of the Series 2020B Bonds may be modified to comply with the policies and
13 procedures of such paying agent. Such agents shall serve under such terms and conditions
14 as the City Treasurer shall determine. The City Treasurer may remove or replace agents
15 appointed pursuant to this paragraph at any time. The form of Paying Agent Agreement
16 (“Paying Agent Agreement”) by and between the City and the paying agent(s) named therein
17 (“Paying Agent”) submitted to the Board is hereby approved and adopted as the Paying Agent
18 Agreement, with such additions, corrections and revisions as may be determined to be
19 necessary or desirable to be made in accordance with Section 22 hereof. The City Treasurer
20 is hereby authorized and directed to execute the Paying Agent Agreement on behalf of the
21 City.

22 Section 12. Defeasance Provisions. Payment of all or any portion of the Series
23 2020B Bonds may be provided for prior to the respective stated maturities of the Series
24 2020B Bonds by irrevocably depositing with the City Treasurer (or any commercial bank or
25 trust company designated by the City Treasurer to act as escrow agent with respect thereto):

1 (a) An amount of cash equal to the principal amount of all of such Series 2020B
2 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case
3 of the Series 2020B Bonds that are to be redeemed prior to such Series 2020B Bonds'
4 respective stated maturities and in respect of which notice of such redemption shall have
5 been given as provided in Section 8 hereof or an irrevocable election to give such notice shall
6 have been made by the City, the amount to be deposited shall be the principal amount
7 thereof, all unpaid interest thereon to the Redemption Date, and premium, if any, due on such
8 Redemption Date; or

9 (b) Defeasance Securities (as defined below) not subject to call, except as provided
10 below in the definition thereof, maturing and paying interest at such times and in such
11 amounts, together with interest earnings and cash, if required, as will, without reinvestment,
12 as certified by an independent certified public accountant, be fully sufficient to pay the
13 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
14 and premium, if any, due on the Series 2020B Bonds to be paid or redeemed, as such
15 principal and interest come due; provided, that, in the case of such Series 2020B Bonds that
16 are to be redeemed prior to maturity, irrevocable notice of such redemption shall be given as
17 provided in Section 8 hereof or an irrevocable election to give such notice shall have been
18 made by the City; then, all obligations of the City with respect to said outstanding Series
19 2020B Bonds shall cease and terminate, except only the obligation of the City to pay or cause
20 to be paid from the funds deposited pursuant to paragraph (a) or (b) of this Section 12, to the
21 owners of such Series 2020B Bonds all sums due with respect thereto; provided, that the City
22 shall have received, if desirable, an opinion of nationally recognized bond counsel, that
23 provision for the payment of such Series 2020B Bonds has been made in accordance with
24 this Section 12.

25 ///

1 For purposes of this Section 12, "Defeasance Securities" shall mean any of the
2 following that at the time are legal investments under the laws of the State of California for the
3 moneys proposed to be invested therein:

4 (1) United States Obligations (as defined below); and

5 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
6 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
7 trustee has been given irrevocable instructions concerning their calling and redemption and
8 the issuer has covenanted not to redeem such obligations other than as set forth in such
9 instructions; (b) the municipal obligations are secured by cash or United States Obligations;
10 (c) the principal of and interest on the United States Obligations (plus any cash in the escrow
11 fund or the Series 2020B Redemption Account) are sufficient to meet the liabilities of the
12 municipal obligations; (d) the United States Obligations serving as security for the municipal
13 obligations are held by a trustee or escrow agent; (e) the United States Obligations are not
14 available to satisfy any other claims, including those against the trustee or escrow agent; and
15 (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus
16 sign or other modifier), at the time of original deposit to the escrow fund, by two of the Rating
17 Agencies (as defined herein) not lower than the rating then maintained by the respective
18 Rating Agency on United States Obligations.

19 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and
20 general obligations of the United States of America, or obligations that are unconditionally
21 guaranteed as to principal and interest by the United States of America, including without
22 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that
23 have been stripped by request to the Federal Reserve Bank of New York in book-entry form
24 or (ii) any security issued by an agency or instrumentality of the United States of America that
25 is selected by the Director of Public Finance that results in the escrow fund being rated by two

1 of the Rating Agencies, at the time of the initial deposit to the escrow fund and upon any
2 substitution or subsequent deposit to the escrow fund, no lower than the rating then
3 maintained by the respective Rating Agency on United States Obligations described in (i)
4 above.

5 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors
6 Service, Inc., Fitch Ratings, and S&P Global Ratings, or any other nationally recognized bond
7 rating agency that is the successor to any of the foregoing rating agencies or that is otherwise
8 recognized as a national rating agency after the date hereof.

9 Section 13. Sale of Series 2020B Bonds by Competitive and/or Negotiated Sale. The
10 Board authorizes the sale of the Series 2020B Bonds by solicitation of competitive bids and/or
11 by negotiated sale as a public offering to one or more underwriters to be appointed in
12 accordance with City policies, or a private placement to one or more purchasers, if so
13 determined by the Director of Public Finance. If the Series 2020B Bonds are sold by
14 competitive sale such sale shall be conducted in accordance with the Official Notice of Sale
15 described in Section 14 below.

16 Section 14. Official Notice of Sale; Receipt of Bids; Bond Award.

17 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids
18 for the Series 2020B Bonds ("Official Notice of Sale") submitted to the Board is hereby
19 approved and adopted as the Official Notice of Sale inviting bids for the Series 2020B Bonds,
20 with such changes, additions and modifications as may be made in accordance with Section
21 22 hereof. The Director of Public Finance is hereby authorized and directed to cause to be
22 mailed or otherwise circulated to prospective bidders for the Series 2020B Bonds copies of
23 the Official Notice of Sale, subject to such corrections, revisions or additions as may be
24 acceptable to the Director of Public Finance.

25 ///

1 (b) Receipt of Bids. Bids shall be received on the date designated by the Director of
2 Public Finance pursuant to Section 4 hereof and the Official Notice of Sale.

3 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any
4 and all bids received for any reason. The Controller or the Director of Public Finance is
5 hereby authorized to award the Series 2020B Bonds to the responsible bidder whose bid (i) is
6 timely received and conforms to the Official Notice of Sale, except to the extent informalities
7 and irregularities are waived by the City as permitted by the Official Notice of Sale, and (ii)
8 represents the lowest true interest cost to the City in accordance with the procedures
9 described in the Official Notice of Sale. The award, if made, shall be set forth in a certificate
10 signed by the Controller or the Director of Public Finance setting forth the terms of the Series
11 2020B Bonds and the original purchasers thereof ("Bond Award"). The Controller shall
12 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board and the
13 Director of Public Finance; provided, however, that failure to provide such copies shall not
14 affect the validity of the Bond Award.

15 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
16 Notice of Intention to Sell the Series 2020B Bonds ("Notice of Intention to Sell Bonds")
17 submitted to the Board is hereby approved and adopted as the Notice of Intention to Sell the
18 Series 2020B Bonds, and the Director of Public Finance is hereby authorized and directed to
19 cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions
20 as may be made in accordance with Section 22 hereof, to be published once in The Bond
21 Buyer or another financial publication generally circulated throughout the State of California.

22 Section 16. Sale of Series 2020B Bonds by Negotiated Sale; Authorization to Select
23 Underwriters or Purchasers; Form of Purchase Contract. The Controller, in consultation with
24 the Director of Public Finance, is hereby authorized to conduct the sale of the Series 2020B
25 Bonds by negotiated sale pursuant to one or more Purchase Contracts (each, a "Purchase

1 Contract”), each by and between the City and the underwriter(s) (“Underwriters”) or
2 purchaser(s) (“Purchasers”) named therein, if the Controller determines pursuant to California
3 Government Code Section 53508.9 that such manner of sale is in the best financial interest of
4 the City, such determination to be conclusively evidenced by the execution and delivery of
5 such Purchase Contract as hereinafter approved. The form of such Purchase Contract as
6 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
7 approved. The Controller or the Director of Public Finance is hereby authorized to execute
8 such Purchase Contract with such changes, additions and modifications as the Controller or
9 the Director of Public Finance may make or approve in accordance with Section 22 hereof;
10 provided however, that the Underwriters’ discount or Purchasers’ discount or commitment fee
11 under any such Purchase Contract shall not exceed 1% of the principal amount of the Series
12 2020B Bonds.

13 In order to facilitate the sale of the Series 2020B Bonds by negotiated sale, the
14 Controller or the Director of Public Finance is hereby authorized and directed (a) to appoint
15 one or more financial institutions to act as underwriter for a public offering of the Series 2020B
16 Bonds, or (b) to select one or more purchasers to purchase the Series 2020B Bonds through
17 a private placement, in accordance with City policies and procedures, including, but not
18 limited to, the City’s policy to provide locally disadvantaged minority business enterprises and
19 women enterprises an equal opportunity to participate in the performance of all City contracts.

20 Section 17. Disposition of Proceeds of Sale. The proceeds of sale of the Series
21 2020B Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
22 shall be deposited into the Series 2020B Bond Subaccount, (b) original issue premium, if any,
23 shall be deposited into the Series 2020B Bond Subaccount, and (c) remaining proceeds of
24 sale shall be deposited into the Series 2020B Project Subaccount.

25 ///

1 Section 18. Official Statement. The form of proposed Preliminary Official Statement
2 describing the Series 2020B Bonds (“Preliminary Official Statement”) submitted to the Board
3 is hereby approved and adopted as the Preliminary Official Statement describing the Series
4 2020B Bonds in connection with a public offering thereof, with such additions, corrections and
5 revisions as may be determined to be necessary or desirable to be made in accordance with
6 Section 22 hereof. The Controller is hereby authorized to cause the distribution of a
7 Preliminary Official Statement deemed final for purposes of Securities and Exchange
8 Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as
9 amended (“Rule”), and to sign or to designate the Director of Public Finance to sign a
10 certificate to that effect. The Controller or the Director of Public Finance is hereby authorized
11 and directed to cause to be printed and mailed or electronically distributed to prospective
12 bidders for the Series 2020B Bonds copies of one or more Preliminary Official Statements in
13 substantially the form of the Preliminary Official Statement approved and adopted hereby, as
14 completed, supplemented, corrected or revised. The Controller is authorized and directed to
15 approve, execute, and deliver the final Official Statement with respect to the Series 2020B
16 Bonds, which final Official Statement shall be in the form of the Preliminary Official Statement,
17 with such additions, corrections and revisions as may be determined to be necessary or
18 desirable made in accordance with Section 22 hereof and as are permitted under the Rule.
19 The Controller or the Director of Public Finance is hereby authorized and directed to cause to
20 be printed and mailed or electronically distributed copies of the final Official Statement to all
21 actual initial purchasers of the Series 2020B Bonds. The Controller or the Director of Public
22 Finance is also hereby authorized to authorize, approve, and cause to be published any
23 supplements or amendments that may be necessary in connection with the Preliminary
24 Official Statement and Final Official Statement.

25 ///

1 Section 19. Tax Covenants.

2 (a) General. The City hereby covenants with the owners and holders of the tax-
3 exempt Series 2020B-1 Bonds, or such other designated name for a tax-exempt series, that,
4 notwithstanding any other provisions of this Resolution, it shall not take any action, or fail to
5 take any action, if any such action or failure to take action would adversely affect the
6 exclusion from gross income of interest on the Series 2020B-1 Bonds under Section 103 of
7 the Code, and the regulations issued thereunder, as the same may be amended from time to
8 time, and any successor provisions of law. Reference to a particular section of the Code shall
9 be deemed to be a reference to any successor to any such section. The City shall not,
10 directly or indirectly, use or permit the use of proceeds of the Series 2020B-1 Bonds or any of
11 the property financed or refinanced with proceeds of the Series 2020B-1 Bonds, or any
12 portion thereof, by any person other than a governmental unit (as such term is used in Section
13 141 of the Code), in such manner or to such extent as would result in the loss of exclusion of
14 interest on the Series 2020B-1 Bonds from gross income for federal income tax purposes.

15 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
16 any such action or failure to take action would cause the Series 2020B-1 Bonds to be “private
17 activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof,
18 shall not make any use of the proceeds of the Series 2020B-1 Bonds or any of the property
19 financed or refinanced with proceeds of the Series 2020B-1 Bonds, or any portion thereof, or
20 any other funds of the City, that would cause the Series 2020B-1 Bonds to be “private activity
21 bonds” within the meaning of Section 141 of the Code. To that end, so long as any Series
22 2020B-1 Bonds are outstanding, the City, with respect to such proceeds and property and
23 such other funds, will comply with applicable requirements of the Code and all regulations of
24 the United States Department of the Treasury issued thereunder, to the extent such
25 requirements are, at the time, applicable and in effect. The City shall establish reasonable

1 procedures necessary to ensure continued compliance with Section 141 of the Code and the
2 continued qualification of the Series 2020B Bonds-1 as “governmental bonds.”

3 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any
4 proceeds of the Series 2020B-1 Bonds, or of any property financed or refinanced by the
5 Series 2020B-1 Bonds, or other funds of the City, or take or omit to take any action, that
6 would cause the Series 2020B-1 Bonds to be “arbitrage bonds” within the meaning of Section
7 148 of the Code. To that end, the City shall comply with all requirements of Section 148 of the
8 Code and all regulations of the United States Department of the Treasury issued thereunder
9 to the extent such requirements are, at the time, in effect and applicable to the Series 2020B-
10 1 Bonds.

11 (d) Federal Guarantee. The City shall not make any use of the proceeds of the
12 Series 2020B-1 Bonds or any other funds of the City, or take or omit to take any other action,
13 that would cause the Series 2020B-1 Bonds to be “federally guaranteed” within the meaning
14 of Section 149(b) of the Code.

15 (e) Information Reporting. The City shall take or cause to be taken all necessary
16 action to comply with the informational reporting requirement of Section 149(e) of the Code
17 with respect to the Series 2020B-1 Bonds.

18 (f) Hedge Bonds. The City shall not make any use of the proceeds of the Series
19 2020B-1 Bonds or any other amounts or property, regardless of the source, or take any action
20 or refrain from taking any action that would cause the Series 2020B Bonds-1 to be considered
21 “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all
22 necessary action to assure compliance with the requirements of Section 149(g) of the Code.

23 (g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
24 of this Section 19, the City covenants that it will comply with the provisions of the Tax
25 Certificate to be executed by the City with respect to the Series 2020B-1 Bonds, dated the

1 date of issuance of the Series 2020B-1 Bonds, as such Tax Certificate may be amended from
2 time to time. This covenant shall survive payment in full or defeasance of the Series 2020B-1
3 Bonds.

4 Section 20. Continuing Disclosure Certificate. The form of Continuing Disclosure
5 Certificate (“Continuing Disclosure Certificate”) to be signed by the City in connection with a
6 public offering of Series 2020B Bonds to permit the original purchasers of the Series 2020B
7 Bonds to comply with the Rule, submitted to the Board is hereby approved and adopted as
8 the Continuing Disclosure Certificate, with such additions, corrections and revisions as may
9 be determined to be necessary or desirable to be made in accordance with Section 22 hereof.
10 The Controller is hereby authorized and directed to execute the Continuing Disclosure
11 Certificate on behalf of the City and deliver the Continuing Disclosure Certificate to the original
12 purchasers of the Series 2020B Bonds.

13 Section 21. Placement Agent Agreement. The form of Placement Agent Agreement
14 (“Placement Agent Agreement”) by and between the City and the placement agent(s) named
15 therein (“Placement Agent”) submitted to the Board is hereby approved and adopted as the
16 Placement Agent Agreement, with such additions, corrections and revisions as may be
17 determined to be necessary or desirable to be made in accordance with Section 22 hereof;
18 provided that the Placement Agent fee shall not exceed 1% of the principal amount of the
19 Series 2020B Bonds. The Controller or the Director of Public Finance is hereby authorized
20 and directed to execute the Placement Agent Agreement on behalf of the City. In order to
21 facilitate the sale of the Series 2020B Bonds by private placement, the Controller or the
22 Director of Public Finance is hereby authorized and directed to appoint one or more financial
23 institutions to act as Placement Agent in accordance with City policies and procedures.

24 Section 22. Modification to Documents. Any City official authorized by this Resolution
25 to execute any document is hereby further authorized, in consultation with the City Attorney,

1 to approve and make such changes, additions, amendments or modifications to the document
2 or documents such official is authorized to execute as may be necessary or advisable
3 (provided that such changes, additions, amendments or modifications shall not authorize an
4 aggregate principal amount of Series 2020B Bonds in excess of \$140,000,000 or conflict with
5 the provisions of Section 4 hereof). The approval of any change, addition, amendment or
6 modification to any of the aforementioned documents shall be evidenced conclusively by the
7 execution and delivery of the document in question.

8 Section 23. Ratification. All actions heretofore taken by officials, employees and
9 agents of the City with respect to the sale and issuance of the Series 2020B Bonds, as
10 consistent with the documents herein and the Resolution, are hereby approved, confirmed
11 and ratified.

12 Section 24. Relationship to Authorizing Resolution. In the event of any conflict
13 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
14 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
15 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
16 Bond Account to pay the principal of or interest on the Series 2020B Bonds.

17 Section 25. Accountability Reports. The Series 2020B Bonds are subject to
18 accountability requirements under the City’s Administrative Code and the Bond Ordinance.
19 The deadline for submission of the Accountability Reports under Administrative Code Section
20 2.71(a) is hereby waived with respect to the Series 2020B Bonds.

21 Section 26. Citizens’ General Obligation Bond Oversight Committee. The Series
22 2020B Bonds are subject to, and incorporate by reference, the applicable provisions of San
23 Francisco Administrative Code Sections 5.30 5.36 (“Citizens’ General Obligation Bond
24 Oversight Committee”), and to the extent permitted by law, one-tenth of one percent (0.1%) of
25 the gross proceeds of the Series 2020B Bonds shall be deposited in a fund established by the

1 Controller’s Office and appropriated by the Board at the direction of the Citizens’ General
2 Obligation Bond Oversight Committee to cover the costs of such Committee.

3 Section 27. City Services Auditor Fee. To the extent permitted by law, one-fifth of
4 one percent (0.2%) of the amount of gross proceeds of the Series 2020B Bonds deposited
5 into the Series 2020B Project Subaccount shall be applied to pay the City Services Auditor
6 Fee.

7 Section 28. Reimbursement. The City declares its official intent to reimburse prior
8 expenditures of the City incurred prior to the issuance and sale of the Series 2020B Bonds in
9 connection with the Project or portions thereof to be financed by the Series 2020B Bonds.
10 The Board declares the City’s intent to reimburse the City with the proceeds of the Series
11 2020B Bonds for the expenditures with respect to the Project (“Expenditures” and each an
12 “Expenditure”) made on and after that date that is no more than 60 days prior to adoption of
13 this Resolution. The City reasonably expects on the date of adoption of this Resolution that it
14 will reimburse the Expenditures with the proceeds of the Series 2020B Bonds.

15 Each Expenditure was and will be either (a) of a type properly chargeable to a capital account
16 under general federal income tax principles (determined in each case as of the date of the
17 Expenditure), (b) a cost of issuance with respect to the Series 2020B Bonds, (c) a
18 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
19 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 Series 2020B Bonds expected to be
22 issued for the Project is \$140,000,000. The City shall make a reimbursement allocation,
23 which is a written allocation by the City that evidences the City’s use of proceeds of the Series
24 2020B Bonds to reimburse an Expenditure, no later than 18 months after the later of the date
25 on which the Expenditure is paid or the Project is placed in service or abandoned, but in no

1 event more than three years after the date on which the Expenditure is paid. The City
2 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.

6 Section 29. CEQA Determinations.

7 (a) The Board hereby reaffirms and incorporates by reference the CEQA findings
8 and determinations set forth in San Francisco Municipal Transportation Commission Board of
9 Director’s Resolution No. 14-041, Resolution No.14-042, Resolution 15-081, Resolution 16-
10 013, Resolution 16-113, Resolution 16-128, and Resolution 16-132, which findings are
11 incorporated by reference as if set forth in full herein. The use of bond proceeds to finance
12 any project or portion of any project with bond proceeds will be subject, as necessary, to
13 approval of the Board upon completion of any planning and any further required
14 environmental review under CEQA for the individual facilities and projects.

15 Section 30. Appointment of Bond Counsel, Municipal Advisor and Underwriter. The
16 firms of Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C. are hereby appointed Co-
17 Bond Counsel to the City in connection with the Series 2020B Bonds. The firm of Fieldman,
18 Rolapp & Associates, Inc. is hereby appointed Municipal Advisor to the City in connection with
19 the Series 2020B Bonds. If the Controller, in consultation with the Director of Public Finance,
20 determines that a negotiated sale is in the best financial interest of the City pursuant to
21 Section 16, the Underwriters or Purchasers shall be disclosed by this Board at the public
22 meeting first occurring after such Underwriters have been selected pursuant to California
23 Government Code Section 53508.9(a)(4).

24 Section 31. General Authority. The Mayor, City Treasurer, Controller, the Director of
25 Public Finance, the City Attorney and the Clerk of the Board are each hereby authorized and

1 directed in the name and on behalf of the City to take any and all steps and to issue, deliver or
2 enter into any and all certificates, requisitions, agreements, notices, consents, and other
3 documents as may be necessary to give effect to the provisions of this Resolution, including
4 but not limited to letters of representations to any depository or depositories, which they or
5 any of them might deem necessary or appropriate in order to consummate the lawful
6 issuance, sale and delivery of the Series 2020B Bonds. Any such actions are solely intended
7 to further the purposes of this Resolution, and are subject in all respects to the terms of this
8 Resolution. No such actions shall increase the risk to the City or require the City to spend any
9 resources not otherwise granted herein. Final versions of any such documents shall be
10 provided to the Clerk of the Board for inclusion in the official file within 30 days of execution by
11 all parties, together with a brief explanation of any changes from the date of the adoption of
12 this Resolution.

13

14 APPROVED AS TO FORM:
15 Dennis J. Herrera,
16 City Attorney

17

18

19 By: /s/ Mark D. Blake
20 Mark D. Blake
21 Deputy City Attorney
22 n:\legana\as2020\2000554\01451369.docx

23

24

25

1 **EXHIBIT A**
2 **[FORM OF SERIES 2020B BOND]**

3 **Number** **Amount**
4 **R-__** **\$_____**

5 **CITY AND COUNTY OF SAN FRANCISCO**
6 **GENERAL OBLIGATION BONDS**
7 **(TRANSPORTATION & ROAD IMPROVEMENT BONDS, 2014)**
8 **SERIES 2020B-[1][2 (TAXABLE)]**

9 **Interest Rate** **Maturity Date** **Dated** **CUSIP**
10 **%** **_____, 20__** **_____, 2020** **Number**

11
12
13 REGISTERED OWNER: CEDE & CO.

14 PRINCIPAL SUM: DOLLARS

15 THE CITY AND COUNTY OF SAN FRANCISCO, State of California ("City"),
16 acknowledges itself indebted to and promises to pay to CEDE & CO. or registered assigns, on
17 the maturity date set forth above the principal sum of
18 _____ Dollars (\$_____) in lawful money of the
19 United States of America, and to pay interest thereon in like lawful money from the interest
20 payment date next preceding the date of authentication of this bond (unless this bond is
21 authenticated as of the day during the period from the last day of the month next preceding
22 any interest payment date ("Record Date") to such interest payment date, inclusive, in which it
23 shall bear interest from such interest payment date, or unless this bond is authenticated on or
24 before November 30, 2020, in which event it shall bear interest from its dated date until
25 payment of such principal sum, at the interest rate per annum stated herein above calculated

1 on the basis of a 360-day year comprised of twelve 30-day months, payable on December 15,
2 2020, and semiannually thereafter on June 15 and December 15 in each year; provided;
3 however, if any interest payment date occurs on a day that banks in California or New York
4 are closed for business or the New York Stock Exchange is closed for business, then such
5 payment shall be made on the next succeeding day that banks in both California and New
6 York are open for business and the New York Stock Exchange is open for business
7 (“Business Day”). The principal hereof is payable to the registered owner hereof upon the
8 surrender hereof at the office of the Treasurer of the City (“City Treasurer”). The interest
9 hereon is payable to the person whose name appears on the bond registration books of the
10 City Treasurer as the registered owner hereof as of the close of business on the Record Date
11 immediately preceding an interest payment date, whether or not such day is a Business Day,
12 such interest to be paid by check mailed on the interest payment date to such registered
13 owner at the owner’s address as it appears on such registration books; provided, however,
14 that the registered owner of bonds in an aggregate principal amount of at least \$1,000,000
15 may submit a written request to the City Treasurer on or before the Record Date preceding
16 any interest payment date for payment of interest hereon by wire transfer to a commercial
17 bank located in the United States of America.

18 This bond is one of a duly authorized issue of bonds of like tenor (except for such
19 variations, if any, as may be required to designate varying numbers, denominations, interest
20 rates and maturities), in the original aggregate principal amount of \$_____ and is one of
21 a duly authorized series of said issue which series is part of a bond authorization in the
22 aggregate principal amount of \$500,000,000 and is authorized by votes of more than two-
23 thirds of the voters voting at an election duly and legally called, held and conducted, in said
24 City on November 4, 2014 and is issued and sold by the City pursuant to and in strict
25 conformity with the provisions of the Constitution and laws of the State of California, and

1 Charter of the City, and of resolutions adopted by the Board of Supervisors of the City (“Board
2 of Supervisors”) on June 2, 2015, and _____, 2020 (collectively, the “Resolutions”).

3 The bonds are issuable as fully registered bonds without coupons in the denominations of
4 \$5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on
5 more than one principal maturity date. Subject to the limitations and conditions and upon
6 payment of the charges, if any, as provided in the Resolutions, the bonds may be exchanged
7 for a like aggregate principal amount of bonds or other authorized denominations of the same
8 interest rate and maturity.

9 This bond is transferable by the registered owner hereof, in person or by attorney duly
10 authorized in writing, at said office of the City Treasurer, but only in the manner, subject to the
11 limitations and upon payment of the charges provided in the Resolutions, and upon surrender
12 and cancellation of this bond. Upon such transfer, a new bond or bonds or authorized
13 denomination or denominations for the same interest rate and same aggregate principal
14 amount will be issued to the transferee in exchange herefor.

15 The bonds maturing on or before June 15, 20__ are not subject to redemption prior to
16 maturity. The bonds maturing on or after June 15, 20__ are subject to optional redemption
17 prior to their respective maturities, at the option of the City, for any source of available funds,
18 as a whole or in part on any date (with the maturities to be redeemed to be determined by the
19 City and by lot within a maturity), on and after June 15, 20__, at redemption prices equal to
20 100% of the principal amount redeemed), together with accrued interest to the redemption
21 date, without premium.

22 The bonds maturing on June 15, 20__, shall be subject to redemption prior to their
23 respective maturity dates, in part, by lot, from mandatory sinking fund payments, on each
24 June 15, as shown in the table below, at a redemption price equal to the principal amount
25 thereof plus accrued interest thereon to the redemption date, without premium.

1 Mandatory Sinking
2 Fund Redemption Date
3 (June 15)
4

 Mandatory Sinking Fund
 Payment

5 Notice of redemption shall be given by mail not less than twenty (20) days nor more
6 than sixty (60) days prior to the date fixed for redemption to the registered owner thereof, but
7 neither failure to receive any such notice or any defect in the notice so mailed shall affect the
8 validity of the proceedings for redemption. Such notice may be conditional.

9 The City may rescind any optional redemption by written notice to the owner of any bond
10 previously called for redemption prior to the date fixed for redemption. Any notice of optional
11 redemption shall be rescinded if for any reason funds are not or will not be available on the
12 date fixed for redemption or the payment in full of the bonds then called for redemption. Notice
13 of rescission of redemption shall be given in the same manner notice of redemption was
14 originally provided. The actual receipt by the owner of any bond of notice of such rescission
15 shall not be a condition precedent to rescission, and failure to receive such notice or any
16 defect in such notice so mailed shall not affect the validity of the rescission.

17 If this bond is called for redemption and payment is duly provided therefor, interest shall cease
18 to accrue hereon from and after the date fixed for redemption.
19

20 The City and the City Treasurer may treat the registered owner of the bonds as the
21 absolute owner thereof for all purposes, and the City and the City Treasurer shall not be
22 affected by any notice to the contrary.

23 The City Treasurer may appoint agents to serve as bond registrar or paying agent, as
24 provided in the Resolutions.
25

1 The Board of Supervisors hereby certifies and declares that the total amount of
2 indebtedness of said City, including the amount of this bond, is within the limit provided by
3 law, that all acts, conditions and things required by the law to be done or performed precedent
4 to and in the issuance of this bond have been done and performed in strict conformity with the
5 laws authorizing the issuance of this bond, that this bond is in the form prescribed by order of
6 the Board of Supervisors duly made and entered on its minutes, and the money for the
7 payment of principal of this bond, and the payment of interest thereon, shall be raised by
8 taxation upon the taxable property of said City as provided in the Resolutions.

9
10 Under the Resolutions, the City covenants and agrees that it is obligated to levy ad
11 valorem taxes without limitation as to rate or amount upon all property within the City subject
12 to taxation by the City (except certain property which is taxable at limited rates) in an amount
13 sufficient for the payment of the bonds and the interest thereon when due.

14
15 This bond shall not be entitled to any benefit under the Resolutions, or become valid or
16 obligatory for any purpose, until the certificate of authentication and registration hereon
17 endorsed shall have been signed by the City Treasurer.

1 IN WITNESS WHEREOF the Board of Supervisors (“Board”) of the City and County of
2 San Francisco (“City”) has caused this bond to be executed by the Mayor of the City and
3 County of San Francisco, and to be countersigned by the Clerk of said Board, all as of
4 _____, 20__.

5 [Seal]

6 _____
7 Mayor of the City and
8 County of San Francisco

9
10 Countersigned:

11 _____
12 Clerk of the Board
13 of Supervisors
14
15
16
17
18
19
20
21
22
23
24
25

1 FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION

2 This is one of the bonds described in the within-mentioned Resolutions, which has
3 been authenticated on the date set forth below.

4
5 Date of Authentication: _____
6

7 _____
8 Treasurer of the City and County of San Francisco
9

10 FORM OF DTC LEGEND

11 Unless this Bond is presented by an authorized representative of The Depository Trust
12 Company to the issuer or its agent for registration of transfer, exchange or payment, and any
13 Bond issued is registered in the name of Cede & Co. or such other name as requested by an
14 authorized representative of The Depository Trust Company and any payment is made to
15 Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR
16 OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof,
17 Cede & Co., has an interest herein.
18
19
20
21
22
23
24
25

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

_____ (Name, Address, Tax Identification or Social Security Number of Assignee)

the within-mentioned registered bond and hereby irrevocably constitute(s) and appoint(s)

_____ Attorney, to transfer the same on the books of the payment agent with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this assignment must correspond with the name as written on the face of the within bond in every particular, without enlargement or any change whatsoever.

Signature Guaranty: _____

Note: Signature must be approved by a qualified guarantor.



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: _____

Date Passed: [_____, 2020]

Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive and/or negotiated sale; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of said bonds; approving the form of the Continuing Disclosure Certificate; approving the form of Placement Agent Agreement; approving the form of Paying Agent Agreement; authorizing and approving modifications to documents, as defined herein; declaring the City's official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Reports; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds, as defined herein.

1 [_____, 2020] Budget and Finance Committee – [RECOMMENDED]

2 [_____, 2020] Board of Supervisors – [ADOPTED]

3 Ayes: ___ - _____

4 File No. _____ I hereby certify that the foregoing Resolution was ADOPTED on
5 [__/__/2020] by the Board of Supervisors of the City and County of San Francisco.

6
7 File No. _____ I hereby certify that the foregoing Resolution
8 was ADOPTED on [__/__/2020] by the Board of
9 Supervisors of the City and County of San
10 Francisco.

11
12 _____
13 **Angela Calvillo**
14 **Clerk of the Board**

15
16 _____
17 **London Breed** **Date Approved**
18 **Mayor**

19
20
21
22
23
24
25

<p>Items 4 and 5 Files 20-0516 and 20-0582</p>	<p>Department: Office of Public Finance Municipal Transportation Agency (MTA)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • File 20-0516: The proposed ordinance would appropriate \$140,000,000 in Series 2020B bond proceeds to the San Francisco Municipal Transportation Agency for street and transit projects in FY 2020-21. • File 20-0582: The proposed resolution would authorize the sale of not-to-exceed \$140,000,000 of 2014 Transportation and Road Improvement Bonds (Series 2020B). 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The proposed third bond sale is expected to occur in late July or early August 2020 upon Board of Supervisors approval of the bond issuance (File 20-0582). The projects to be funded through the proposed third bond sale include: Muni Forward Rapid Network improvements, Caltrain upgrades, accessibility improvements, and pedestrian safety improvements. With the proposed appropriation of \$140,000,000 in Series 2020B GO bond proceeds to the Municipal Transportation Agency (MTA), the sale and appropriation of 2014 Transportation and Road Improvement GO Bonds would total \$381,450,000. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • Based upon an estimated market interest rate of 3.75 percent, the Office of Public Finance projects an average annual debt service cost of approximately \$9,725,000. The total debt service over the 20-year life of the bonds is projected to be approximately \$193,313,860. Of this, \$136,090,000 represents the estimated par and the remainder of \$57,223,860 represents estimated interest. Repayment of the annual debt service of the bonds will be recovered through increases in the annual Property Tax rate, which is estimated to average \$0.00346 per \$100 of assessed value or \$3.46 per \$100,000 of assessed value over the anticipated 20-year term of the bonds. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • Because there continues to be economic uncertainty as a result of the COVID-19 health crisis, the Office of Public Finance is monitoring the municipal bond market on a daily basis to optimally structure the sales of the bonds. • According to MTA, the projects chosen to be funded by the bonds are mostly already in construction or scheduled to go into construction in the coming months. If future delays occur, MTA is prepared to move funds to other bond eligible projects to prioritize bond expenditures, which must be reported to the Citizens’ General Obligation Bond Oversight Committee through the required quarterly reports. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> • Amend the proposed ordinance to require a report on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file. • Approve the proposed resolution and the proposed ordinance as amended. 	

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors is authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County.

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

BACKGROUND

On November 4, 2014, a two-thirds majority of voters of the City approved Proposition A, the San Francisco Transportation and Road Improvement General Obligation (GO) Bond to finance the construction, acquisition, and improvement of various transportation and transit-related improvements, and other related costs. Proposition A authorizes the City to issue \$500 million in GO bonds to implement various infrastructure repairs and improvements identified by the Transportation 2030 Task Force.

The proposed third bond sale is expected to occur in late July or early August 2020 upon Board of Supervisors approval of the bond issuance (File 20-0582). The projects to be funded through the proposed third bond sale include: Muni Forward Rapid Network improvements, Caltrain upgrades, accessibility improvements, and pedestrian safety improvements. Specific projects include the following:

- **19th Avenue Project:** The goal of this project is to improve pedestrian safety, transit reliability, and travel times through bus stop optimization, pedestrian and transit bulbs, and other enhancements along the 19th Street corridor.
- **22 Fillmore Project:** This Muni Forward project will upgrade transit reliability, reduce travel times, and enhance safety and accessibility along the Fillmore corridor by creating transit bulbs, dedicated transit lanes, expansion of the overhead wire system, updated bus shelters, streetscape improvements, and extension of bicycle routes.
- **L Taraval Improvement Project:** The L Taraval project will rehabilitate the Taraval corridor to replace infrastructure such as worn rails, overhead wires and poles, and create pedestrian safety enhancements such as high visibility crosswalks, boarding islands, and increased accessibility.
- **Western Addition Area Traffic Signal Upgrades:** This project will build pedestrian countdown signals and/or signal visibility improvements at 24 intersections and create pedestrian-activated flashing beacons at 9 intersections in the Western Addition Area.

- **Safer Taylor Street:** The Taylor Street project will help meet the City's Vision Zero traffic fatality goals. The project will upgrade signals and improve pedestrian safety, widen sidewalks on Taylor from Turk to Ellis and reduce the number of travel lanes between Market Street and Sutter Street to improve transportation safety and livability along the corridor.
- **BART Canopies:** Some of the bond funding from this issuance will go toward the City's contribution to the BART Canopies project, to help renovate escalators and build structures to cover entrances to BART stations which will protect people and equipment from weather, show train arrival times, and add security features such as lighting and cameras.
- **Caltrain Electrification:** Funds from this issuance will also help to fulfill the City's contribution to the Caltrain electrification project, which will fund electrification at the northern terminal of the Caltrain Corridor, starting at San Francisco 4th and King Caltrain Station.

Table 1 below shows the details of previous bond issuances, as well as the 2020 GO Bond sale schedule.

Table 1: Transportation and Road Improvement GO Bond Sale Schedule

	Date	Amount	Series
Total Authorization		\$500,000,000	
First Bond Issuance	July 2015	67,005,000	Series 2015B
Second Bond Issuance	April 2018	174,445,000	Series 2018B
Proposed Third Bond Issuance	July or August 2020	140,000,000	Series 2020B
Total Issued and Proposed		\$381,450,000	
Future Fourth Bond Issuance	TBD	\$118,550,000	TBD
Total Issued, Approved, and Future Bonds		\$500,000,000	

DETAILS OF PROPOSED LEGISLATION

File 20-0582: The proposed resolution would:

1. Authorize the sale of not-to-exceed \$140,000,000 aggregate principal amount of 2014 Transportation and Road Improvement Bonds (Series 2020B);
2. Prescribe the form and terms of the bonds;
3. Authorize the execution, authentication, and registration of the bonds;
4. Provide for the appointment of depositories and other agents for the bonds;

5. Provide for the establishment of accounts related to the bonds;
6. Provide for the manner of sale of the bonds by competitive or negotiated sale;
7. Approve the forms of Official Notice of Sale and Intention to Sell Bonds;
8. Direct the publication of the Notice of Intention to Sell Bonds;
9. Approve the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the bonds;
10. Approve the form of the Continuing Disclosure Certificate;
11. Approve the form of the Placement Agent Agreement;
12. Approve the form of the Paying Agent Agreement;
13. Authorize and approve modifications to documents declaring the City's intent to reimburse certain expenditures;
14. Waive the deadline for submission of Bond Accountability Reports;
15. Adopt findings under the California Environmental Quality Act (CEQA);
16. Ratify certain actions previously taken; and
17. Grant authority to City officials to take necessary actions for the authorization, issuance, sale, and delivery of the bonds.

File 20-0516: The proposed ordinance would appropriate \$140,000,000 from the GO Bonds Transportation and Road Improvements, 2014 – Series 2020B bond proceeds to the San Francisco Municipal Transportation Agency for street and transit projects in FY 2020-21. The \$140,000,000 appropriation would be placed on Controller's Reserve pending receipt of proceeds of indebtedness.

The proposed resolution (File 20-0582) waives the deadline for submission of accountability reports required under Administrative Code Section 2.71(a). According to Mr. Vishal Trivedi, Financial Analyst in the Office of Public Finance, the waiver was to ensure that the sale would not be delayed if the bond accountability report was not submitted 60 days prior to appropriation of the bond proceeds.

Table 2 below outlines anticipated sources and uses for the Series 2020B bonds.

Table 2: Sources and Uses of Series 2020B Bond Proceeds

Estimated Sources:	
Par Amount	\$136,090,000
Reserve Proceeds	\$3,910,000
Total Estimated Sources:	\$140,000,000
Estimated Uses:	
<i>Administrative Costs</i>	
Costs of Issuance	\$704,860
Controller's Audit Fund	\$268,600
Underwriter's Discount	\$680,450
Citizens' GO Bond Oversight Committee Fee	\$136,090
Reserve for Market Uncertainty	\$3,910,000
Administrative Costs Subtotal	\$5,700,000
<i>Project Costs</i>	
Muni Forward Rapid Network Improvements	\$79,100,000
Caltrain Upgrades	\$11,220,000
Accessibility Improvements	\$21,120,000
Pedestrian Safety Improvements	\$21,885,429
Program Contingency ¹	\$974,571
Project Costs Subtotal	\$134,300,000
Total Estimated Uses:	\$140,000,000

Source: Office of Public Finance and Municipal Transportation Agency

As shown in Table 3 below, with the proposed appropriation of \$140,000,000 in Series 2020B GO bond proceeds to the Municipal Transportation Agency (MTA), the sale and appropriation of 2014 Transportation and Road Improvement GO Bonds would total \$381,450,000. The Attachment shows the specific projects funded by the Series 2015B, Series 2018B and proposed Series 2020B bond issuances. As noted above, of the \$500,000,000 in 2014 Transportation and Road Improvement GO Bonds, \$118,550,000 will be issued in amounts to be determined at a later date.

¹ According to MTA, adding program contingency was recommended to MTA from the Capital Planning Committee because other agencies in the City add this to their bond issuances to help manage for uncertainties (e.g. COVID-19 health crisis).

Table 3: 2014 Transportation and Road Improvement Funds Allocation

Projects	1st Bond Sale (Series 2015B)	2nd Bond Sale (Series 2018B)	Proposed 3rd Bond Sale (Series 2020B)	Remainder to be Allocated	Total
Muni Forward Rapid Network Improvements	\$23,474,342	\$49,736,011	\$79,100,000	\$37,000,000	\$189,310,353
Caltrain Upgrades	7,760,000	20,020,000	11,220,000	-	39,000,000
Accessibility Improvements		3,000,000	21,120,000	5,000,000	29,120,000
Muni Facility Upgrades	25,186,451	41,522,343	-	-	66,708,794
Major Transit Corridor Improvements	5,500,000	21,588,937	-	-	27,088,937
Pedestrian Safety Improvements	4,080,740	26,268,525	21,885,429	14,000,000	66,234,694
Traffic Signal Improvements		6,000,000		12,000,000	18,000,000
Complete Streets Improvements		4,607,184		43,680,000	48,287,184
Contingency			974,571		974,571
Project Subtotal	\$66,001,533	\$172,743,000	\$134,300,000	\$111,680,000	\$484,724,533
Cost of Issuance	\$503,606	\$493,189	\$704,860	TBD	TBD
Underwriter's Discount	300,853	688,880	680,450	TBD	TBD
Controller's Audit Fund	132,003	345,486	268,600	TBD	TBD
Citizens GO Bond Oversight Committee	67,005	174,445	136,090	TBD	TBD
Issuance and Oversight Subtotal	\$1,003,467	\$1,702,000	\$1,790,000	-	-
Reserve			3,910,000		
Total	\$67,005,000	\$174,445,000	\$140,000,000	\$111,680,000	\$493,130,000

Source: Office of Public Finance and Municipal Transportation Agency

Citizens' General Obligation Bond Oversight Committee Annual Report

Under the proposed resolution, the Citizens' General Obligation Bond Oversight Committee shall conduct an annual review of bond spending and shall provide an annual report on the management of the program to the Mayor and the Board. The most recent annual report on the 2014 Transportation and Road Improvement Bond, dated October 21, 2019, is for FY 2018-19 and submitted to the Board of Supervisors in November 2019.

According to the October 2019 Bond Oversight Committee report, an audit report for this bond was issued in January 2019 and found no abuse of bond funds. Specifically, the audit found that "all audited expenditures were spent in accordance with the ballot measure and that funds were not used for any administrative salaries or other general governmental operating expenses other than those specifically authorized in the ballot measure for such bonds."

FISCAL IMPACT

Annual Debt Service

As shown above in Table 2, the Office of Public Finance expects to sell \$136,090,000 in par value Series 2020B Bonds. The proposed resolution authorizes the Director of Public Finance to determine the sale date, interest rates, principal amount, and maturity dates of the bonds, subject to the following conditions: (1) the true interest cost shall not exceed 12 percent; and (2) the Series 2020 B bonds shall have a final maturity date no later than 25 years after the date of issuance.

Based upon an estimated market interest rate of 3.75 percent, the Office of Public Finance projects an average annual debt service cost of approximately \$9,725,000. The total debt service over the 20-year life of the bonds is projected to be approximately \$193,313,860. Of this, \$136,090,000 represents the estimated par and the remainder of \$57,223,860 represents estimated interest.

According to Mr. Trivedi, the Office of Public Finance is evaluating, in consultation with the City’s financial advisor, whether the method of sale for the Series 2020B Bonds should be sold as a negotiated or competitive sale. In the case of a competitive sale, the Series 2020B Bonds will be awarded to the bidder providing the lowest true interest cost to the City and that meets the terms as specified in the Official Notice of Sale. In the case of a negotiated sale, the City will select an underwriting team through a competitive process² prior to the sale of the Series 2020B Bonds. As a negotiated sale, the City and its finance team will review comparable sales of financings recently sold with comparable ratings and par amount size to the Series 2020B Bonds. The City and the financial advisor will negotiate the final interest rates with the underwriting team to achieve the lowest true interest cost to the City based on recent comparable sales, orders received during the order period and overall conditions of the market at the time of sale.

Debt Limit

Section 9.106 of the City Charter limits the amount of GO bonds the City can have outstanding at any given time to 3 percent of the total assessed value of property in San Francisco. The City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City’s general obligation debt limit for FY 2019-20 is approximately \$8.4 billion, based on a net assessed valuation of approximately \$281.1 billion. This net assessed valuation is based on the Controller’s Certificate of Assessed Valuation, as of August 1, 2019.

² According to Mr. Trivedi, the City maintains a pre-qualified pool of underwriters. If the City were to pursue a negotiated transaction, the underwriter selection would be based on a holistic evaluation of written proposals submitted by underwriters in the pool. The pre-qualified underwriter pool was established in accordance with the City’s contracting procedures through a competitive Request for Qualifications process, with an evaluation panel reviewing and scoring the submittals based on approved guidelines, and overseen by the Contract Monitoring Division.

As of July 2020, the City had outstanding approximately \$2.15 billion in aggregate principal amount of GO bonds, which equals approximately 0.76 percent of the net assessed valuation for FY 2019-20. If all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.5 percent of the net assessed value of property in the City. If the Board of Supervisors approves the issuance of the bonds, the debt ratio would increase by approximately 0.05 percent to 0.90 percent, which is within the 3 percent legal debt limit.

Property Tax Rates

For Series 2020B, repayment of the annual debt service will be recovered through increases in the annual Property Tax rate, which is estimated to average \$0.00346 per \$100 of assessed value or \$3.46 per \$100,000 of assessed value over the anticipated 20-year term of the bonds. The owner of a residence with an assessed value of \$600,000, assuming a homeowner's exemption of \$7,000, would pay average additional property taxes to the City of approximately \$20.52 per year if the anticipated \$136,090,000 of Bonds are sold.

Capital Plan

The Capital Planning Committee approved a financial constraint regarding the City's planned use of general obligation bonds such that debt service on approved and issued general obligation bonds would not increase property owners' long-term property tax rates above FY 2005-06 levels. The FY 2005-06 property tax rate for the GO bond fund was \$0.1201 per \$100 of assessed value. If the Board of Supervisors approves the issuance of the Series 2020B GO Bonds, the property tax rate for GO bonds for FY 2019-20 would be maintained at or below the FY 2005-06 rate and within the Capital Planning Committee's approved financial constraint.

POLICY CONSIDERATION

Impact of COVID-19 Health Crisis

Issuance of Bonds

According to Mr. Trivedi, at the start of the COVID-19 health crisis in early March 2020, the economy, financial markets and specifically, the municipal bond market experienced unprecedented volatility with dramatic swings in interest rates and widening of credit spreads. Many institutional investors were not participating in the market taking on a wait-and-see approach to interest rates, which caused the new issue market to come to a standstill with very few financings sold in the second and third weeks of March. Due to the unprecedented actions by the Federal Reserve in response to the COVID-19 health crisis,³ the municipal bond market has

³ These measures include cutting the Federal Reserve's policy rate to the zero lower bound, purchasing Treasury and mortgage-backed securities (MBS) to promote market functioning, and establishing several liquidity and credit

since normalized with new issue volume and interest rates back to pre-pandemic levels and currently holding relatively steady. However, investors remain cautious preferring higher rated general obligation and essential service credits over lower rated or more impacted credits like healthcare, transportation and bonds backed by sales, hotel and income taxes.

According to Mr. Trivedi, as the health crisis is a fluid situation and there continues to be economic uncertainty surrounding the COVID-19 health crisis, the Office of Public Finance is monitoring the municipal bond market on a daily basis to optimally structure the sales of the bonds. Additionally, in order to mitigate market risk and preserve flexibility, the City has included in the bond documents the ability to choose any of the following methods of sale: negotiated, competitive and/or private placement, depending on market conditions at the time of pricing the bonds.

MTA Projects

According to Ms. Charlotte Wu, Principal Budget Analyst at MTA, the projects chosen to be funded by the Series 2020B bonds are mostly already in construction or scheduled to go into construction in the coming months. Per the advice of the Capital Planning Committee and other peer agencies, the MTA has focused on a smaller number of projects that are actively in or starting construction with larger amounts of funds. The projects are considered high profile and essential projects that have been prioritized to move forward, despite the impact of the COVID-19 health crisis. Ms. Wu states that some of the projects' cash flow has been adjusted to reflect current delays. For example, the Western Addition Area Traffic Signal Upgrades project has experienced significant delays. Consequently, MTA has moved much of the original programming costs to the L Taraval Improvement Project. According to Ms. Wu, if future delays occur, MTA is prepared to move funds to other bond eligible projects to prioritize bond expenditures. Any movement of funds will be reported to the Citizens' General Obligation Bond Oversight Committee through the required quarterly reports. In order for the Board of Supervisors to be informed of changes and delays in MTA projects, the Budget and Legislative Analyst recommends amending the proposed resolution to provide for a report back on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file.

In addition, as seen in the Attachment, there is approximately \$64.6 million in remaining balance from the second bond issuance. In an updated cash flow presented to the Capital Planning Committee in March 9, 2020, the MTA anticipates full expenditure of the issuance by mid-2022. As previously mentioned, project delays have slowed down spending. MTA anticipates further

facilities. For example, the Federal Reserve established the Municipal Liquidity Facility to help state and local governments better manage cash flow pressures in order to continue to serve households and businesses in their communities. The facility will purchase up to \$500 billion of short-term notes directly from U.S. states (including the District of Columbia), U.S. counties with a population of at least 500,000 residents, and U.S. cities with a population of at least 250,000 residents. Eligible state-level issuers may use the proceeds to support additional counties and cities.

potential delays because of the COVID-19 health crisis, but Ms. Wu states that the agency has prioritized spending the bond funds as soon as possible.

RECOMMENDATIONS

1. Amend the proposed ordinance to require a report on bond projects and expenditures to the Board of Supervisors prior to December 31, 2020, and for the report to be included in the legislative file.
2. Approve the proposed resolution (File 20-0582) and the proposed ordinance as amended (File 20-0516).

Attachment – File 20-0516

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
<i>Muni Forward Rapid Network Improvements</i>								
7 Haight-Noriega: Haight Street Rapid Project	\$1,560,917	\$1,198,604	\$362,313	\$6,766,975	\$2,078,905	\$4,688,070		\$8,327,892
10 Townsend: Sansome Contraflow Signals	1,665,839	1,589,460	76,379	-		-		1,665,839
9 San Bruno: 11th St and Bayshore Blvd Rapid Project	2,152,883	2,197,473	(44,590)			-		2,152,883
5 Fulton: East of 6th Ave (Inner) Rapid Project	2,582,424	2,829,115	(246,691)	244,000		244,000		2,826,424
N Judah: Arguello to 9th Ave Rapid Project	684,330	1,298,298	(613,968)	1,982,083	1,553,301	428,782		2,666,413
30 Stockton: East of Van Ness Ave Transit Priority Project	331,461	590,795	(259,334)	675,000	24,129	650,871		1,006,461
30 Stockton: Chestnut St (W of VN) Transit Priority Project	3,726,167	3,192,486	533,681			-		3,726,167
14 Mission: Division to Randall (Inner) Rapid Project	1,164,450	822,025	342,425	627,151	-	627,151		1,791,601
22 Fillmore: OCS on Church/Duboce (overhead lines)	80,000	80,000	-	1,127,000	133,405	993,596	25,000,000	26,207,000
19th Avenue: 19th Ave Rapid Project	13,631	13,631	0	2,000,000	20,839	1,979,161	18,100,000	20,113,631
14 Mission: Mission & S Van Ness Transit Priority Project	1,390,000	1,043,122	346,878			-		1,390,000
22 Fillmore Extension to Mission Bay	2,532,379	2,610,883	(78,504)	13,649,871	8,603,890	5,045,981		16,182,250
L-Taraval Transit Improvement Project	4,335,627	4,547,159	(211,532)	3,512,398	1,462,017	2,050,381	36,000,000	43,848,025
Mission Bay Loop	1,013,550	24,553	988,997	1,477,227	904,288	572,939		2,490,777
8 Bayshore: San Bruno				1,300,000	629,808	670,192		1,300,000
19 Polk: Polk Street Transit Priority Project				74,000	-	74,000		74,000
1 California: Laurel Village				1,200,000	720,464	479,536		1,200,000
Lombard Streetscape				2,293,416	1,925,733	367,683		2,293,416
Van Ness BRT Associated Improvements				2,317,072	-	2,317,072		2,317,072
UCSF Platforms				6,358,388	6,358,388	-		6,358,388
Muni Roadway Elevation Improvements				2,627,150	81,852	2,545,298		2,627,150
Bus Transit Signal Priority				1,357,040	824,597	532,443		1,357,040

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Contingency	240,683			147,240		147,240		387,923
Total Muni Forward	23,474,341	22,037,602	1,196,055	49,736,011	25,321,616	24,414,395	79,100,000	152,310,352
<i>Caltrain Upgrades</i>								
CBOSS - San Francisco Contribution	7,760,000	7,731,970	28,030					7,760,000
Caltrain Electrification				20,020,000	19,784,772	235,228	11,220,000	31,240,000
Total Caltrain Upgrades	7,760,000	7,731,970	28,030	20,020,000	19,784,772	235,228	11,220,000	39,000,000
<i>Accessibility Improvements</i>								
BART Canopies				3,000,000	78,595	2,921,405	21,120,000	24,120,000
Total Accessibility Improvements	-	-	-	3,000,000	78,595	2,921,405	21,120,000	24,120,000
<i>Muni Facility Upgrades</i>								
1570 Burke Facility	10,079,730	9,923,792	155,938	32,220,270	30,302,392	1,917,878		42,300,000
Underground Storage Tanks	1,300,000	1,300,000	-	500,000	487,353	12,647		1,800,000
Muni Metro East Phase II	4,056,720	4,056,720	-	6,402,073	1,679,069	4,723,004		10,458,793
Islais Creek Phase II	9,750,000	8,316,612	1,433,388			-		9,750,000
MME HVAC & Boiler Improvement				2,400,000		2,400,000		2,400,000
Total Facility Upgrades	25,186,450	23,597,125	1,589,325	41,522,343	32,468,814	9,053,529	-	66,708,793
<i>Major Transit Corridor Improvements</i>								
Better Market Street	5,500,000	5,498,518	1,482	6,593,275	9,226,015	(2,632,740)		12,093,275
King Street Substation				10,002,337	4,662,744	5,339,593		10,002,337
L-Taraval Transit Improvements				4,993,325	3,781,888	1,211,437		4,993,325
Total Major Transit Corridor	5,500,000	5,498,518	1,482	21,588,937	17,670,647	3,918,290	-	27,088,937
<i>Pedestrian Safety Improvements</i>								
Mission Street & Trumbull Street Intersection Upgrade	205,995	177,007	28,988	70,000	-	70,000		275,995
Potrero Avenue Roadway Improvements	392,634	398,970	(6,336)	461,984	161,351	300,633		854,618
8th & Market Street Transit Boarding Island	335,800	259,250	76,550	186,000	186,000	-		521,800
Add PCS to High Injury Corridors (18 locations) Phase I	492,076	456,226	35,850	1,725,422	750,955	974,467		2,217,498
Geary Pedestrian Improvements	2,051,506	1,792,015	259,491	7,400,000	2,231,089	5,168,911		9,451,506

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Arguello Boulevard Traffic Signals Upgrade	6,111	7,280	(1,169)			-		6,111
New Signals on High Injury Corridors (10 intersections)	596,620	691,209	(94,589)			-		596,620
6th Street Streetscape				3,235,000	653,864	2,581,136		3,235,000
Lombard Streetscape				4,508,000	4,620,486	(112,486)		4,508,000
4th Street I-80 Vision Zero Improvements				960,000	69,687	890,313		960,000
Gough (Signals)				243,889	-	243,889		243,889
New Signals on High Injury Corridors (10 intersections)				1,349,194	1,119,084	230,110		1,349,194
Western Addition Area - Traffic Signal Upgrades				1,100,000	80,295	1,019,705	1,693,259	2,793,259
Contract 64				1,100,000	323,646	776,354		1,100,000
Contract 65				260,000	-	260,000		260,000
Walk First Rectangular Rapid Flashing Beacons				497,036	233,038	263,998		497,036
Van Ness BRT: SFGO				352,000	1,475	350,525		352,000
7 Haight-Noriega: Haight Street Rapid Project				2,000,000	19,651	1,980,349		2,000,000
Elevator Modernization				820,000	-	820,000		820,000
Taylor Street Streetscape							20,192,170	20,192,170
Total Pedestrian Safety	4,080,742	3,781,956	298,786	26,268,525	10,450,621	15,817,904	21,885,429	52,234,696
Traffic Signal Improvements								
Better Market Street				6,000,000	2,069,722	3,930,278		6,000,000
Total Traffic Signal	-	-	-	6,000,000	2,069,722	3,930,278	-	6,000,000
Complete Streets Improvements								
Walkfirst Painted Safety Zone Conversion				300,349	7,278	293,071		300,349
Geneva Avenue Traffic Signals (Improvements)				500,000	135,916	364,084		500,000
Walk First Rectangular Rapid Flashing Beacons				77,964	36,554	41,410		77,964
Beale Street Bikeway Improvements				240,000	26,504	213,496		240,000
Alemanly Interchange Improvement Project - Phase I				186,890	53,654	133,236		186,890
Application-based Residential St Traffic Calming FY16/17				179,564	42,501	137,063		179,564

Projects	1st Bond Issuance	Expenditures	Balance	2nd Bond Issuance	Expenditures	Balance	Proposed 3rd Bond Issuance	Total Bond Issuances Combined
Elevator Modernization				3,122,417	-	3,122,417		3,122,417
Total Complete Streets	-	-	-	4,607,184	302,407	4,304,777	-	4,607,184
Program Contingency							974,571	974,571
Total	\$66,001,533	\$62,647,173	\$3,113,677	\$172,743,000	\$108,147,195	\$64,595,805	\$134,300,000	\$373,044,533

Source: MTA

APPENDIX A

The Resolution provides that the Bonds are payable from and secured by a voter-approved dedicated property tax levy on all taxable property in the City, and the City is empowered under the law to set such tax rate for the Bonds at the level needed to generate sufficient tax revenues to pay the debt service on the Bonds. Under the Resolution, the City is not obligated to pay the debt service from any other sources. This Appendix A provides information on the City's overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolution and are not available to pay debt service on the Bonds. See "SECURITY FOR THE BONDS" in the forepart of this Official Statement.

CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES

For supplemental information as of the date of this Official Statement, please see "RECENT DEVELOPMENTS" for a discussion of the expected material adverse impacts on the City's General Fund of the COVID-19 Emergency.

This Appendix A to the Official Statement of the City provides general information about the City's governance structure, budget processes, property taxation system and tax and other revenue sources, City expenditures, labor relations, employment benefits and retirement costs, investments, bonds, and other long-term obligations.

The various reports, documents, websites and other information referred to herein are not incorporated herein by such references. The City has referred to certain specified documents in this Appendix A which are hosted on the City's website. A wide variety of other information, including financial information, concerning the City is available from the City's publications, websites and its departments. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded and is not a part of or incorporated into this Appendix A and should not be considered in making a decision to buy the bonds.

Information concerning the City's finances that does not materially impact the availability of moneys deposited in the General Fund including San Francisco International Airport ("SFO" or the "Airport"), Public Utilities Commission ("PUC"), and other enterprise funds, or the expenditure of moneys from the General Fund, is generally not included or, if included, is not described in detail in this Appendix A.

The information presented in this Appendix A contains, among other information, City budgetary forecasts, projections, estimates and other statements that are based on current expectations as of its date. The words "expects," "forecasts," "projects," "budgets," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify such information as "forward-looking statements." Such budgetary forecasts, projections and estimates are not intended as representations of fact or intended as guarantees of results. Any such forward-looking statements are inherently subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected.

The information contained in this Official Statement, including this Appendix A, speaks only as of its date, and the information herein is subject to change. Prospective investors are advised to read the entire Official Statement to obtain information essential to make an informed investment decision. As described in "RECENT DEVELOPMENT—COVID-19," the COVID-19 pandemic is expected to materially adversely impact financial condition of the City's General Fund.

TABLE OF CONTENTS

	<u>PAGE</u>
CITY GOVERNMENT.....	A-4
City Charter	A-4
Mayor.....	A-5
Board of Supervisors.....	A-5
Other Elected and Appointed City Officers.....	A-6
CITY BUDGET.....	A-7
Overview	A-7
Budget Process.....	A-10
Multi-Year Budgeting and Planning	A-11
Role of Controller in Budgetary Analysis and Projections	A-12
General Fund Results: Audited Financial Statements.....	A-12
Rainy Day Reserve.....	A-14
Budget Stabilization Reserve	A-14
General Reserve.....	A-15
Budget Savings Incentive Reserve	A-15
Salaries, Benefits and Litigation Reserves.....	A-15
Operating Cash Reserve.....	A-16
Five-Year Financial Plan	A-18
Fiscal Year 2019-20 Six-Month Budget Status Report	A-20
City Budget Adopted for Fiscal Years 2019-20 and 2020-21	A-20
Other Budget Updates	A-21
BUDGETARY RISKS.....	A-21
Material Adverse Impacts of the COVID-19 Emergency.....	A-21
Impact of Bankruptcy Filing by the Pacific Gas and Electric Company (PG&E)	A-21
Impact of Recent Voter-Initiated and Approved Revenue Measures on Local Finances	A-22
Impact of the State of California Budget on Local Finances	A-23
Impact of Federal Government on Local Finances	A-23
THE SUCCESSOR AGENCY	A-24
GENERAL FUND REVENUES.....	A-25
PROPERTY TAXATION.....	A-25
Property Taxation System – General.....	A-25
Assessed Valuations, Tax Rates and Tax Delinquencies	A-25
Tax Levy and Collection	A-29
Taxation of State-Assessed Utility Property.....	A-32
OTHER CITY TAX REVENUES.....	A-32
Business Taxes	A-32
Transient Occupancy Tax (Hotel Tax)	A-33
Real Property Transfer Tax.....	A-34
Sales and Use Tax	A-35
Other Local Taxes	A-37
INTERGOVERNMENTAL REVENUES.....	A-39
State Subventions Based on Taxes	A-39
CITY GENERAL FUND PROGRAMS AND EXPENDITURES	A-40
General Fund Expenditures by Major Service Area	A-40
Voter-Mandated Spending Requirements.....	A-41

EMPLOYMENT COSTS; POST-RETIREMENT OBLIGATIONS.....	A-43
Labor Relations	A-43
San Francisco Employees’ Retirement System (“SFERS” or “Retirement System”)	A-46
Medical Benefits	A-53
Total City Employee Benefits Costs	A-58
INVESTMENT OF CITY FUNDS.....	A-59
CAPITAL FINANCING AND BONDS.....	A-61
Capital Plan	A-61
Tax-Supported Debt Service – City General Obligation Bonds.....	A-62
Authorized but Unissued City GO Bonds	A-64
Refunding General Obligation Bonds.....	A-65
General Fund Lease Obligations	A-67
Voter-Approved Lease Revenue Bonds	A-69
Board Authorized and Unissued Long-Term Certificates of Participation.....	A-71
Commercial Paper Program.....	A-71
Transbay Transit Center Interim Financing.....	A-72
Overlapping Debt.....	A-72
CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES	A-74
Article XIII A of the California Constitution.....	A-74
Article XIII B of the California Constitution.....	A-75
Articles XIII C and XIII D of the California Constitution	A-75
Proposition 1A	A-76
Proposition 22.....	A-77
Proposition 26.....	A-77
Future Initiatives and Changes in Law	A-78
LEGAL MATTERS AND RISK MANAGEMENT	A-79
Pending Litigation	A-79
Ongoing Investigations	A-79
Risk Retention Program	A-80

CITY GOVERNMENT

City Charter

San Francisco is constituted as a city and county chartered pursuant to Article XI, Sections 3, 4, 5 and 6 of the Constitution of the State of California (the “State”) and is the only consolidated city and county in the State. In addition to its powers under its charter in respect of municipal affairs granted under the State Constitution, San Francisco generally can exercise the powers of both a city and a county under State law. On April 15, 1850, several months before California became a state, the original charter was granted by territorial government to the City. New City charters were adopted by the voters on May 26, 1898, effective January 8, 1900, and on March 26, 1931, effective January 8, 1932. In November 1995, the voters of the City approved the current charter, which went into effect in most respects on July 1, 1996 (the “Charter”).

The City is governed by a Board of Supervisors consisting of eleven members elected from supervisorial districts (the “Board of Supervisors”), and a Mayor elected at large who serves as chief executive officer (the “Mayor”). Members of the Board of Supervisors and the Mayor each serve a four-year term. The Mayor and members of the Board of Supervisors are subject to term limits as established by the Charter. Members of the Board of Supervisors may serve no more than two successive four-year terms and may not serve another term until four years have elapsed since the end of the second successive term in office. The Mayor may serve no more than two successive four-year terms, with no limit on the number of non-successive terms of office. The City Attorney, Assessor-Recorder, District Attorney, Treasurer and Tax Collector, Sheriff, and Public Defender are also elected directly by the citizens and may serve unlimited four-year terms. The Charter provides a civil service system for most City employees. School functions are carried out by the San Francisco Unified School District (grades TK-12) (“SFUSD”) and the San Francisco Community College District (post-secondary) (“SFCCD”). Each is a separate legal entity with a separately elected governing board.

Unique among California cities, San Francisco as a charter city and county provides the services of both a city and a county. Public services include police, fire and public safety; public health, mental health and other social services; courts, jails, and juvenile justice; public works, streets, and transportation, including a port and airport; construction and maintenance of all public buildings and facilities; water, sewer, and power services; parks and recreation; libraries and cultural facilities and events; zoning and planning, and many others. Employment costs are relatively fixed by labor and retirement agreements, and account for slightly less than 50% of all City expenditures. In addition, voters have approved Charter amendments that impose certain spending mandates and tax revenue set-asides, which dictate expenditure or service levels for certain programs, and allocate specific revenues or specific proportions thereof to other programs, including transportation services, children’s services and public education, and libraries.

Under its original charter, the City committed to a policy of municipal ownership of utilities. The Municipal Railway, when acquired from a private operator in 1912, was the first such city-owned public transit system in the nation. In 1914, the City obtained its municipal water system, including the Hetch Hetchy watershed near Yosemite. In 1927, the City dedicated Mill’s Field Municipal Airport at a site in what is now San Mateo County 14 miles south of downtown San Francisco, which would grow to become today’s San Francisco International Airport (the “Airport”). In 1969, the City acquired the Port of San Francisco (the “Port”) in trust from the State. Substantial expansions and improvements have been made to these enterprises since their original acquisition. SFO, the Port, the PUC (which now includes the Water Enterprise, the Wastewater Enterprise and the Hetch Hetchy Water and Power Project), the Municipal

Transportation Agency (“MTA”) (which operates the San Francisco Municipal Railway or “Muni” and the Department of Parking and Traffic (“DPT”), including the Parking Authority and its five public parking garages), and the City-owned hospitals (San Francisco General and Laguna Honda), are collectively referred to herein as the “enterprise fund departments,” as they are not integrated into the City’s General Fund operating budget. However, certain of the enterprise fund departments, including San Francisco General Hospital, Laguna Honda Hospital, and the MTA, receive annually significant General Fund transfers.

The Charter distributes governing authority among the Mayor, the Board of Supervisors, the various other elected officers, the City Controller and other appointed officers, and the boards and commissions that oversee the various City departments. The Mayor appoints most commissioners subject to a two-thirds vote of the Board of Supervisors, unless otherwise provided in the Charter. The Mayor appoints each department head from among persons nominated to the position by the appropriate commission and may remove department heads.

Mayor

Mayor London Breed is the 45th Mayor of San Francisco and the first African-American woman to serve in such capacity in the City’s history. Mayor Breed was elected on the June 4, 2018 special election to serve until January 2020, fulfilling the remaining term of the late Mayor Edwin Lee. In November 2019 Mayor Breed was elected to serve her first full term. Prior to her election, Mayor Breed served as Acting Mayor, leading San Francisco following the sudden passing of Mayor Lee. Mayor Breed previously served as a member of the Board of Supervisors for six years, including the last three years as President of the Board.

Board of Supervisors

Table A-1 lists the current members of the Board of Supervisors. The Supervisors are elected for staggered four-year terms and are elected by district. Vacancies are filled by appointment by the Mayor.

TABLE A-1

CITY AND COUNTY OF SAN FRANCISCO		
Board of Supervisors		
Name	First Elected or Appointed	Current Term Expires
Sandra Lee Fewer, <i>District 1</i>	2017	2021
Catherine Stefani, <i>District 2</i>	2018	2023
Aaron Peskin, <i>District 3</i>	2017	2021
Gordon Mar, <i>District 4</i>	2019	2023
Dean Preston, <i>District 5</i>	2019	2020
Matt Haney, <i>District 6</i>	2019	2023
Norman Yee, Board President, <i>District 7</i>	2017	2021
Rafael Mandelman, <i>District 8</i>	2018	2023
Hillary Ronen, <i>District 9</i>	2017	2021
Shamann Walton, <i>District 10</i>	2019	2023
Ahsha Safai, <i>District 11</i>	2017	2021

Other Elected and Appointed City Officers

The City Attorney represents the City in all legal proceedings in which the City has an interest. Dennis J. Herrera was re-elected to a four-year term as City Attorney in November 2019. Mr. Herrera was first elected City Attorney in December 2001. Before becoming City Attorney, Mr. Herrera had been a partner in a private law firm and had served in the Clinton Administration as Chief of Staff of the U.S. Maritime Administration. He also served as president of the San Francisco Police Commission and was a member of the San Francisco Public Transportation Commission.

The Assessor-Recorder administers the property tax assessment system of the City. Carmen Chu was re-elected to a four-year term as Assessor-Recorder of the City in November 2018. Before becoming Assessor-Recorder, Ms. Chu was elected in November 2008 and November 2010 to the Board of Supervisors, representing the Sunset/Parkside District 4 after being appointed by then-Mayor Gavin Newsom in September 2007.

The Treasurer is responsible for the deposit and investment of all City moneys, and also acts as Tax Collector for the City. José Cisneros was re-elected to a four-year term as Treasurer of the City in November 2019. Mr. Cisneros has served as Treasurer since September 2004, following his appointment by then-Mayor Newsom. Prior to being appointed Treasurer, Mr. Cisneros served as Deputy General Manager, Capital Planning and External Affairs for the MTA.

The City Controller is responsible for timely accounting, disbursement, and other disposition of City moneys, certifies the accuracy of budgets, estimates the cost of ballot measures, provides payroll services for the City's employees, and, as the Auditor for the City, directs performance and financial audits of City activities. Benjamin Rosenfield was appointed to a ten-year term as Controller of the City by then-Mayor Newsom in March 2008 and was confirmed by the Board of Supervisors in accordance with the Charter. Mr. Rosenfield was reappointed by then-Mayor Mark Farrell to a new ten-year term as Controller in 2017, and his nomination was confirmed by the Board of Supervisors on May 1, 2018. Before becoming Controller, Mr. Rosenfield served as the Deputy City Administrator under former City Administrator Edwin Lee from 2005 to 2008. He was responsible for the preparation and monitoring of the City's ten-year capital plan, oversight of a number of internal service offices under the City Administrator and implementing the City's 311 non-emergency customer service center. From 2001 to 2005, Mr. Rosenfield worked as the Budget Director for then-Mayor Willie L. Brown, Jr. and then-Mayor Newsom. As Budget Director during that period, Mr. Rosenfield prepared the City's proposed budget for each fiscal year and worked on behalf of the Mayor to manage City spending during the course of each year. From 1997 to 2001, Mr. Rosenfield worked as an analyst in the Mayor's Budget Office and as a project manager in the Controller's Office.

The City Administrator has overall responsibility for the management and implementation of policies, rules and regulations promulgated by the Mayor, the Board of Supervisors and the voters. The City Administrator oversees the General Services Agency consisting of 25 departments, divisions, and programs that include the Public Works Department, Department of Technology, Office of Contract Administration/Purchasing, Real Estate, County Clerk, Fleet Management, Convention Facilities, Animal Care and Control, Medical Examiner, and Treasure Island. Naomi M. Kelly was appointed to a five-year term as City Administrator by then-Mayor Lee in February of 2012, following her brief role as Acting City Administrator. Ms. Kelly was re-appointed for a second five-year term on February 8, 2017. Prior to her City Administrator position, Ms. Kelly was appointed City Purchaser and Director of the Office of Contract Administration by Mayor Newsom. She previously served as Special Assistant in the Mayor's Office of

Neighborhood Services, and the Office of Policy and Legislative Affairs, under Mayor Brown. She also served as the City's Executive Director of the Taxicab Commission. Ms. Kelly, a native San Franciscan, is the first woman and African American to serve as City Administrator of the City. She received her undergraduate and law degrees, respectively, from New York University and the University of San Francisco. Ms. Kelly is a member of the California State Bar.

CITY BUDGET

Overview

The City manages the operations of its nearly 60 departments, commissions and authorities, including the enterprise fund departments, and funds such departments and enterprises through its annual budget process. Each year the Mayor prepares budget legislation for the City departments, which must be approved by the Board of Supervisors. General Fund revenues consist largely of local property tax, business tax, sales tax, other local taxes and charges for services. A significant portion of the City's revenue also comes in the form of intergovernmental transfers from the State and federal governments. Thus, the City's fiscal position is affected by the health of the local real estate market, the local business and tourist economy, and by budgetary decisions made by the State and federal governments which depend, in turn, on the health of the larger State and national economies. All these factors are almost wholly outside the control of the Mayor, the Board of Supervisors and other City officials. In addition, the State Constitution limits the City's ability to raise taxes and property-based fees without a vote of City residents. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES" herein. Also, the fact that the City's annual budget must be adopted before the State and federal budgets adds uncertainty to the budget process and necessitates flexibility so that spending decisions can be adjusted during the course of the fiscal year. See "CITY GENERAL FUND PROGRAMS AND EXPENDITURES" herein.

On August 1, 2019, the City adopted its two-year budget. The City's fiscal year 2019-20 adopted budget appropriated annual revenues, fund balance, transfers and reserves of approximately \$12.3 billion, of which the City's General Fund accounts for approximately \$6.1 billion. The City's fiscal year 2020-21 adopted budget appropriated revenues, fund balance, transfers and reserves of approximately \$12.0 billion, of which approximately \$6.0 billion represents the General Fund budget. Table A-2 shows Final Revised Budget revenues and appropriations for the City's General Fund for fiscal years 2016-17 through 2018-19 and the Original Budgets for fiscal years 2019-20. See "PROPERTY TAXATION –Tax Levy and Collection," "OTHER CITY TAX REVENUES" and "CITY GENERAL FUND PROGRAMS AND EXPENDITURES" herein. For detailed discussion of the fiscal years 2019-20 adopted budget, see "City Budget Adopted for Fiscal Years 2019-20" herein.

As described in "RECENT DEVELOPMENTS," economic and tax revenue losses associated with the COVID-19 Emergency have been stark and immediate, and the COVID-19 Emergency is expected to have material adverse impacts on the projections and budget information provided in in this APPENDIX A. See "RECENT DEVELOPMENTS – May Update Report" for a discussion of current projections of the magnitude of the financial impact of the COVID-19 Emergency on the City. The COVID-19 Emergency is expected to result in significant shortfalls in Fiscal Years 2019-20 and 2020-21 (as compared to the Original Budgets for such years). The information with respect to Fiscal Year 2019-20, Fiscal 2020-21 and future fiscal years was prepared prior to the COVID-19 Emergency and does not reflect the anticipated revenue shortfalls and related fiscal pressures.

As described in “RECENT DEVELOPMENTS – Modifications to Budget Calendar,” by June 1, 2020, the Mayor plans to introduce a balanced interim budget to the Board of Supervisors. The Mayor plans to introduce the revised full two-year fiscal year 2020-21 and fiscal year 2021-22 balanced budget by August 1, 2020. Following the Budget and Finance Committee Phase and the full Board phase, the budget is planned to go to Mayor Breed for her approval and signature by October 1, 2020.

[Remainder of Page Intentionally Left Blank]

TABLE A-2*

CITY AND COUNTY OF SAN FRANCISCO
Budgeted General Fund Revenues and Appropriations for
Fiscal Years 2016-17 through 2019-20
(000s)

	2016-17 Final Revised Budget	2017-18 Final Revised Budget	2018-19 Final Revised Budget ⁶	2019-20 Original Budget ⁷
Prior-Year Budgetary Fund Balance & Reserves	\$1,526,830	\$1,999,334	\$2,342,082	\$299,880
<u>Budgeted Revenues</u>				
Property Taxes ¹	\$1,412,000	\$1,557,000	\$2,142,727	\$1,956,008
Business Taxes	669,450	750,820	879,414	1,050,620
Other Local Taxes ²	1,126,245	1,112,570	1,053,390	1,144,376
Licenses, Permits and Franchises	28,876	29,964	30,794	30,431
Fines, Forfeitures and Penalties	4,671	4,579	3,131	3,125
Interest and Investment Earnings	13,971	18,615	20,323	76,590
Rents and Concessions	15,855	14,089	14,896	15,141
Grants and Subventions	978,252	965,549	1,072,205	1,088,615
Charges for Services	235,491	242,842	263,340	245,222
Other	58,776	40,130	268,855	69,424
Total Budgeted Revenues	\$4,543,587	\$4,736,158	\$5,749,075	\$5,679,551
Bond Proceeds & Repayment of Loans	\$881	\$110	\$87	-
<u>Expenditure Appropriations</u>				
Public Protection	\$1,266,148	\$1,316,870	\$1,390,266	\$1,493,084
Public Works, Transportation & Commerce	166,295	238,564	214,928	208,755
Human Welfare & Neighborhood Development	978,126	1,047,458	1,120,892	1,183,587
Community Health	763,496	832,663	967,113	950,756
Culture and Recreation	139,473	142,081	154,056	173,969
General Administration & Finance	252,998	259,916	290,274	596,806
General City Responsibilities ³	134,153	114,219	172,028	193,971
Total Expenditure Appropriations	\$3,700,689	\$3,951,771	\$4,309,557	\$4,800,929
Budgetary reserves and designations, net	\$9,868	\$0	\$0	29,880
Transfers In	\$246,779	\$232,032	\$239,056	163,455
Transfers Out ⁴	(857,528)	(1,009,967)	(1,468,021)	(1,312,077)
Net Transfers In/Out	(\$610,749)	(\$777,935)	(\$1,228,965)	(\$1,148,622)
Budgeted Excess (Deficiency) of Sources				
Over (Under) Uses	\$1,749,993	\$2,005,897	\$2,552,722	-
Variance of Actual vs. Budget	249,475	336,422	374,136	-
Total Actual Budgetary Fund Balance⁵	\$1,999,468	\$2,342,319	\$2,553,096	-

¹ The City's final budget for FY 2018-19 property tax included \$414.7 million of "Excess Educational Revenue Augmentation Fund (ERAF)" revenue, representing 2 years of Excess ERAF. In FY 2019-20, the City budgeted \$185.0 million of "Excess Educational Revenue Augmentation Fund (ERAF) revenue. In the following year, no excess ERAF revenue is assumed given the risk of entitlement formula volatility, potential cash flow changes, and possible modifications to local property tax revenue allocation laws by the State. Please see Property Tax section for more information about Excess ERAF.

² Other Local Taxes includes sales, hotel, utility users, parking, sugar sweetened beverage, stadium admissions, access line, and cannabis taxes.

³ Over the past five years, the City has consolidated various departments to achieve operational efficiencies. This has resulted in changes in how departments were summarized in the service area groupings above for the time periods shown.

⁴ Other Transfers Out is primarily related to transfers to support Charter-mandated spending requirements and hospitals.

⁵ Fiscal year 2016-17 through fiscal year 2018-19 Final Revised Budget reflects prior year *actual* budgetary fund balance. Fiscal year 2019-20 Original Budget reflects *budgeted* use of fund balance and reserve.

⁶ FY 2018-19 Final Revised Budget updated from FY 2018-19 CAFR.

⁷ FY 2019-20 Original Budget Prior-Year Budgetary Fund Balance & Reserves will be reconciled with the previous year's Final Revised Budget.

Source: Office of the Controller, City and County of San Francisco.

* As described in "RECENT DEVELOPMENTS," as a result of the COVID-19 Emergency, the estimates and projections in City's 2019-20 Original Budget are expected to be materially adversely impacted by the COVID-19 Emergency.

Budget Process

The following paragraphs contains a description of the City's customary budget process. As described in "RECENT DEVELOPMENTS – Modifications to Budget Calendar," due to the current COVID-19 pandemic, the City's budget timeline will be delayed for two months. Mayor Breed expects to reissue Budget Instructions to departments in May, and Departments will be instructed to submit new department proposals to aid the Mayor in developing her balanced budget in June and July. By June 1, 2020, the Mayor plans to introduce a balanced interim budget to the Board of Supervisors. The Mayor plans to introduce the full two-year fiscal year 2020-21 and fiscal year 2021-22 balanced budget by August 1, 2020. Following the Budget and Finance Committee Phase and the full Board phase, the budget is planned to go to Mayor Breed for her approval and signature by October 1, 2020.

The City's fiscal year commences on July 1 and ends on June 30. The City's budget process for each fiscal year begins in the middle of the preceding fiscal year as departments prepare their budgets and seek any required approvals from the applicable City board or commission. Departmental budgets are consolidated by the City Controller, and then transmitted to the Mayor no later than the first working day of March. By the first working day of May, the Mayor is required to submit a proposed budget to the Board of Supervisors for certain specified departments, based on criteria set forth in the Administrative Code. On or before the first working day of June, the Mayor is required to submit a proposed budget, including all departments, to the Board of Supervisors.

Under the Charter, following the submission of the Mayor's proposed budget, the City Controller must provide an opinion to the Board of Supervisors regarding the economic assumptions underlying the revenue estimates and the reasonableness of such estimates and revisions in the proposed budget (the City Controller's "Revenue Letter"). The City Controller may also recommend reserves that are considered prudent given the proposed resources and expenditures contained in the Mayor's proposed budget. The Revenue Letter and other information from said website are not incorporated herein by reference. The City's Capital Planning Committee (composed of other City officials) also reviews the proposed budget and provides recommendations based on the budget's conformance with the City's adopted ten-year capital plan. For a further discussion of the Capital Planning Committee and the City's ten-year capital plan, see "CAPITAL FINANCING AND BONDS – Capital Plan" herein.

The City is required by the Charter to adopt a budget which is balanced in each fund. During its budget approval process, the Board of Supervisors has the power to reduce or augment any appropriation in the proposed budget, provided the total budgeted appropriation amount in each fund is not greater than the total budgeted appropriation amount for such fund submitted by the Mayor. The Board of Supervisors must approve the budget by adoption of the Annual Appropriation Ordinance (also referred to herein as the "Original Budget") by no later than August 1 of each fiscal year.

The Annual Appropriation Ordinance becomes effective with or without the Mayor's signature after 10 days; however, the Mayor has line-item veto authority over specific items in the budget. Additionally, in the event the Mayor were to disapprove the entire ordinance, the Charter directs the Mayor to promptly return the ordinance to the Board of Supervisors, accompanied by a statement indicating the reasons for disapproval and any recommendations which the Mayor may have. Any Annual Appropriation Ordinance so disapproved by the Mayor shall become effective only if, subsequent to its return, it is passed by a two-thirds vote of the Board of Supervisors.

Following the adoption and approval of the Annual Appropriation Ordinance, the City makes various revisions throughout the fiscal year (the Original Budget plus any changes made to date are collectively referred to herein as the “Revised Budget”). A “Final Revised Budget” is prepared at the end of the fiscal year upon release of the City’s CAFR to reflect the year-end revenue and expenditure appropriations for that fiscal year.

Multi-Year Budgeting and Planning

The City’s budget involves multi-year budgeting and financial planning, including:

1. Fixed two-year budgets are approved by the Board of Supervisors for five departments: SFO, Child Support Services, the Port, the PUC and MTA. All other departments prepare balanced, rolling two-year budgets for Board approval. For all other departments, the Board annually approves appropriations for the next two fiscal years.
2. Five-year financial plan and update, which forecasts revenues and expenses and summarizes expected public service levels and funding requirements for that period. The most recent five-year financial plan update, including a forecast of expenditures and revenues and proposed actions to balance them in light of strategic goals, was issued by the Mayor, the Budget Analyst for the Board of Supervisors and Controller’s Office on January 3, 2020, for fiscal year 2020-21 through fiscal year 2023-24. See “Five Year Financial Plan” section below.
3. The Controller’s Office proposes to the Mayor and Board of Supervisors financial policies addressing reserves, use of volatile revenues, debt and financial measures in the case of disaster recovery and requires the City to adopt budgets consistent with these policies once approved. The Controller’s Office may recommend additional financial policies or amendments to existing policies no later than October 1. Key financial policies include:
 - Non-Recurring Revenue Policy - This policy limits the Mayor’s and Board’s ability to use for operating expenses the following nonrecurring revenues: extraordinary year-end General Fund balance, the General Fund share of revenues from prepayments provided under long- term leases, concessions, or contracts, otherwise unrestricted revenues from legal judgments and settlements, and other unrestricted revenues from the sale of land or other fixed assets. Under the policy, these nonrecurring revenues may only be used for nonrecurring expenditures that do not create liability for or expectation of substantial ongoing costs, including but not limited to: discretionary funding of reserves, acquisition of capital equipment, capital projects included in the City’s capital plans, development of affordable housing, and discretionary payment of pension, debt or other long-term obligations.
 - Rainy Day and Budget Stabilization Reserve Policies – These reserves were established to support the City’s budget in years when revenues decline. These and other reserves (among many others) are discussed in detail below. Charter Section 9.113.5 requires deposits into the Rainy Day Reserve if total General Fund revenues for the current year exceed total General Fund revenues for the prior year by more than five percent. Similarly, if budgeted revenues exceed current year revenues by more than five percent, the budget must allocate deposits to the Rainy Day Reserve. The Budget Stabilization Reserve augments the Rainy Day Reserve and is funded through the dedication of 75% of certain volatile revenues. These and other reserves are discussed under Rainy Day Reserve and Budget Stabilization Reserve below.

4. The City is required to submit labor agreements for all public employee unions to the Board of Supervisors by May 15, so the fiscal impact of the agreements can be incorporated in the Mayor's proposed June 1 budget. All labor agreements are closed for the budget year, fiscal year 2020-21.

Role of Controller in Budgetary Analysis and Projections

As Chief Fiscal Officer and City Services Auditor, the City Controller monitors spending for all officers, departments and employees charged with receipt, collection or disbursement of City funds. Under the Charter, no obligation to expend City funds can be incurred without a prior certification by the Controller that sufficient revenues are or will be available to meet such obligation as it becomes due in the then-current fiscal year, which ends June 30. The Controller monitors revenues throughout the fiscal year, and if actual revenues are less than estimated, the City Controller may freeze department appropriations or place departments on spending "allotments" which will constrain department expenditures until estimated revenues are realized. If revenues are in excess of what was estimated, or budget surpluses are created, the Controller can certify these surplus funds as a source for supplemental appropriations that may be adopted throughout the year upon approval of the Mayor and the Board of Supervisors. The City's actual expenditures are often different from the estimated expenditures in the Original Budget due to supplemental appropriations, continuing appropriations of prior years, and unexpended current-year funds.

In addition to the five-year planning responsibilities discussed above, Charter Section 3.105 directs the Controller to issue periodic or special financial reports during the fiscal year. Each year, the Controller issues six-month and nine-month budget status reports to apprise the City's policymakers of the current budgetary status, including projected year-end revenues, expenditures and fund balances. The Controller issued the first of these reports, the fiscal year 2019-20 Six Month Report (the "Six Month Report"), in February 2020, and expects to issue the second of these reports, the fiscal year 2019-20 Nine Month Report (the "Nine Month Report"), in May 2020. The City Charter also directs the Controller to annually report on the accuracy of economic assumptions underlying the revenue estimates in the Mayor's proposed budget.

General Fund Results: Audited Financial Statements

The City's most recently completed Comprehensive Annual Financial Report (the "CAFR," which includes the City's audited financial statements) for fiscal year 2018-19, was issued on December 31, 2019. The fiscal year 2018-19 CAFR reported that as of June 30, 2019, the General Fund fund balance available for appropriation in subsequent years was \$812.7 million (see Table A-4), which represents a \$196.1 million increase in available fund balance from the \$616.6 million available as of June 30, 2018. This increase resulted primarily from greater-than-budgeted property tax revenue given unanticipated Excess ERAF allocations, real property transfer tax revenue, and operating surpluses at the Department of Public Health, which was partially offset by under-performance in business tax revenues in fiscal year 2018-19.

The audited General Fund fund balance as of June 30, 2019 was \$2.7 billion (shown in Tables A-3 and A-4) using Generally Accepted Accounting Principles ("GAAP"), derived from audited revenues of \$5.9 billion. The City prepares its budget on a modified accrual basis, which is also referred to as "budget basis" in the CAFR. Accruals for incurred liabilities, such as claims and judgments, workers' compensation, accrued vacation and sick leave pay are funded only as payments are required to be made. Table A-3 focuses on a specific portion of the City's balance sheet; audited General Fund fund balances are shown on both a budget basis and a GAAP basis with comparative financial information for the fiscal years ended June 30, 2015 through June 30, 2019. See Note 10 of the CAFR for additional information on fund balances and reserves.

TABLE A-3

CITY AND COUNTY OF SAN FRANCISCO
Summary of Audited General Fund Fund Balances
Fiscal Years 2014-15 through 2018-19¹
(000s)

	2014-15	2015-16	2016-17	2017-18	2018-19
Restricted for rainy day (Economic Stabilization account) ²	\$71,904	\$74,986	\$78,336	\$89,309	\$229,069
Restricted for rainy day (One-time Spending account) ²	43,065	45,120	47,353	54,668	95,908
Committed for budget stabilization (citywide) ³	132,264	178,434	323,204	369,958	396,760
Committed for Recreation & Parks savings reserve ⁴	10,551	8,736	4,403	1,740	803
<u>Assigned, not available for appropriation</u>					
Assigned for encumbrances	\$137,641	\$190,965	\$244,158	\$345,596	\$351,446
Assigned for appropriation carryforward	201,192	293,921	434,223	423,835	496,846
Assigned for budget savings incentive program (Citywide) ⁴	33,939	58,907	67,450	73,650	86,979
Assigned for salaries and benefits ⁵	20,155	18,203	23,051	23,931	28,965
Total Fund Balance Not Available for Appropriation	\$650,711	\$869,272	\$1,222,178	\$1,382,687	\$1,686,776
<u>Assigned and unassigned, available for appropriation</u>					
Assigned for litigation & contingencies ⁵	\$131,970	\$145,443	\$136,080	\$235,925	\$186,913
Assigned for subsequent year's budget	180,179	172,128	183,326	188,562	210,638
Unassigned for General Reserve ⁶	62,579	76,913	95,156	106,878	130,894
Unassigned - Budgeted for use second budget year	194,082	191,202	288,185	223,251	285,152
Unassigned - Contingency for second budget year	-	60,000	60,000	160,000	308,000
Unassigned - Available for future appropriation	16,569	11,872	14,409	44,779	8,897
Total Fund Balance Available for Appropriation	\$585,379	\$657,558	\$777,156	\$959,395	\$1,130,494
Total Fund Balance, Budget Basis	\$1,236,090	\$1,526,830	\$1,999,334	\$2,342,082	\$2,817,270
<u>Budget Basis to GAAP Basis Reconciliation</u>					
Total Fund Balance - Budget Basis	\$1,236,090	\$1,526,830	\$1,999,334	\$2,342,082	\$2,817,270
Unrealized gain or loss on investments	1,141	343	(1,197)	(20,602)	16,275
Nonspendable fund balance	24,786	522	525	1,512	1,259
Cumulative Excess Property Tax Revenues Recognized on Budget Basis	(37,303)	(36,008)	(38,469)	(25,495)	(23,793)
Cumulative Excess Health, Human Service, Franchise Tax and other Revenues on Budget Basis	(50,406)	(56,709)	(83,757)	(68,958)	(87,794)
Deferred Amounts on Loan Receivables	(23,212)	-	-	-	-
Pre-paid lease revenue	(5,900)	(5,816)	(5,733)	(6,598)	(6,194)
Total Fund Balance, GAAP Basis	\$1,145,196	\$1,429,162	\$1,870,703	\$2,221,941	\$2,717,023

Source: Office of the Controller, City and County of San Francisco.

¹ Fiscal year 2019-20 will be available upon release of the fiscal year 2019-20 CAFR.

² Additional information in Rainy Day Reserves section of Appendix A, following this table.

³ Additional information in Budget Stabilization Reserve section of Appendix A, following this table.

⁴ Additional information in Budget Savings Incentive Reserve section of Appendix A, following this table.

⁵ Additional information in Salaries, Benefits and Litigation Reserves section of Appendix A, following this table.

The increase in FY18 was largely due to a small number of claims filed against the City with large known or potential settlement stipulations.

⁶ Additional information in General Reserves section of Appendix A, following this table.

In addition to the reconciliation of GAAP versus budget-basis fund balance, Table A-3 shows the City's various reserve balances as designations of fund balance. Key reserves are described below:

The following sections describe various reserves maintained by the City. As described in "RECENT DEVELOPMENTS," the COVID-19 Emergency is expected to materially adversely impact revenues in Fiscal Year 2019-20, Fiscal Year 2020-21 and future fiscal years. The potential use of reserves will be considered by the City in connection with the development of the revised Fiscal Year 2020-21 budget, as described herein in "Budget Process."

Rainy Day Reserve

The City maintains a Rainy Day Reserve, as shown on the first and second line of Table A-3 above. Charter Section 9.113.5 requires that if total General Fund revenues for the current year exceed total General Fund revenues for the prior year by more than five percent, then the City must deposit anticipated General Fund revenues in excess of that five percent growth into three accounts within the Rainy Day Reserve (see below) and for other lawful governmental purposes. Similarly, if budgeted revenues exceed current year revenues by more than five percent, the budget must allocate deposits to the Rainy Day Reserve. Effective January 1, 2015, Proposition C, passed by the voters in November 2014, divided the existing Rainy Day Economic Stabilization Account into a City Rainy Day Reserve ("City Reserve") and a School Rainy Day Reserve ("School Reserve") for SFUSD, with each reserve account receiving 50% of the existing balance at the time. Deposits to the reserve are allocated as follows:

- 37.5 percent of the excess revenues to the City Reserve;
- 12.5 percent of the excess revenues to the School Reserve (not shown in Table A-3 because it is not part of the General Fund, it is reserved for SFUSD);
- 25 percent of the excess revenues to the Rainy Day One-Time or Capital Expenditures account; and
- 25 percent of the excess revenues to any lawful governmental purpose.

Fiscal year 2018-19 revenue generated a deposit of \$139.8 million to the City Reserve and \$41.2 million to the Rainy Day One-Time Reserve. The FY 2018-19 ending balances are \$229.1 million and \$95.9 million, respectively, as shown in Table A-3. The combined balances of the Rainy Day Reserve's Economic Stabilization account and the Budget Stabilization Reserve are subject to a cap of 10% of actual total General Fund revenues as stated in the City's most recent independent annual audit. Amounts in excess of that cap in any year will be placed in the Budget Stabilization One-Time Reserve, which is eligible to be allocated to capital and other one-time expenditures. Monies in the City Reserve are available to provide budgetary support in years when General Fund revenues are projected to decrease from prior-year levels (or, in the case of a multi-year downturn, the highest of any previous year's total General Fund revenues). Monies in the Rainy Day One-Time Reserve are available for capital and other one-time spending initiatives.

Budget Stabilization Reserve

The City maintains a Budget Stabilization Reserve, as shown on the third line of Table A-3 above. The Budget Stabilization Reserve augments the Rainy Day Reserve and is funded through the dedication of 75% of certain volatile revenues, including Real Property Transfer Tax ("RPTT") receipts in excess of the rolling five-year annual average (adjusting for the effect of any rate increases approved by voters), funds from the sale of assets, and year-end unassigned General Fund balances beyond the amount assumed as a source in the subsequent year's budget.

Fiscal year 2018-19 revenue generated an overall deposit of \$26.8 million to the combined Budget Stabilization Reserve and Budget Stabilization One-Time Reserve. Because the City's combined Rainy Day Economic Stabilization Reserve and Budget Stabilization Reserve exceeds 10% of General Fund revenues for fiscal year 2018-19, the Budget Stabilization Reserve balance was capped in fiscal year 2018-19 at \$359.3 million and the City deposited the amount exceeding the cap, \$37.4 million, in the Budget Stabilization One-Time Reserve. Table A-3 reflects the sum of the Budget Stabilization Reserve and the Budget Stabilization One-Time Reserve.

The Budget Stabilization Reserve has the same withdrawal requirements as the Rainy Day Reserve. Withdrawals are structured to occur over a period of three years: in the first year of a downturn, a maximum of 30% of the combined value of the Rainy Day Reserve and Budget Stabilization Reserve could be drawn; in the second year, the maximum withdrawal is 50%; and, in the third year, the entire remaining balance may be drawn. No deposits are required in years when the City is eligible to withdraw.

General Reserve

The City maintains a General Reserve, shown as "Unassigned for General Reserve" in the "assigned and unassigned, available for appropriation" section of Table A-3 above. The General Reserve is to be used for current-year fiscal pressures not anticipated during the budget process. The policy, originally adopted on April 13, 2010, set the reserve equal to 1% of budgeted regular General Fund revenues in fiscal year 2012-13 and increasing by 0.25% each year thereafter until reaching 2% of General Fund revenues in fiscal year 2016-17. On December 16, 2014, the Board of Supervisors adopted financial policies to further increase the City's General Reserve from 2% to 3% of General Fund revenues between fiscal year 2017-18 and fiscal year 2020-21 while reducing the required deposit to 1.5% of General Fund revenues during economic downturns. The intent of this policy change is to increase reserves available during a multi-year downturn. The fiscal year 2017-18 balance of this reserve was \$106.9 million, as shown in Table A-3 above. In fiscal year 2018-19, \$20.4 million was budgeted and deposited for the General Fund Reserve, resulting in an ending balance of \$127.3 million. In fiscal year 2018-19, Table A-3 includes \$3.6 million in other reserve-type appropriations.

Budget Savings Incentive Reserve

The Charter requires reserving a portion of Recreation and Parks revenue surplus in the form of the Recreation and Parks Budget Savings Incentive Reserve, as shown with note 4 of Table A-3. The Administrative Code authorizes reserving a portion of departmental expenditure savings in the form of the Citywide Budget Savings Incentive Reserve, also referred to as the "Budget Savings Incentive Fund," as shown with note 4 of the "assigned, not available for appropriation" section of Table A-3. In fiscal year 2018-19, the Recreation and Parks Savings Reserve had a balance of \$0.8 million and the Citywide Budget Savings Incentive Reserve had a balance of \$87.0 million.

Salaries, Benefits and Litigation Reserves

The City maintains two types of reserves to offset unanticipated expenses and which are available to City departments through a Controller's Office review and approval process. These are shown with note 5 in the "assigned, not available for appropriation," and "assigned and unassigned, available for appropriation" sections of Table A-3 above. These include the Salaries and Benefit Reserve (balance of \$29.0 million as of Fiscal Year 2018-19), and the Litigation and Public Health Management Reserve (balance of \$186.9 million in Fiscal Year 2018-19).

Operating Cash Reserve

Not shown in Table A-3, under the City Charter, the Treasurer, upon recommendation of the City Controller, is authorized to transfer legally available moneys to the City's operating cash reserve from any unencumbered funds then held in the City's pooled investment fund (which contains cash for all pool participants, including city departments and external agencies such as San Francisco Unified School District and City College). The operating cash reserve is available to cover cash flow deficits in various City funds, including the City's General Fund. From time to time, the Treasurer has transferred unencumbered moneys in the pooled investment fund to the operating cash reserve to cover temporary cash flow deficits in the General Fund and other City funds. Any such transfers must be repaid within the same fiscal year in which the transfer was made, together with interest at the rate earned on the pooled funds at the time the funds were used. See "INVESTMENT OF CITY FUNDS – Investment Policy" herein.

Table A-4, entitled "Audited Statement of Revenues, Expenditures and Changes in General Fund Balances," is extracted from information in the City's CAFR for the five most recent fiscal years. Prior years audited financial statements can be obtained from the City Controller's website. Information from the City Controller's website is not incorporated herein by reference. Excluded from this Statement of General Fund Revenues and Expenditures in Table A-4 are fiduciary funds, internal service funds, special revenue funds (which relate to proceeds of specific revenue sources which are legally restricted to expenditures for specific purposes) and all of the enterprise fund departments of the City, each of which prepares separate audited financial statements.

[Remainder of Page Intentionally Left Blank]

TABLE A-4

CITY AND COUNTY OF SAN FRANCISCO
Audited Statement of Revenues, Expenditures and Changes in General Fund Fund Balances¹
Fiscal Years 2014-15 through 2018-19²
(000s)

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues:					
Property Taxes ³	\$1,272,623	\$1,393,574	\$1,478,671	\$1,673,950	\$2,248,004
Business Taxes	609,614	659,086	700,536	897,076	917,811
Other Local Taxes	1,085,381	1,054,109	1,203,587	1,093,769	1,215,306
Licenses, Permits and Franchises	27,789	27,909	29,336	28,803	27,960
Fines, Forfeitures and Penalties	6,369	8,985	2,734	7,966	4,740
Interest and Investment Income	7,867	9,613	14,439	16,245	88,523
Rents and Concessions	24,339	46,553	15,352	14,533	14,460
Intergovernmental	854,464	900,820	932,576	983,809	1,069,349
Charges for Services	215,036	233,976	220,877	248,926	257,814
Other	9,162	22,291	38,679	24,478	46,254
Total Revenues	\$4,112,644	\$4,356,916	\$4,636,787	\$4,989,555	\$5,890,221
Expenditures:					
Public Protection	\$1,148,405	\$1,204,666	\$1,257,948	\$1,312,582	\$1,382,031
Public Works, Transportation & Commerce	87,452	136,762	166,285	223,830	202,988
Human Welfare and Neighborhood Development	786,362	853,924	956,478	999,048	1,071,309
Community Health	650,741	666,138	600,067	706,322	809,120
Culture and Recreation	119,278	124,515	139,368	142,215	152,250
General Administration & Finance	208,695	223,844	238,064	244,773	267,997
General City Responsibilities	98,620	114,663	121,444	110,812	144,808
Total Expenditures	\$3,099,553	\$3,324,512	\$3,479,654	\$3,739,582	\$4,030,503
Excess of Revenues over Expenditures	\$1,013,091	\$1,032,404	\$1,157,133	\$1,249,973	\$1,859,718
Other Financing Sources (Uses):					
Transfers In	\$164,712	\$209,494	\$140,272	\$112,228	\$104,338
Transfers Out	(873,741)	(962,343)	(857,629)	(1,010,785)	(1,468,971)
Other Financing Sources	5,572	4,411	1,765	-	-
Other Financing Uses	-	-	-	(178)	(3)
Total Other Financing Sources (Uses)	(\$703,457)	(\$748,438)	(\$715,592)	(\$898,735)	(\$1,364,636)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$309,634	\$283,966	\$441,541	\$351,238	\$495,082
Total Fund Balance at Beginning of Year	\$835,562	\$1,145,196	\$1,429,162	\$1,870,703	\$2,221,941
Total Fund Balance at End of Year -- GAAP Basis	\$1,145,196	\$1,429,162	\$1,870,703	\$2,221,941	\$2,717,023
Assigned for Subsequent Year's Appropriations and Unassigned Fund Balance, Year End					
-- GAAP Basis	\$234,273	\$249,238	\$273,827	\$286,143	\$326,582
-- Budget Basis ⁴	\$390,830	\$435,202	\$545,920	\$616,592	\$812,687

¹ Summary of financial information derived from City CAFRs. Fund balances include amounts reserved for rainy day (Economic Stabilization and One-time Spending accounts), encumbrances, appropriation carryforwards and other purposes (as required by the Charter or appropriate accounting practices) as well as unreserved designated and undesignated available fund balances (which amounts constitute unrestricted General Fund balances).

² Fiscal year 2019-20 will be available upon release of the fiscal year 2019-20 CAFR.

³ The City recognized \$548.0 million of "Excess Educational Revenue Augmentation Fund (ERAF)" revenue in FY 2018-19, representing FY16-17, FY17-18, and FY18-19 (3 fiscal years) of ERAF. Please see Property Tax section for more information about Excess ERAF.

⁴ Fund balance available for appropriations of \$1.13 billion includes amounts Assigned for Litigation and Contingencies and Unassigned - General Reserve.

Sources: Comprehensive Annual Financial Report; Office of the Controller, City and County of San Francisco.

Five-Year Financial Plan

The Five-Year Financial Plan (“Plan”) is required under Proposition A, a charter amendment approved by voters in November 2009. The Charter requires the City to forecast expenditures and revenues for the next five fiscal years, propose actions to balance revenues and expenditures during each year of the Plan, and discuss strategic goals and corresponding resources for City departments. Proposition A required that a Plan be adopted every two years. The City’s Administrative Code requires that by March 1 of each even-numbered year, the Mayor, Board of Supervisors Budget Analyst, and Controller submit an updated estimated summary budget for the remaining four years of the most recently adopted Plan.

On January 3, 2020, the Mayor, Budget Analyst for the Board of Supervisors, and the Controller’s Office issued the Plan update for fiscal years 2020-21 through 2023-24 (“Original FY21-FY24 Plan”), which projected cumulative annual shortfalls of \$195.4 million, \$224.1 million, \$531.1 million, and \$630.6 million, for fiscal years 2020-21 through 2023-24, respectively. However, as a result of the COVID-19 Emergency, on March 31, 2020, the Mayor, Board of Supervisors Budget Analyst, and Controller released an update to the Original FY21-FY24 Plan (“March Joint Report Update”). The March Joint Report Update adopts the assumptions detailed in the Original FY21-FY24 Plan (which are described below), with updates for three significant changes since the initial issuance of the Original FY21-FY24 Plan: (1) Improvement in current fund balance, as reported in the Controller’s Six Month Budget Status Report, (2) General Fund tax revenue losses associated with the emergency, and (3) reductions in voter-adopted baseline spending requirements given those revised revenue projections. The City issued an update to its projections of the impact of the COVID-19 Emergency on May 13, 2020 (the “May Update”). The next full update of the City’s Five-Year Financial Plan is expected to be submitted in December 2020.

The following information reflects the Original FY21-FY24 Plan as initially issued and does not reflect any of the material adverse impacts expected to result from the COVID-19 Emergency. See “RECENT DEVELOPMENTS – May Update Report,” for a description of the May Update.

The Original FY21-FY24 Plan projected growth in General Fund revenues over the forecast period of 6.9%, primarily composed of growth in local tax sources. The revenue growth was projected to be offset by projected expenditure increases of 17.2% over the same period, primarily composed of growth in employee wages and health care costs, citywide operating expenses, and Charter mandated baselines and reserves. The Original FY21-FY24 Plan projected growth in General Fund sources of \$423.6 million over the Original FY21-FY24 Plan period, and expenditure growth of \$1.05 billion. The composition of the projected shortfall is shown in Table A-5 below.

TABLE A-5*

CITY AND COUNTY OF SAN FRANCISCO
Five Year Financial Plan Update
Fiscal Years 2020-21 through 2023-24
(\$millions)

	2020-21	2021-22	2022-23	2023-24	% of Uses for 2023-24
Sources - Increase / (Decrease):	\$89.0	\$346.0	\$289.4	\$423.6	
Uses:					
Baselines & Reserves	(\$45.5)	(\$54.0)	(\$127.1)	(\$163.3)	15.5%
Salaries & Benefits	(167.9)	(269.6)	(338.5)	(407.5)	38.7%
Citywide Operating Budget Costs	(66.9)	(167.8)	(235.0)	(314.6)	29.8%
Departmental Costs	(3.9)	(78.8)	(119.9)	(168.8)	16.0%
Total Uses - (Increase) / Decrease:	(\$284.3)	(\$570.1)	(\$820.5)	(\$1,054.2)	100.0%
Projected Cumulative Surplus / (Shortfall):	(\$195.4)	(\$224.1)	(\$531.1)	(\$630.6)	

**Table A-5 is the Original FY21-FY24 Plan. See "RECENT DEVELOPMENTS" for a discussion of the May Update to the Original FY21-FY24 Plan, which reflects the City's preliminary projections of certain of the adverse impacts on the General Fund.*

The Original FY21-FY24 Plan incorporated the following key assumptions:

- Changes in Employer Contribution Rates to City Retirement System:** Consistent with SFERS' fiscal year 2018-19 results, projected employer contribution rates assume an 8.0% rate of return on SFERS investments for fiscal year 2018-19, 0.6% above the actuarially assumed rate of return of 7.4%. This better-than-expected return triggers an on-going supplemental COLA payment to certain retirees, which increases employer contributions in FY 2020-21. The Original FY21-FY24 Plan does not assume any changes to existing funding policy and amortizes the 2019 supplemental COLA over five years per current policy. As described in "RECENT DEVELOPMENTS," the COVID-19 Emergency has resulted in significant declines in the global and national stock markets. Contributions to SFERS are based upon an assumption of 7.4% investment returns each fiscal year. To the extent that returns fall below this level in the current and upcoming fiscal years, it will increase required City and employee contributions.
- Assumes previously negotiated wage increases and inflationary increases for open contracts in line with CPI:** The Original FY21-FY24 Plan assumes the additional salary and benefit costs for previously negotiated, closed labor agreements. Police and Firefighters' unions have closed MOUs through FY 2020-21. Miscellaneous unions have closed MOUs through FY 2021-22. In open contract years, this report projects salary increases equal to the change in CPI. This corresponds to 3.38% for FY 2021-22, 2.94% for FY 2022-23, and 2.90% for FY 2023-24.
- Property Tax Shifts:** The FY 2019-20 General Fund budget anticipates the City will receive "Excess ERAF" property tax allocations. The Original FY21-FY24 Plan assumes that the City will also receive Excess ERAF revenues in FY 2020-21, and in accordance with legislation adopted by the Mayor and Board of Supervisors will allocate at least 50% of these revenues to one-time purposes and 50% to affordable housing expenditures. Given these assumptions of revenue and equally offsetting expenditures, there is no net impact on the General Fund shortfall projections. Given both uncertainty regarding the timing and volatility of these revenues and the potential for State changes to funding levels for K-12 and community college districts, the projections do not include receipt of Excess ERAF

revenues in years after FY 2020-21. (The COVID-19 Emergency may negatively impact the availability of Excess ERAF contributions.)

While the projected shortfalls in the May Update reflect the difference in projected revenues and expenditures over the next five years using the assumptions set forth in the May Update, the Charter requires that each year's budget be balanced. As a result of the significant financial impacts expected to result from the COVID-19 Emergency, balancing the budgets is expected to require a combination of expenditure reductions, additional revenues and use of available reserves. The projections in the May Update assume no ongoing solutions are implemented.

The Original FY21-FY24 Plan did not assume an economic downturn. To illustrate the effect of a hypothetical recession on San Francisco's fiscal condition, the Original FY21-FY24 Plan included a recession scenario that assumes weakness in the California and San Francisco economies beginning in FY 2021-22. The scenario assumes rates of revenue loss in major local tax sources—including business, hotel, sales, transfer and parking taxes—consistent with the average declines experienced during the last two recessions, FY 2001-02 through FY 2003-04 and FY 2008-09 through FY 2010-11, which would result in revenue losses of approximately \$820 million. In addition, the scenario assumes a \$52 million increase in employer pension contributions in the final year of the forecast, triggered by losses in the value of assets held by the San Francisco Employee's Retirement System comparable to the losses experienced in the aftermath of the global financial crisis in 2008 and 2009. The resulting shortfall of \$872 million would be closed, in part, by a \$114 million reduction in voter-approved spending mandates tied to General Fund revenue and the use of \$634 million in General Fund Reserves, leaving an estimated \$124 million to be closed through spending reductions and other means.

The City cannot predict the severity or length of the recession that is expected is result from the COVID-19 Emergency, and there can be no assurances that it will not result in more severe adverse impacts than those projected in the recession scenario included in the Original FY21-FY24 Plan.

Fiscal Year 2019-20 Six-Month Budget Status Report

On February 13, 2020, the Controller's Office issued a budget status update on revenues and expenditures through the first six months of the year. The report projects a \$98.1 million improvement in General Fund ending balance over the projections in the Original FY21-FY24 Plan. Application of this additional fund balance would reduce the projected shortfall in the upcoming two-year budget from \$419.5 million to \$321.4 million. The improvement was driven largely by increased real property transfer tax revenue in the General Fund, Public Health hospital revenue surpluses, and cost savings at the Human Services Agency due to reduced caseloads.

As described in "RECENT DEVELOPMENTS," the City has prepared updates to the Joint Report, which describes the material adverse impact on the financial condition of the General Fund which potentially may result from the COVID-19 Emergency.

City Budget Adopted for Fiscal Years 2019-20 and 2020-21

On August 1, 2019, Mayor Breed signed the Consolidated Budget and Annual Appropriation Ordinance (the "Original Budget") for the fiscal years ending June 30, 2020 and June 30, 2021. The adopted budget closed the \$30.6 million and \$125.5 million General Fund projected shortfalls for fiscal years 2019-20 and 2020-21 identified in the City's March 2019 update to the Five-Year Financial Plan through a combination of increased revenue and expenditure savings.

The Original Budget for fiscal year 2019-20 and fiscal year 2020-21 totaled \$12.3 billion and \$12.0 billion respectively. The General Fund portion of each year's budget is \$6.1 billion in fiscal year 2019-20 and \$6.0 billion in fiscal year 2020-21. There are 31,784 funded full-time positions in the fiscal year 2019-20 Original Budget and 32,052 in the fiscal year 2020-21 Original Budget.

The COVID-19 Emergency is expected to materially adversely impact the financial condition of the City's General Fund. See "RECENT DEVELOPMENTS – Modifications to the Budget Calendar" for a description of the projected timeline for budget-related actions the City currently expects to take in response to the COVID-19 Emergency, including the adoption of a revised fiscal year 2020-21 budget.

Other Budget Updates

On June 11, 2019, the Controller's Office issued the Controller's Discussion of the Mayor's fiscal year 2019-20 and fiscal year 2020-21 Proposed Budget ("Revenue Letter"). The Revenue Letter found that tax revenue assumptions were reasonable, and reserve and baselines were funded at or above required levels. The Revenue Letter noted that the budget draws on volatile revenues and reserves at a higher rate than recent years, to fund a variety of one-time purposes. The extraordinary revenue and reserve draws are primarily related to unexpected Excess ERAF monies.

BUDGETARY RISKS

Material Adverse Impacts of the COVID-19 Emergency

See "RECENT DEVELOPMENTS" for a discussion of the anticipated material adverse impacts of the COVID-19 Emergency on the City's General Fund.

Impact of Bankruptcy Filing by the Pacific Gas and Electric Company (PG&E)

On January 29, 2019, PG&E filed for Chapter 11 bankruptcy protection in the face of potential wildfire liability that has been estimated upwards of \$30 billion. Taxes and fees paid by PG&E to the City total approximately \$75 million annually and include property taxes, franchise fees and business taxes, as well as the utility user taxes it remits on behalf of its customers. In April 2019, the bankruptcy court granted relief to PG&E to pay property taxes and franchise fees.

On September 6, 2019, in connection with Pacific Gas and Electric Company ("PG&E") and PG&E Corporation's Chapter 11 pending bankruptcy cases, the City and County of San Francisco submitted a non-binding indication of interest ("IOI") to PG&E and PG&E Corporation to purchase substantially all of PG&E's electric distribution and transmission assets needed to provide retail electric service to all electricity customers within the geographic boundaries of the City ("Target Assets") for a purchase price of \$2.5 billion (such transaction, the "Proposed Transaction"). In a letter dated October 7, 2019, PG&E declined the City's offer. On November 4, 2019, the City sent PG&E a follow-up letter reiterating its interest in acquiring the Target Assets. To demonstrate public support for the Proposed Transaction, on January 14, 2020, the City's Board of Supervisors and the SFPUC's Commission conditionally authorized the sale of up to \$3.065 billion of Power Enterprise Revenue Bonds to finance the acquisition of the Target Assets and related costs, subject to specific conditions set forth in each authorizing resolution.

The IOI reflects the City's interest in purchasing the Target Assets and does not create any legally binding obligations on the City or any of its officials, representatives, agencies, political subdivisions, affiliates or their respective advisors. The City is unable to predict whether it will be able to consummate a final negotiated acquisition price for the Target Assets and, if so, the terms thereof. Any such final terms would be subject to approval by the Board of Supervisors and the Commission. If consummated, it is expected that such new electric system would be wholly supported by its own revenues, and no revenues of the City's general fund would be available to pay for system operations, or bonds issued to acquire the Target Assets.

The PG&E bankruptcy is pending, and the City can give no assurance regarding the effect of a bankruptcy filing by PG&E, including whether there will be delays in the payment of property taxes in the future, or whether the City will be successful in its acquisition of the PG&E assets.

Impact of Recent Voter-Initiated and Approved Revenue Measures on Local Finances

On August 28, 2017, the California Supreme Court in *California Cannabis Coalition v. City of Upland* (August 28, 2017, No. S234148) interpreted Article XIII C, Section 2(b) of the State Constitution, which requires local government proposals imposing general taxes to be submitted to the voters at a general election (i.e. an election at which members of the governing body stand for election). The court concluded such provision did not apply to tax measures submitted through the citizen initiative process. Under the Upland decision, citizens exercising their right of initiative may now call for general or special taxes on the ballot at a special election (i.e. an election where members of the governing body are not standing for election). The court did not, however, resolve whether a special tax submitted by voter initiative needs only simple majority voter approval, and not the super-majority (i.e. two-thirds) voter approval required of special taxes placed on the ballot by a governing body. On June 5, 2018 voters of the City passed by majority vote two special taxes submitted through the citizen initiative process: a Commercial Rent Tax for Childcare and Early Education ("June Proposition C") and a Parcel Tax for the San Francisco Unified School District ("Proposition G" and, together with June Proposition C, the "June Propositions C and G"). In addition, on November 6, 2018 voters passed by a majority vote a special tax submitted through the citizen initiative process: a Homelessness Gross Receipts Tax ("November Proposition C") for homelessness prevention and services. The estimated annual values of June Propositions C and G are approximately \$146 million and \$50 million, respectively. The estimated annual value of November Proposition C is approximately \$250 million to \$300 million.

In August 2018 the Howard Jarvis Taxpayers Association and several other plaintiffs filed a reverse validation action in San Francisco Superior Court challenging the validity of June Proposition C. In September 2018 the City initiated a validation action in the same court seeking a judicial declaration of the validity of Proposition G. In January 2019 the City initiated a similar validation action in the same court concerning November Proposition C. On July 5, 2019, the San Francisco Superior Court granted the City's dispositive motions in the lawsuits concerning June Proposition C and November Proposition C, concluding that both measures, which proposed tax increases for specific purposes, required only a simple majority for approval because they were put on the ballot through a citizen signature petition. The Howard Jarvis Taxpayers Association and other petitioners/plaintiffs appealed the decision in the litigation concerning June Proposition C, and resolution of the case is pending. To date, no appeal of the decision in the litigation concerning November Proposition C has been filed. The trial court has not reached a decision on Proposition G. While the City prevailed at trial on the November Proposition C and the June Proposition C, the City cannot provide any assurance regarding the outcome of these lawsuits.

Impact of the State of California Budget on Local Finances

Revenues from the State represent approximately 10% of the General Fund revenues appropriated in the Original Budget for fiscal years 2019-20 and 2020-21, and thus changes in State revenues could have a material impact on the City's finances. In a typical year, the Governor releases two primary proposed budget documents: 1) the Governor's Proposed Budget required to be submitted in January; and 2) the "May Revise" to the Governor's Proposed Budget. The Governor's Proposed Budget is then considered and typically revised by the State Legislature. Following that process, the State Legislature adopts, and the Governor signs, the State budget. City policy makers review and estimate the impact of both the Governor's Proposed and May Revise Budgets prior to the City adopting its own budget.

The State has publicly stated that the state's General Fund will be materially adversely impacted by the health-related and economic impacts of the COVID-19 pandemic. Efforts to respond to and mitigate the spread of COVID-19 have had a severe impact on the state and national economy, triggered a historic drop and ongoing volatility in the stock market, and an expected recession. These efforts are expected to result in significant declines in state revenues from recent levels, as well as increased expenditures required to manage and mitigate COVID-19's impact on the state.

There can be no assurances that the COVID-19 Emergency will not result in significant declines in State payments to the City.

Impact of Federal Government on Local Finances

The City receives substantial federal funds for assistance payments, social service programs and other programs. A portion of the City's assets are also invested in securities of the United States government. The City's finances may be adversely impacted by fiscal matters at the federal level, including but not limited to cuts to federal spending. For example, the City issued taxable obligations designated as "Build America Bonds," ("BABs") which BABs were entitled to receive a 35% subsidy payment from the federal government. The 35% subsidy payment has been reduced since 2013 in connection with the United States federal government sequestration. As well, the federal government has from time to time threatened to withhold certain funds from 'sanctuary jurisdictions' of which the City is one. The federal district court issued a permanent injunction in November 2017 to prevent any such reduction in federal funding on this basis. On August 1, 2018, the 9th Circuit Court of Appeal upheld the district's court's injunction against the President's Executive Order.

In the event Congress and the President fail to enact appropriations, budgets or debt ceiling increases on a timely basis in the future, such events could have a material adverse effect on the financial markets and economic conditions in the United States and an adverse impact on the City's finances. The City cannot predict the outcome of future federal budget deliberations and the impact that such budgets will have on the City's finances and operations. The City's General Fund and hospitals, which are supported by the General Fund, collectively receive over \$1 billion annually in federal subventions for entitlement programs, the large majority of which are reimbursements for care provided to Medicaid and Medicare recipients. In addition, tens of thousands of San Franciscans receive federal subsidies to purchase private insurance on the state's health care exchange, Covered California. Federal efforts to repeal or eliminate such subsidies, or repeal, replace or alter provisions of the Affordable Care Act through regulatory changes, could have significant effects on future health care costs. In addition, the state Department of Health Care Services is currently negotiating with the federal Centers for Medicare and Medicaid Services on a successor to California's Section 1115(a) Medicaid waivers, which expire on December 31, 2020. The

next waiver could significantly affect allocations to counties, but the City cannot predict the outcome of this process. To help address these risks, the City's adopted fiscal year 2019-20 Original Budget included a \$40 million reserve to manage state, federal, and other revenue uncertainty, and a \$50 million reserve to address changes to the Affordable Care Act.

THE SUCCESSOR AGENCY

Effect of the Dissolution Act

The San Francisco Redevelopment Agency (herein after the "Former Agency") was organized in 1948 by the Board of Supervisors pursuant to the Redevelopment Law. The Former Agency's mission was to eliminate physical and economic blight within specific geographic areas of the City designated by the Board of Supervisors. The Former Agency had redevelopment plans for nine redevelopment project areas.

As a result of AB 1X 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, (collectively, the "Dissolution Act"), redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies and also to satisfy "enforceable obligations" of the former redevelopment agencies all under the supervision of a new oversight board, the State Department of Finance and the State Controller.

Pursuant to Ordinance No. 215-12 passed by the Board of Supervisors of the City on October 2, 2012 and signed by the Mayor on October 4, 2012, the Board of Supervisors (i) officially gave the following name to the successor to the Former Agency: the "Successor Agency to the Redevelopment Agency of the City and County of San Francisco," (the "Successor Agency") also referred to as the "Office of Community Investment & Infrastructure" ("OCII"), (ii) created the Successor Agency Commission as the policy body of the Successor Agency, (iii) delegated to the Successor Agency Commission the authority to act to implement the surviving redevelopment projects, the replacement housing obligations of the Former Agency and other enforceable obligations and the authority to take actions that AB 26 and AB 1484 require or allow and (iv) established the composition and terms of the members of the Successor Agency Commission.

Because of the existence of enforceable obligations, the Successor Agency is authorized to continue to implement, through the issuance of tax allocation bonds, certain major redevelopment projects that were previously administered by the Former Agency: (i) the Mission Bay North and South Redevelopment Project Areas, (ii) the Hunters Point Shipyard Redevelopment Project Area and Zone 1/Candlestick Point of the Bayview Hunters Point Redevelopment Project Area, and (iii) the Transbay Redevelopment Project Area (collectively, the "Major Approved Development Projects"). The Successor Agency exercises land use, development and design approval authority for the Major Approved Development Projects. The Successor Agency also issues community facilities district ("CFD") bonds from time to time to facilitate development in the major approved development projects in accordance with the terms of such enforceable obligations.

GENERAL FUND REVENUES

The revenues discussed below are recorded in the General Fund, unless otherwise noted.

The information in this section “GENERAL FUND REVENUES” relating to 2019-20 revenues from the various sources described below is from the Original 2019-20 Budget. As described in “RECENT DEVELOPMENTS,” the COVID-19 Emergency is expected to result in significant declines in General Fund revenues. As described in “RECENT DEVELOPMENTS – May Update Report,” economic and tax revenue losses associated with the COVID-19 Emergency have been stark and immediate. The revised projected General Fund tax revenue losses range from an estimated \$167 million to \$287 million loss versus the adopted fiscal year 2019-20 budget (after adjustments included in the Six-Month Budget Status Report). This range represents an estimate of likely losses in a limited versus extended emergency and recovery period.

PROPERTY TAXATION

Property Taxation System – General

The City receives approximately one-third of its total General Fund operating revenues from local property taxes. Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the City. The City levies property taxes for general operating purposes as well as for the payment of voter-approved bonds. As a county under State law, the City also levies property taxes on behalf of all local agencies with overlapping jurisdiction within the boundaries of the City.

Local property taxation is the responsibility of various City officers. The Assessor computes the value of locally assessed taxable property. After the assessed roll is closed on June 30th, the City Controller issues a Certificate of Assessed Valuation in August which certifies the taxable assessed value for that fiscal year. The Controller also compiles a schedule of tax rates including the 1.0% tax authorized by Article XIII A of the State Constitution (and mandated by statute), tax surcharges needed to repay voter-approved general obligation bonds, and tax surcharges imposed by overlapping jurisdictions that have been authorized to levy taxes on property located in the City. The Board of Supervisors approves the schedule of tax rates each year by ordinance adopted no later than the last working day of September. The Treasurer and Tax Collector prepares and mails tax bills to taxpayers and collect the taxes on behalf of the City and other overlapping taxing agencies that levy taxes on taxable property located in the City. The Treasurer holds and invests City tax funds, including taxes collected for payment of general obligation bonds, and is charged with payment of principal and interest on such bonds when due. The State Board of Equalization assesses certain special classes of property, as described below. See “Taxation of State-Assessed Utility Property” below.

Assessed Valuations, Tax Rates and Tax Delinquencies

Table A-6 provides a recent history of assessed valuations of taxable property within the City. The property tax rate is composed of two components: 1) the 1.0% countywide portion, and 2) all voter-approved overrides which fund debt service for general obligation bond indebtedness. There can be no assurances that the COVID-19 Emergency will not materially adversely impact property values in the City. See “RECENT DEVELOPMENTS.”

The total tax rate shown in Table A-6 includes taxes assessed on behalf of the City as well as the San

Francisco Unified School District (SFUSD), County Office of Education (SFCOE), SFCCD, Bay Area Air Quality Management District (BAAQMD), and San Francisco Bay Area Rapid Transit District (BART), all of which are legal entities separate from the City. See also, Table A-31: “Statement of Direct and Overlapping Debt and Long-Term Obligations.” In addition to *ad valorem* taxes, voter-approved special assessment taxes or direct charges may also appear on a property tax bill.

Additionally, although no additional rate is levied, a portion of property taxes collected within the City is allocated to the Successor Agency to the San Francisco Redevelopment Agency (more commonly known OCII). Property tax revenues attributable to the growth in assessed value of taxable property (known as “tax increment”) within the adopted redevelopment project areas may be utilized by OCII to pay for outstanding and enforceable obligations and a portion of administrative costs of the agency causing a loss of tax revenues from those parcels located within project areas to the City and other local taxing agencies, including SFUSD and SFCCD. Taxes collected for payment of debt service on general obligation bonds are not affected or diverted. The Successor Agency received \$158.6 million of property tax increment in fiscal year 2018-19 for recognized obligations, diverting about \$88.2 million that would have otherwise been apportioned to the City’s discretionary General Fund.

The percent collected of property tax (current year levies excluding supplemental) was 99.26% for fiscal year 2018-19. Foreclosures, defined as the number of trustee deeds recorded by the Assessor-Recorder’s Office, numbered 56 for the six-month period July 1 to December 31, 2019. For the fiscal year 2018-19 a total of 86 trustee deeds were recorded compared to 111 for fiscal year 2017-18 and 92 for fiscal year 2016-17. There can be no assurances that the COVID-19 Emergency will not result in increased foreclosures in the City. See “RECENT DEVELOPMENTS.”

[Remainder of Page Intentionally Left Blank]

TABLE A-6

CITY AND COUNTY OF SAN FRANCISCO
Assessed Valuation of Taxable Property
Fiscal Years 2008-09 through 2019-20
(000s)

Fiscal Year	Net Assessed ¹ Valuation (NAV)	% Change from Prior Year	Total Tax Rate per \$100 ²	Total Tax Levy ³	Total Tax Collected ³	% Collected June 30
2008-09	141,274,628	8.7%	1.163	1,702,533	1,661,717	97.6%
2009-10	150,233,436	6.3%	1.159	1,808,505	1,764,100	97.5%
2010-11	157,865,981	5.1%	1.164	1,888,048	1,849,460	98.0%
2011-12	158,649,888	0.5%	1.172	1,918,680	1,883,666	98.2%
2012-13	165,043,120	4.0%	1.169	1,997,645	1,970,662	98.6%
2013-14	172,489,208	4.5%	1.188	2,138,245	2,113,284	98.8%
2014-15	181,809,981	5.4%	1.174	2,139,050	2,113,968	98.8%
2015-16	194,392,572	6.9%	1.183	2,290,280	2,268,876	99.1%
2016-17	211,532,524	8.8%	1.179	2,492,789	2,471,486	99.1%
2017-18	234,074,597	10.7%	1.172	2,732,615	2,709,048	99.1%
2018-19	259,329,479	10.8%	1.163	2,999,794	2,977,664	99.3%
2019-20	281,073,307 ⁴	8.4%	1.180	3,316,946	N/A	N/A

¹ Net Assessed Valuation (NAV) is Total Assessed Value for Secured and Unsecured Rolls, less Non-reimbursable Exemptions and Homeowner Exemptions.

² Annual tax rate for unsecured property is the same rate as the previous year's secured tax rate.

³ The Total Tax Levy and Total Tax Collected through fiscal year 2018-19 is based on year-end current year secured and unsecured levies as adjusted through roll corrections, excluding supplemental assessments, as reported to the State of California (available on the website of the California SCO). Total Tax Levy for fiscal year 2019-20 is based upon initial assessed valuations times the secured property tax rate to provide an estimate.

⁴ Based on initial assessed valuations for fiscal year 2019-20.

Source: Office of the Controller, City and County of San Francisco.

SCO source noted in (3): <http://www.sco.ca.gov/Files-ARD-Tax-Info/TaxDelinq/sanfrancisco.pdf>

At the start of fiscal year 2019-20, the total net assessed valuation of taxable property within the City was \$281.1 billion. Of this total, \$264.1 billion (93.9%) represents secured valuations and \$17.0 billion (6.1%) represents unsecured valuations. See "Tax Levy and Collection" below, for a further discussion of secured and unsecured property valuations.

Proposition 13 limits to 2% per year any increase in the assessed value of property, unless it is sold, or the structure is improved. The total net assessed valuation of taxable property therefore does not generally reflect the current market value of taxable property within the City and is in the aggregate substantially less than current market value. For this same reason, the total net assessed valuation of taxable property lags behind changes in market value and may continue to increase even without an increase in aggregate market values of property.

Under Article XIII A of the State Constitution added by Proposition 13 in 1978, property sold after March 1, 1975 must be reassessed to full cash value at the time of sale. Taxpayers can appeal the Assessor's determination of their property's assessed value, and the appeals may be retroactive and for multiple years. The State prescribes the assessment valuation methodologies and the adjudication process that counties must employ in connection with counties' property assessments.

The City typically experiences increases in assessment appeals activity during economic downturns and decreases in assessment appeals as the economy rebounds. Historically, during severe economic downturns, partial reductions of up to approximately 30% of the assessed valuations appealed have been granted. Assessment appeals granted typically result in revenue refunds, and the level of refund activity depends on the unique economic circumstances of each fiscal year. Other taxing agencies such as SFUSD, SFCOE, SFCCD, BAAQMD, and BART share proportionately in any refunds paid as a result of successful appeals. To mitigate the financial risk of potential assessment appeal refunds, the City funds appeal reserves for its share of estimated property tax revenues for each fiscal year. In the period following the Great Recession, assessment appeals increased significantly. In fiscal year 2010-11, the Assessor granted 18,841 temporary reductions in residential property assessed value worth a total of \$2.35 billion, compared to 18,110 temporary reductions with a value of \$1.96 billion granted in fiscal year 2009-10.

There can be no assurances that the expected global and national recession and economic dislocation resulting from the COVID-19 Emergency will not result in significant declines in real estate values in the City.

In addition, appeals activity is reviewed each year and incorporated into the current and subsequent years' budget projections of property tax revenues. Refunds of prior years' property taxes from the discretionary General Fund appeals reserve fund for fiscal years 2013-14 through 2018-19 are listed in Table A-7 below.

TABLE A-7

CITY AND COUNTY OF SAN FRANCISCO
Refunds of Prior Years' Property Taxes
General Fund Assessment Appeals Reserve
Fiscal Years 2013-14 through 2018-19
(000s)

Fiscal Year	Amount Refunded
2013-14	\$25,756
2014-15	16,304
2015-16	16,199
2016-17	33,397
2017-18	24,401
2018-19	30,071

Source: Office of the Controller, City and County of San Francisco.

As of July 1, 2019 the Assessor granted 2,546 temporary decline-in-value reductions resulting in the properties assessed values being reduced by a cumulative value of \$244.01 million (using the 2018-19 tax rate of 1.163% this equates to a reduction of approximately \$2.84 million in General Fund taxes), compared to July 1, 2018, when the Assessor granted 4,719 temporary reductions in property assessed values worth a total of \$278.16 million (equating to a reduction of approximately \$3.25 million in General Fund taxes). Of the 2,546 total reductions, 569 temporary reductions were granted for residential or commercial properties. The remaining 1,977 reductions were for timeshares. The July 2019 temporary reductions of \$244.0 million represents 0.09% of the fiscal year 2019-20 Net Assessed Valuation of \$281.1 billion shown in Table A-6. All of the temporary reductions granted are subject to review in the following

year. Property owners who are not satisfied with the valuation shown on a Notice of Assessed Value may have a right to file an appeal with the Assessment Appeals Board (“AAB”) within a certain period. For regular, annual secured property tax assessments, the period for property owners to file an appeal typically falls between July 2nd and September 15th.

There were 1,106 new applications filed during the six-month period of July 1 to December 31, 2019 and a total of 1,176 open applications as of December 31, 2019. As of June 30, 2019, the total number of open appeals before the AAB was 740, compared to 1,001 open AAB appeals as of June 30, 2018. As of June 30, 2019, there were 1,253 new applications filed during fiscal year 2018-19, compared to 1,636 new applications filed during the same period (June 30, 2018) of fiscal year 2017-18. Also, the difference between the current assessed value and the taxpayer’s opinion of values for all the open appeals is \$14.9 billion. Assuming the City did not contest any taxpayer appeals and the Board upheld all the taxpayer’s requests, a negative potential total property tax impact of about \$174.1 million would result. The General Fund’s portion of that potential \$174.1 million would be approximately \$83.2 million.

The volume of appeals is not necessarily an indication of how many appeals will be granted, nor of the magnitude of the reduction in assessed valuation that the Assessor may ultimately grant. City revenue estimates take into account projected losses from pending and future assessment appeals that are based on historical results as to appeals.

Tax Levy and Collection

As the local tax-levying agency under State law, the City levies property taxes on all taxable property within the City’s boundaries for the benefit of all overlapping local agencies, including SFUSD, SFCCD, the BAAQMD and BART. The total tax levy for all taxing entities to begin fiscal year 2019-20 was \$3.3 billion, not including supplemental, escape and special assessments that may be assessed during the year. Of total property tax revenues (including supplemental and escape property taxes), the City budgeted to receive \$2.0 billion in the General Fund and \$235.1 million in special revenue funds designated for children’s programs, libraries and open space. SFUSD and SFCCD were estimated to receive approximately \$199.8 million and \$37.4 million, respectively, and the local ERAF was estimated to receive \$401.1 million (before adjusting for the vehicle license fees (“VLF”) backfill shift). The Successor Agency is estimated to receive approximately \$171.3 million. The remaining portion will be allocated to various other governmental bodies, various special funds, and general obligation bond debt service funds, and other taxing entities. Taxes levied to pay debt service for general obligation bonds issued by the City, SFUSD, SFCCD and BART may only be applied for that purpose. The City’s General Fund is allocated about 47.1% of total property tax revenue before adjusting for the VLF backfill shift and excess ERAF.

General Fund property tax revenues in fiscal year 2018-19 were \$2.2 billion, representing an increase of \$574.1 million (34.3%) over fiscal year 2017-18 actual revenue, due to recognition of three years’ excess ERAF revenue (fiscal years 2016-17, 2017-18, and 2018-19) in one year. The fiscal year 2019-20 excess ERAF amount budgeted in the General Fund is \$185.0 million. Tables A-2 and A-4 set forth a history of budgeted and actual property tax revenues.

Generally, property taxes levied by the City on real property become a lien on that property by operation of law. A tax levied on personal property does not automatically become a lien against real property without an affirmative act of the City taxing authority. Real property tax liens have priority over all other liens against the same property regardless of the time of their creation by virtue of express provision of law.

Property subject to ad valorem taxes is entered as secured or unsecured on the assessment roll maintained by the Assessor-Recorder. The secured roll is that part of the assessment roll containing State-assessed property and property (real or personal) on which liens are sufficient, in the opinion of the Assessor-Recorder, to secure payment of the taxes owed. Other property is placed on the “unsecured roll.”

The method of collecting delinquent taxes is substantially different for the two classifications of property. The City has four ways of collecting unsecured personal property taxes: 1) pursuing civil action against the taxpayer; 2) filing a certificate in the Office of the Clerk of the Court specifying certain facts, including the date of mailing a copy thereof to the affected taxpayer, in order to obtain a judgment against the taxpayer; 3) filing a certificate of delinquency for recording in the Assessor-Recorder’s Office in order to obtain a lien on certain property of the taxpayer; and 4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the taxpayer. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes. Proceeds of the sale are used to pay the costs of sale and the amount of delinquent taxes.

A 10% penalty is added to delinquent taxes that have been levied on property on the secured roll. In addition, property on the secured roll with respect to which taxes are delinquent is declared “tax defaulted” and subject to eventual sale by the Treasurer and Tax Collector of the City. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month, which begins to accrue on such taxes beginning July 1 following the date on which the property becomes tax-defaulted.

In connection with the COVID-19 Emergency, a resolution passed by the San Francisco Board of Supervisors and signed by the Mayor designated San Francisco’s property tax deadline to be May 4, 2020. On May 5, 2020 a resolution was approved by the San Francisco Board of Supervisors setting the property tax deadline to May 15, 2020. The Office of the Treasurer & Tax Collector has updated all forms to enable waiver requests for penalties if the bill is not paid by the due date. At this time, over 90% of the parcels have fully paid their property taxes.

In October 1993, the Board of Supervisors passed a resolution that adopted the Alternative Method of Tax Apportionment (the “Teeter Plan”). This resolution changed the method by which the City apportions property taxes among itself and other taxing agencies. Additionally, the Teeter Plan was extended to include the allocation and distribution of special taxes levied for City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) in June 2017 (effective fiscal year 2017-18) and for the Bay Restoration Authority Parcel Tax, SFUSD School Facilities Special Tax, SFUSD School Parcel Tax, and City College Parcel Tax in October 2017 (effective fiscal year 2018-19). The Teeter Plan method authorizes the City Controller to allocate to the City’s taxing agencies 100% of the secured property taxes billed but not yet collected. In return, as the delinquent property taxes and associated penalties and interest are collected, the City’s General Fund retains such amounts. Prior to adoption of the Teeter Plan, the City could only allocate secured property taxes actually collected (property taxes billed minus delinquent taxes). Delinquent taxes, penalties and interest were allocated to the City and other taxing agencies only when they were collected. The City has funded payment of accrued and current delinquencies through authorized internal borrowing. The City also maintains a Tax Loss Reserve for the Teeter Plan as shown on Table A-8. The Tax Loss Reserve sets aside 1% of the total of all taxes and assessments levied for which the Teeter Plan is the applicable distribution method. The purpose of the Tax Loss Reserve is to cover losses that may occur. The amount has grown in recent years as the assessed values on the secured roll has grown.

TABLE A-8

CITY AND COUNTY OF SAN FRANCISCO
Teeter Plan
Tax Loss Reserve Fund Balance
Fiscal Years 2013-14 through 2018-19
(000s)

Year Ended	Amount Funded
2013-14	\$19,654
2014-15	20,569
2015-16	22,882
2016-17	24,882
2017-18	25,567
2018-19	29,126

Source: Office of the Controller, City and County of San Francisco.

Assessed valuations of the aggregate ten largest assessment parcels in the City for the fiscal year beginning July 1, 2019 are shown in Table A-9. The City cannot determine from its assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the Office of the Assessor-Recorder.

TABLE A-9

CITY AND COUNTY OF SAN FRANCISCO
Top 10 Parcels Total Assessed Value
July 1, 2019

Assessee	Location	Parcel Number	Type	Total Assessed Value ¹	% Basis of Levy ²
SUTTER BAY HOSPITALS ³	1101 - 1133 VAN NESS AVE	0695 007	HOSPITAL	\$1,822,089,242	0.647%
TRANSBAY TOWER LLC	415 MISSION ST	3720 009	OFFICE	\$1,691,744,881	0.601%
HWA 555 OWNERS LLC	555 CALIFORNIA ST	0259 026	OFFICE	\$1,038,786,917	0.369%
ELM PROPERTY VENTURE LLC	101 CALIFORNIA ST	0263 011	OFFICE	\$1,005,060,856	0.357%
GSW ARENA LLC	1 WARRIORS WAY	8722 021	ENTERTAINMENT COMP	\$994,001,961	0.353%
SUTTER BAY HOSPITALS ³	3615 CESAR CHAVEZ ST/555 SAN JOSE	6575 005	HOSPITAL	\$854,219,935	0.303%
PPF PARAMOUNT ONE MARKET PLAZA OWNER LP	1 MARKET ST	3713 007	OFFICE	\$850,993,350	0.302%
KR MISSION BAY LLC	1800 OWENS ST	8727 008	OFFICE	\$789,225,180	0.280%
SHR GROUP LLC	301 - 345 POWELL ST	0307 001	HOTEL	\$751,943,504	0.267%
SFDC 50 FREMONT LLC	50 FREMONT ST	3709 019	OFFICE	\$703,105,639	0.250%
				\$10,501,171,465	3.729%

¹ Represents the Total Assessed Valuation (TAV) as of the Basis of Levy, which excludes assessments processed during the fiscal year.

TAV includes land & improvements, personal property, and fixtures.

² The Basis of Levy is total assessed value less exemptions for which the state does not reimburse counties (e.g. those that apply to nonprofit organizations).

³ Nonprofit organization that is exempt from property taxes.

Source: Office of the Assessor-Recorder, City and County of San Francisco

Taxation of State-Assessed Utility Property

A portion of the City's total net assessed valuation consists of utility property subject to assessment by the State Board of Equalization. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other State-assessed property values are allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City itself) according to statutory formulae generally based on the distribution of taxes in the prior year. The fiscal year 2019-20 valuation of property assessed by the State Board of Equalization is \$3.7 billion.

OTHER CITY TAX REVENUES

In addition to the property tax, the City has several other major tax revenue sources, as described below. For a discussion of State constitutional and statutory limitations on taxes that may be imposed by the City, including a discussion of Proposition 62 and Proposition 218, see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES" herein.

The following section contains a brief description of other major City-imposed taxes as well as taxes that are collected by the State and shared with the City. The City's General Fund is also supported by other sources of revenue, including charges for services, fines and penalties, and transfers-in, which are not discussed below.

The information in this section "GENERAL FUND REVENUES" relating to 2019-20 projected revenues from the various sources described below is from the Original 2019-20 Budget. As described in "RECENT DEVELOPMENTS," the COVID-19 Emergency is expected to result in significant declines in General Fund revenues.

Business Taxes

Through tax year 2014 businesses in the City were subject to payroll expense and business registration taxes. Proposition E approved by the voters in the November 2012 election changed business registration tax rates and introduced a gross receipts tax which phases in over a five-year period beginning January 1, 2014, replacing the current 1.5% tax on business payrolls over the same period. Overall, the ordinance increased the number and types of businesses in the City that pay business tax and registration fees from approximately 7,500 currently to 15,000. Current payroll tax exclusions will be converted into a gross receipts tax exclusion of the same size, terms and expiration dates.

The payroll expense tax is authorized by Article 12-A of the San Francisco Business and Tax Regulation Code. The 1.5% payroll tax rate in 2013 was adjusted to 1.35% in tax year 2014, 1.16% in tax year 2015, 0.829% in tax year 2016, 0.71% in tax year 2017, and 0.38% in tax year 2018. The gross receipts tax ordinance, like the current payroll expense tax, is imposed for the privilege of "engaging in business" in San Francisco. The gross receipts tax applies to businesses with \$1 million or more in gross receipts, adjusted by the Consumer Price Index going forward. Proposition E also imposes a 1.4% tax on administrative office business activities measured by a company's total payroll expense within San Francisco in lieu of the Gross Receipts Tax and increases annual business registration fees to as much as \$35,000 for businesses with over \$200 million in gross receipts. Prior to Proposition E, business registration taxes varied from \$25 to \$500 per year per subject business based on the prior year computed

payroll tax liability. Proposition E increased the business registration tax rates to between \$75 and \$35,000 annually.

Business tax revenue in fiscal year 2018-19 was \$919.6 million (all funds), representing an increase of \$20.4 million (2.3%) from fiscal year 2017-18. Business tax revenue was budgeted at \$1,072.7 million in the fiscal year 2019-20 Original Budget which would represent an increase of \$153.2 million (16.7%) over fiscal year 2018-19 revenue. The vast majority of the City’s business tax is deposited in the General Fund; approximately \$2.0 million is allocated to the Neighborhood Beautification Fund. These figures do not assume gross receipts revenue related to either of the business tax measures approved by voters in 2018 as these are special purpose taxes deposited outside the General Fund.

TABLE A-10*

CITY AND COUNTY OF SAN FRANCISCO
Business Tax Revenues - All Funds
Fiscal Years 2015-16 through 2019-20
(000s)

Fiscal Year ¹	Revenue	Change	
2015-16	\$660,926	\$48,994	8.0%
2016-17	702,331	41,405	6.3%
2017-18	899,142	196,811	28.0%
2018-19	919,552	20,410	2.3%
2019-20 <i>budgeted</i> ²	1,072,720	153,168	16.7%

¹ Figures for fiscal years 2015-16 through 2018-19 are audited actuals. Includes portion of Payroll Tax allocated to special revenue funds for the Community Challenge Grant program, Business Registration Tax, and beginning in fiscal year 2013-14, Gross Receipts Tax revenues.

² Figures for fiscal year 2019-20 are Original Budget amounts.

Source: Office of the Controller, City and County of San Francisco.

*See “RECENT DEVELOPMENTS – May Update,” for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

Transient Occupancy Tax (Hotel Tax)

Pursuant to the San Francisco Business and Tax Regulation Code, a 14.0% transient occupancy tax is imposed on occupants of hotel rooms and is remitted by hotel operators to the City monthly. A quarterly tax-filing requirement is also imposed. Hotel tax revenue in fiscal year 2018-19 ended at \$414.3 million, an increase of \$27.4 million (7.1%) from fiscal year 2017-18. In fiscal year 2019-20, hotel tax revenue is budgeted to be \$427.1 million, representing growth of \$12.7 million (3.1%). Hotel tax levels reflect the passage of a November 2018 ballot initiative (Proposition E) to shift a portion of hotel tax proceeds from the General Fund to arts and cultural programs effective January 1, 2019. Table A-11 includes hotel tax in all funds. The vast majority of the City’s hotel tax is allocated to the General Fund, approximately \$3 to \$5 million of hotel tax is allocated for debt service on hotel tax revenue bonds, and approximately \$16 to \$34 million of hotel tax is allocated for arts and cultural programs.

TABLE A-11*

CITY AND COUNTY OF SAN FRANCISCO
Transient Occupancy Tax Revenues - All Funds¹
Fiscal Years 2015-16 through 2019-20
(000s)

Fiscal Year ²	Tax Rate	Revenue	Change	
2015-16	14.0%	\$392,686	(\$6,678)	-1.7%
2016-17	14.0%	375,289	(17,397)	-4.4%
2017-18	14.0%	387,006	11,716	3.1%
2018-19	14.0%	414,344	27,338	7.1%
2019-20 budgeted ³	14.0%	427,080	12,737	3.1%

¹ Amounts include the portion of hotel tax revenue used to pay debt service on hotel tax revenue bonds, as well as the portion of hotel tax revenue dedicated to arts and cultural programming reflecting the passage of Proposition E in November 2018, which took effect January 1, 2019.

² Figures for fiscal year 2015-16 through fiscal year 2018-19 are audited actuals.

³ Figures for fiscal year 2019-20 are Original Budget amounts.

*See "RECENT DEVELOPMENTS – May Update," for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

Real Property Transfer Tax

Real property transfer tax (RPTT) is imposed on all real estate transfers recorded in the City. Transfer tax revenue is more susceptible to economic and real estate cycles than most other City revenue sources. Prior to November 8, 2016, the RPTT rates were \$5.00 per \$1,000 of the sale price of the property being transferred for properties valued at \$250,000 or less; \$6.80 per \$1,000 for properties valued more than \$250,000 and less than \$999,999; \$7.50 per \$1,000 for properties valued at \$1.0 million to \$5.0 million; \$20.00 per \$1,000 for properties valued more than \$5.0 million and less than \$10.0 million; and \$25 per \$1,000 for properties valued at more than \$10.0 million. After the passage of Proposition W on November 8, 2016, transfer tax rates were amended, raising the rate to \$22.50 per \$1,000 for properties valued more than \$5.0 million and less than \$10.0 million; \$27.50 per \$1,000 for properties valued at more than \$10.0 million and less than \$25.0 million; and \$30.00 per \$1,000 for properties valued at more than \$25.0 million.

RPTT revenue for fiscal year 2018-19 was \$364.0 million, an \$83.6 million (29.8%) increase from fiscal year 2017-18 revenue. Fiscal year 2019-20 RPTT revenue is budgeted to be \$296.1 million, \$68.0 million (18.7%) less than fiscal year 2018-19. The entirety of RPTT revenue goes to the General Fund.

TABLE A-12*

CITY AND COUNTY OF SAN FRANCISCO
Real Property Transfer Tax Receipts
Fiscal Years 2015-16 through 2019-20
(000s)

Fiscal Year ¹	Revenue	Change	
2015-16	\$269,090	(\$45,513)	-14.5%
2016-17	410,561	141,471	52.6%
2017-18	280,416	(130,145)	-31.7%
2018-19	364,044	83,628	29.8%
2019-20 <i>budgeted</i> ²	296,053	(67,991)	-18.7%

¹ Figures for fiscal year 2015-16 through 2018-19 are audited actuals.

² Figures for fiscal year 2019-20 are Original Budget amounts.

Source: Office of the Controller, City and County of San Francisco.

*See "RECENT DEVELOPMENTS – May Update," for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

Sales and Use Tax

The sales tax rate on retail transactions in the City is 8.50%, of which 1.00% represents the City's local share ("Bradley-Burns" portion). The State collects the City's local sales tax on retail transactions along with State and special district sales taxes, and then remits the local sales tax collections to the City. Between fiscal year 2004-05 and the first half of fiscal year 2015-16, the State diverted one-quarter of City's 1.00% local share of the sales tax and replaced the lost revenue with a shift of local property taxes to the City from local school district funding. This "Triple Flip" concluded on December 31, 2015, after which point the full 1.00% local tax is recorded in the General Fund.

The components of San Francisco's 8.5% sales tax rate are shown in table A-13. In addition to the 1% portion of local sales tax, the State subvenes portions of sales tax back to counties through 2011 realignment (1.0625%), 1991 realignment (0.5%), and public safety sales tax (0.5%). The subventions are discussed in more detail after the local tax section.

TABLE A-13

San Francisco's Sales & Use Tax Rate	
State Sales Tax	6.00%
State General Fund	3.9375%
Local Realignment Fund 2011*	1.0625%
Local Revenue Fund*	0.50%
(to counties for health & welfare)	
Public Safety Fund (to counties & cities)*	0.50%
Local Sales Tax	1.25%
Local Sales Tax (to General Fund)*	1.00%
Local Transportation Tax (TDA)	0.25%
Special District Use Tax	1.25%
SF County Transportation Authority	0.50%
Bay Area Rapid Transit (BART)	0.50%
SF Public Financing Authority (Schools)	0.25%
TOTAL Sales Tax Rate	8.50%

* Represents portions of the sales tax allocated to the City.

Source: Office of the Controller, City and County of San Francisco.

Local sales tax (the 1% portion) revenue in fiscal year 2018-19 is \$213.6 million, \$20.7 million (10.7%) more than fiscal year 2017-18. Fiscal year 2019-20 revenue is budgeted to be \$204.1 million, a decrease of \$9.5 million (4.5%) from fiscal year 2018-19, due to one-time prior year payments received in fiscal year 2018-19. The entirety of sales tax revenue is deposited in the General Fund.

Historically, sales tax revenues have been highly correlated to growth in tourism, business activity and population. This revenue is significantly affected by changes in the economy and spending patterns. In recent years, online retailers have contributed significantly to sales tax receipts, offsetting sustained declines in point of sale purchases.

Table A-14 reflects the City's actual sales and use tax receipts for fiscal years 2015-16 through 2018-19, and budgeted receipts for fiscal year 2019-20. The fiscal year 2015-16 figure include the imputed impact of the property tax shift made in compensation for the one-quarter sales tax revenue taken by the State's "Triple Flip."

TABLE A-14*

CITY AND COUNTY OF SAN FRANCISCO
Sales and Use Tax Revenues
Fiscal Years 2015-16 through 2019-20
(000s)

Fiscal Year ¹	Tax Rate	City Share	Revenue	Change	
2015-16	8.75%	0.75%	\$167,915	\$27,769	19.8%
2015-16 adj. ²	8.75%	1.00%	204,118	17,227	9.2%
2016-17	8.75%	1.00%	189,473	(14,645)	-8.7%
2017-18	8.50%	1.00%	192,946	3,473	1.8%
2018-19	8.50%	1.00%	213,625	20,679	10.7%
2019-20 <i>budgeted</i> ³	8.50%	1.00%	204,085	(9,540)	-4.5%

¹ Figures for fiscal year 2015-16 through fiscal year 2018-19 are audited actuals. In November 2012 voters approved Proposition 30, which temporarily increased the state sales tax rate by 0.25% effective January 1, 2013 through December 31, 2016. The City share did not change.

² The 2015-16 adjusted figures include the State's final payment to the counties for the lost 0.25% of sales tax, from July 1, 2015 through December 31, 2015. It also includes a true-up payment for April through June 2015.

³ Figures for fiscal year 2019-20 are Original Budget amounts.

Source: Office of the Controller, City and County of San Francisco.

*See "RECENT DEVELOPMENTS – May Update," for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

Other Local Taxes

The City imposes a number of other general purpose taxes:

- Utility Users Tax (UUT) - A 7.5% tax on non-residential users of gas, electricity, water, steam and telephone services.
- Access Line Tax ("ALT") – A charge of \$3.64 on every telecommunications line, \$27.35 on every trunk line, and \$492.32 on every high capacity line in the City. The ALT replaced the Emergency Response Fee ("ERF") in 2009. The tax is collected from telephone communications service subscribers by the telephone service supplier.
- Parking Tax - A 25% tax for off-street parking spaces. The tax is paid by occupants and remitted monthly to the City by parking facility operators. In accordance with Charter Section 16.110, 80% of parking tax revenues are transferred from the General Fund to the MTA's Enterprise Funds to support public transit.
- Sugar Sweetened Beverage Tax – A one cent per ounce tax on the distribution of sugary beverages. This measure was adopted by voters on November 9, 2016 (Prop V) and took effect on January 1, 2018.
- Stadium Admission Tax – A tax between \$0.25 and \$1.50 per seat or space in a stadium for any event, with some specific exclusions.

- Cannabis Tax – A gross receipts tax of 1% to 5% on marijuana business and permits the City to tax businesses that do not have a physical presence in the City. This measure was adopted by voters in November 2018 (Prop D).
- Franchise Tax – A tax for the use of city streets and rights-of-way on cable TV, electric, natural gas, and steam franchises.

Table A-15 reflects the City’s actual tax receipts for fiscal years 2015-16 through 2018-19, and budgeted receipts for fiscal year 2019-20.

TABLE A-15*

CITY AND COUNTY OF SAN FRANCISCO					
Other Local Taxes					
Fiscal Years 2015-16 through 2019-20					
General Fund All Funds					
(000s)					
Tax	2015-16	2016-17	2017-18	2018-19	2019-20
	Actuals	Actuals	Actuals	Actuals	Budget
Utility Users Tax	\$98,651	\$101,203	\$94,460	\$93,918	\$98,710
Access Line Tax	43,617	46,530	51,255	48,058	48,910
Parking Tax	86,012	84,278	83,484	86,020	83,000
Sugar Sweetened Beverage Tax	N/A	N/A	7,912	16,098	16,000
Stadium Admissions Tax	1,164	1,199	1,120	1,215	5,500
Cannabis Tax	N/A	N/A	N/A	N/A	3,000
Franchise Tax	16,823	17,130	16,869	15,640	17,650

Source: Office of the Controller, City and County of San Francisco.

*See “RECENT DEVELOPMENTS – May Update,” for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

INTERGOVERNMENTAL REVENUES

State Subventions Based on Taxes

San Francisco receives allocations of State sales tax and Vehicle License Fee (VLF) revenue for 1991 Health and Welfare Realignment, 2011 Public Safety Realignment, and Prop 172 Public Safety Sales Tax. These subventions fund programs that are substantially supported by the General Fund. See “Sales and Use Tax” above.

- Health and Welfare Realignment, enacted in 1991, restructured the state-county partnership by giving counties increased responsibilities and dedicated funding to administer certain public health, mental health and social service programs.
- Public Safety Realignment (AB 109), enacted in early 2011, transfers responsibility for supervising certain kinds of felony offenders and state prison parolees from state prisons and parole agents to county jails and probation officers.
- State Proposition 172, passed by California voters in November 1993, provided for the continuation of a one-half percent sales tax for public safety expenditures. This revenue is a function of the City’s proportionate share of Statewide sales activity. These revenues are allocated to counties by the State separately from the local one-percent sales tax discussed above. Disbursements are made to counties based on the county ratio, which is the county’s percent share of total statewide sales taxes in the most recent calendar year.

Table A-16 reflects the City’s actual receipts for fiscal years 2015-16 through 2018-19 and budgeted receipts for fiscal year 2019-20.

TABLE A-16*

CITY AND COUNTY OF SAN FRANCISCO					
Selected State Subventions - All Funds					
Fiscal Years 2015-16 through 2019-20					
(\$millions)					
Tax	2015-16	2016-17	2017-18	2018-19	2019-20
	Actuals	Actuals	Actuals	Actuals	Budget¹
Health and Welfare Realignment					
General Fund	\$176.3	\$192.1	\$197.9	\$217.6	\$221.0
Hospital Fund	52.2	66.1	57.3	58.5	59.1
Total - Health and Welfare	\$228.5	\$258.2	\$255.2	\$276.1	\$280.1
Public Safety Realignment (General Fund)	\$39.8	\$35.5	\$37.4	\$39.4	\$42.1
Public Safety Sales Tax (Prop 172) (General Fund)	\$97.0	\$100.4	\$104.8	\$107.6	\$104.6

Notes

¹ Figures for fiscal year 2019-20 are Original Budget amounts.

Source: Office of the Controller, City and County of San Francisco.

*See “RECENT DEVELOPMENTS – May Update,” for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

CITY GENERAL FUND PROGRAMS AND EXPENDITURES

The information in this section “CITY GENERAL FUND PROGRAMS AND EXPENDITURES” relating to 2019-20 projected expenditures from the Original 2019-20 Budget. As described in “RECENT DEVELOPMENTS,” the COVID-19 Emergency is expected to result in significant declines in revenues as well as increases in certain expenditures.

General Fund Expenditures by Major Service Area

As a consolidated city and county, San Francisco budgets General Fund expenditures in seven major service areas as described in table A-17 below:

TABLE A-17*

CITY AND COUNTY OF SAN FRANCISCO				
Expenditures by Major Service Area				
Fiscal Years 2016-17 through 2019-20				
(000s)				
Major Service Areas	2016-17 Final Budget	2017-18 Final Budget	2018-19 Final Budget	2019-20 Original Budget
Public Protection	\$1,266,148	\$1,316,870	\$1,390,266	\$1,493,084
Human Welfare & Neighborhood Development	978,126	1,047,458	1,120,892	1,183,587
Community Health	763,496	832,663	967,113	950,756
General Administration & Finance	252,998	259,916	290,274	596,806
Culture & Recreation	139,473	142,081	154,056	173,969
General City Responsibilities	134,153	114,219	172,028	193,971
Public Works, Transportation & Commerce	166,295	238,564	214,928	208,755
Total*	\$3,700,689	\$3,951,771	\$4,309,557	\$4,800,929

*Total may not add due to rounding

Source: Office of the Controller, City and County of San Francisco.

*See “RECENT DEVELOPMENTS – May Update,” for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

Public Protection primarily includes the Police Department, the Fire Department and the Sheriff’s Office. Human Welfare & Neighborhood Development includes the Department of Human Services’ aid assistance, aid payments, and City grant programs. Community Health includes the Public Health Department, which also operates San Francisco General Hospital and Laguna Honda Hospital.

For budgetary purposes, enterprise funds (which are not shown on the table above) are characterized as either self-supported funds or General Fund-supported funds. General Fund-supported funds include the Convention Facility Fund, the Cultural and Recreation Film Fund, the Gas Tax Fund, the Golf Fund, the General Hospital Fund, and the Laguna Honda Hospital Fund. These funds are supported by transfers from the General Fund to the extent their dedicated revenue streams are insufficient to support the desired level of services.

Voter-Mandated Spending Requirements

The Charter requires funding for voter-mandated spending requirements, which are also referred to as “baselines,” “set-asides,” or “mandates”. The chart below identifies the required and budgeted levels of funding for key mandates. The spending requirements are formula-driven, variously based on projected aggregate General Fund discretionary revenue, property tax revenues, total budgeted spending, staffing levels, or population growth. Table A-18 reflects fiscal year 2019-20 spending requirements at the time the fiscal year 2019-20 budget was finally adopted. These mandates are either budgeted as transfers out of the General Fund, or allocations of property tax revenue.

[Remainder of Page Intentionally Left Blank]

TABLE A-18*

CITY AND COUNTY OF SAN FRANCISCO
Baselines & Set-Asides
Fiscal Year 2019-20
(\$millions)

	2019-20 Original Budget
<i>Projected General Fund Aggregate Discretionary Revenue (ADR)</i>	<i>\$4,205.3</i>
Municipal Transportation Agency (MTA)	
MTA - Municipal Railway Baseline: 6.686% ADR	\$281.2
MTA - Parking & Traffic Baseline: 2.507% ADR	105.4
MTA - Population Adjustment	56.3
MTA - 80% Parking Tax In-Lieu	66.4
Subtotal - MTA	\$509.3
Library Preservation Fund	
Library - Baseline: 2.286% ADR	\$96.1
Library - Property Tax: \$0.025 per \$100 Net Assessed Valuation (NAV)	65.3
Subtotal - Library	\$161.4
Children's Services	
<i>Children's Services Baseline - Requirement: 4.830% ADR</i>	<i>\$203.1</i>
Children's Services Baseline - Eligible Items Budgeted	223.2
<i>Transitional Aged Youth Baseline - Requirement: 0.580% ADR</i>	<i>24.4</i>
Transitional Aged Youth Baseline - Eligible Items Budgeted	28.9
Public Education Services Baseline: 0.290% ADR	12.2
Children and Youth Fund Property Tax Set-Aside: \$0.0375-0.4 per \$100 NAV	104.5
<i>Public Education Enrichment Fund: 3.057% ADR</i>	<i>128.6</i>
1/3 Annual Contribution to Preschool for All	42.9
2/3 Annual Contribution to SF Unified School District	85.7
Subtotal - Children's Services	\$497.3
Recreation and Parks	
Open Space Property Tax Set-Aside: \$0.025 per \$100 NAV	\$65.3
<i>Recreation & Parks Baseline - Requirement</i>	<i>76.2</i>
Recreation & Parks Baseline - Budgeted	82.0
Subtotal - Recreation and Parks	\$147.3
Other	
<i>Housing Trust Fund Requirement</i>	<i>\$36.8</i>
Housing Trust Fund Budget	57.1
Dignity Fund	50.1
Street Tree Maintenance Fund: 0.5154% ADR	21.7
Municipal Symphony Baseline: \$0.00125 per \$100 NAV	3.5
City Services Auditor: 0.2% of Citywide Budget	20.1
Subtotal - Other	\$152.4
Total Baselines and Set-Asides	\$1,467.6

*See "RECENT DEVELOPMENTS – May Update," for a discussion of the currently projected impacts resulting from the COVID-19 Emergency.

EMPLOYMENT COSTS; POST-RETIREMENT OBLIGATIONS

The cost of salaries and benefits for City employees represents slightly less than half of the City's expenditures, totaling \$5.6 billion in the fiscal year 2019-20 Original Budget (all funds), and \$5.8 billion in the fiscal year 2020-21 Original Budget. Looking only at the General Fund, the combined salary and benefits budget was \$2.6 billion in the fiscal year 2019-20 Original Budget and \$2.8 billion in the fiscal year 2020-21 Original Budget.

This section discusses the organization of City workers into bargaining units, the status of employment contracts, and City expenditures on employee-related costs including salaries, wages, medical benefits, retirement benefits and the City's retirement system, and post-retirement health and medical benefits. Employees of SF Unified School District ("SFUSD"), SFCCD and the San Francisco Superior Court, called Trial Court below, are not City employees.

Labor Relations

The City's budget for fiscal year 2019-20 included 37,907 budgeted and funded City positions, respectively. City workers are represented by 37 different labor unions. The largest unions in the City are the Service Employees International Union, Local 1021 ("SEIU"), the International Federation of Professional and Technical Engineers, Local 21 ("IFPTE"), and the unions representing police, fire, deputy sheriffs, and transit workers.

Wages, hours and working conditions of City employees are determined by collective bargaining pursuant to State law (the Meyers-Milias-Brown Act, California Government Code Sections 3500-3511) and the City Charter. San Francisco is unusual among California's cities and counties in that nearly all of its employees, including managerial and executive-level employees, are represented by labor organizations.

Further, the City Charter requires binding arbitration to resolve negotiations in the event of impasse. If impasse is reached, the parties are required to convene a tripartite arbitration panel, chaired by an impartial third-party arbitrator, which sets the disputed terms of the new agreement. The award of the arbitration panel is final and binding. This process applies to all City employees except Nurses and a small group of unrepresented employees. Wages, hours and working conditions of nurses are not subject to interest arbitration but are subject to Charter-mandated economic limits. Since 1976, no City employees have participated in a union-authorized strike, which is prohibited by the Charter.

The City's employee selection procedures are established and maintained through a civil service system. In general, selection procedures and other merit system issues, with the exception of discipline, are not subject to arbitration. Disciplinary actions are generally subject to grievance arbitration, with the exception of sworn police officers and fire fighters.

In May 2019, the City negotiated three-year agreements (for fiscal years 2019-20 through 2021-22) with 27 labor unions. This includes the largest unions in the City such as SEIU, IFPTE, Laborers Internationals, Local 261, Consolidated Crafts Coalition, and Municipal Executive Association ("MEA"). For the fiscal year 2019-20, the parties agreed to wage increases of 3% on July 1, 2019 and 1% on December 28, 2019. For fiscal year 2020-21, the parties agreed to a wage increase schedule of 3% on July 1, 2020 and 0.5% on December 26, 2020, with a provision to delay the fiscal year 2020-21 adjustment by six months if the City's deficit for fiscal year 2020-21, as projected in the March 2020 Update to the Five-Year Financial Plan, exceeds \$200 million. For fiscal year 2021-22, the parties agreed to a wage increase schedule of 3% on

July 1, 2021 and 0.5% on January 8, 2022, with a provision to delay the fiscal year 2021-22 adjustment by six months if the City's deficit for fiscal year 2021-22, as projected in the March 2021 Update to the Five-Year Financial Plan, exceeds \$200 million.

Also, in May 2019, the SFMTA negotiated three-year agreements (for fiscal years 2019-20 through 2021-22) with the unions that represent Transit Operators, Mechanics, Station Agents, Parking Control Officers and others. The parties agreed to the same wage increase schedule as the City.

[Remainder of Page Intentionally Left Blank]

TABLE A-19

CITY AND COUNTY OF SAN FRANCISCO (All Funds)
Employee Organizations as of April 15, 2020

Organization	City Budgeted Positions	Expiration Date of MOU
Automotive Machinists, Local 1414	504	30-Jun-22
Bricklayers, Local 3	10	30-Jun-22
Building Inspectors' Association	90	30-Jun-22
Carpenters, Local 22	114	30-Jun-22
Cement Masons, Local 300	45	30-Jun-22
Deputy Probation Officers' Association (DPOA)	142	30-Jun-22
Deputy Sheriffs' Association (DSA)	824	30-Jun-22
District Attorney Investigators' Association (DAIA)	45	30-Jun-22
Electrical Workers, Local 6	984	30-Jun-22
Firefighters' Association, Local 798 Unit 1	1,834	30-Jun-21
Firefighters' Association, Local 798 Unit 2	63	30-Jun-21
Glaziers, Local 718	14	30-Jun-22
Hod Carriers, Local 166	8	30-Jun-22
IATSE, Local 16	29	30-Jun-22
Institutional Police Officers' Association	1	30-Jun-22
Ironworkers, Local 377	14	30-Jun-22
Laborers, Local 261	1,150	30-Jun-22
Law Librarian and Asst Librarian	2	-
Municipal Attorneys' Association (MAA)	477	30-Jun-22
Municipal Executives' Association (MEA) Fire	9	30-Jun-21
Municipal Executives' Association (MEA) Miscellaneous	1,438	30-Jun-22
Municipal Executives' Association (MEA) Police	16	30-Jun-21
Operating Engineers, Local 3 Miscellaneous	65	30-Jun-22
Operating Engineers, Local 3 Supervising Probation	31	30-Jun-22
Painters, SF Workers United	134	30-Jun-22
Pile Drivers, Local 34	37	30-Jun-22
Plumbers, Local 38	352	30-Jun-22
Police Officers' Association (POA)	2,747	30-Jun-21
Professional and Technical Engineers, Local 21	6,436	30-Jun-22
Roofers, Local 40	13	30-Jun-22
SEIU, Local 1021 H-1s	1	30-Jun-20
SEIU, Local 1021 Misc	12,711	30-Jun-22
SEIU, Local 1021 Nurses	1,733	30-Jun-22
Sheet Metal Workers, Local 104	41	30-Jun-22
Sheriffs' Supervisory and Management Association (MSA)	109	30-Jun-22
Soft Tile Workers, Local 12	4	30-Jun-22
Stationary Engineers, Local 39	703	30-Jun-22
Teamsters, Local 853	178	30-Jun-22
Teamsters, Local 856 Miscellaneous	99	30-Jun-22
Teamsters, Local 856 Supervising Nurses	127	30-Jun-22
TWU, Local 200	385	30-Jun-22
TWU, Local 250-A (9132 Transit Fare Inspectors)	50	30-Jun-22
TWU, Local 250-A (9163 Transit Operator)	2,721	30-Jun-22
TWU, Local 250-A Auto Service Work	145	30-Jun-22
TWU, Local 250-A Miscellaneous	109	30-Jun-22
Union of American Physicians and Dentists (UAPD)	203	30-Jun-22
Unrepresented Employees	88	30-Jun-22
Other	872	
	37,907 ¹	

¹ Budgeted positions do not include SFUSD, SFCCD, or Superior Court Personnel.
Budgeted positions include authorized positions that are not currently funded.

Source: Department of Human Resources - Employee Relations Division, City and County of San Francisco.

San Francisco Employees' Retirement System ("SFERS" or "Retirement System")

As described in "RECENT DEVELOPMENTS," the COVID-19 Emergency has resulted in significant declines in the global and national stock markets. Contributions to SFERS are based upon an assumption of 7.4% investment returns each fiscal year. To the extent that returns fall below this level in the current and upcoming fiscal years, it will increase required City and employee contributions.

History and Administration

SFERS is charged with administering a defined-benefit pension plan that covers substantially all City employees and certain other employees. The Retirement System was initially established by approval of City voters on November 2, 1920 and the State Legislature on January 12, 1921 and is currently codified in the City Charter. The Charter provisions governing the Retirement System may be revised only by a Charter amendment, which requires an affirmative public vote at a duly called election.

The Retirement System is administered by the Retirement Board consisting of seven members, three appointed by the Mayor, three elected from among the members of the Retirement System, at least two of whom must be actively employed, and a member of the Board of Supervisors appointed by the President of the Board of Supervisors.

The Retirement Board appoints an Executive Director and an Actuary to aid in the administration of the Retirement System. The Executive Director serves as chief executive officer of SFERS. The Actuary's responsibilities include advising the Retirement Board on actuarial matters and monitoring of actuarial service providers. The Retirement Board retains an independent consulting actuarial firm to prepare the annual valuation reports and other analyses. The independent consulting actuarial firm is currently Cheiron, Inc., a nationally recognized firm selected by the Retirement Board pursuant to a competitive process.

The Internal Revenue Service ("IRS") issued a favorable Determination Letter for SFERS in July 2014. Issuance of a Determination Letter constitutes a finding by the IRS that operation of the defined benefit plan in accordance with the plan provisions and documents disclosed in the application qualifies the plan for federal tax-exempt status. A tax qualified plan also provides tax advantages to the City and to members of the Retirement System. The favorable Determination Letter included IRS review of all SFERS provisions, including the provisions of Proposition C approved by the City voters in November 2011. This 2014 Determination Letter has no operative expiration date pursuant to Revenue Procedure 2016-37. The IRS does not intend to issue new determination letters except under special exceptions.

Membership

Retirement System members include eligible employees of the City, SFUSD, SFCCD, and the San Francisco Trial Courts. The Retirement System estimates that the total active membership as of July 1, 2019 is 44,157, compared to 43,129 at July 1, 2018. Active membership at July 1, 2019 includes 8,911 terminated vested members and 1,044 reciprocal members. Terminated vested members are former employees who have vested rights in future benefits from SFERS. Reciprocal members are individuals who have established membership in a reciprocal pension plan such as CalPERS and may be eligible to receive a reciprocal pension from the Retirement System in the future. Monthly retirement allowances are paid to approximately 30,778 retired members and beneficiaries. Benefit recipients include retired members, vested members receiving a vesting allowance, and qualified survivors.

Table A-20 shows total Retirement System participation (City, SFUSD, SFCCD, and San Francisco Trial Courts) as of the five most recent actuarial valuation dates, July 1, 2015 through July 1, 2019.

TABLE A-20

**City and County of San Francisco
Employees' Retirement System
July 1, 2015 through July 1, 2019**

As of July 1st	Active Members	Vested Members	Reciprocal Members	Total Non-retired	Retirees/ Continuants	Active to Retiree Ratio
2015	30,837	5,960	1,024	37,821	27,485	1.122
2016	32,406	6,617	1,028	40,051	28,286	1.146
2017	33,447	7,381	1,039	41,867	29,127	1.148
2018	33,946	8,123	1,060	43,129	29,965	1.133
2019	34,202	8,911	1,044	44,157	30,778	1.111

Sources: SFERS' annual Actuarial Valuation Report dated July 1st.
See the Retirement System's website, mysfers.org, under Publications. The information on such website is not incorporated herein by reference.

Notes: Member counts exclude DROP participants. There are no active DROP members on or after July 1, 2016
Member counts are for the entire Retirement System and include non-City employees.

Funding Practices

Employer and employee (member) contributions are mandated by the Charter. Sponsoring employers are required to contribute 100% of the actuarially determined contribution approved by the Retirement Board. The Charter specifies that employer contributions consist of the normal cost (the present value of the benefits that SFERS expects to become payable in the future attributable to a current year's employment) plus an amortization of the unfunded liability over a period not to exceed 20 years. The Retirement Board sets the funding policy subject to the Charter requirements.

The Retirement Board adopts the economic and demographic assumptions used in the annual valuations. Demographic assumptions such as retirement, termination and disability rates are based upon periodic demographic studies performed by the consulting actuarial firm approximately every five years. Economic assumptions are reviewed each year by the Retirement Board after receiving an economic experience analysis from the consulting actuarial firm.

At the November 2018 Retirement Board meeting, the Board voted to lower the assumed long-term investment earnings assumption from 7.50% to 7.40%, maintain the long-term wage inflation assumption at 3.50%, and lower the long-term consumer price inflation assumption from 3.00% to 2.75%. These economic assumptions were first effective for the July 1, 2018 actuarial valuation and were approved again by the Board for the July 1, 2019 actuarial valuation at their July 2019 meeting. The Board had previously lowered the long-term wage inflation assumption from 3.75% to 3.50% at its November 2017 meeting effective for the July 1, 2017 actuarial valuation. In November 2015 the Board voted to update demographic assumptions, including mortality, after review of a new demographic assumptions study by the consulting actuarial firm.

While employee contribution rates are mandated by the Charter, sources of payment of employee contributions (i.e. City or employee) may be the subject of collective bargaining agreements with each

union or bargaining unit. Since July 1, 2011, substantially all employee groups have agreed through collective bargaining for employees to contribute all employee contributions through pre-tax payroll deductions.

Prospective purchasers of the City's debt obligations should carefully review and assess the assumptions regarding the performance of the Retirement System. Audited financials and actuarial reports may be found on the Retirement System's website, mysfers.org, under Publications. The information on such website is not incorporated herein by reference. There is a risk that actual results will differ significantly from assumptions. In addition, prospective purchasers of the City's debt obligations are cautioned that the information and assumptions speak only as of the respective dates contained in the underlying source documents and are therefore subject to change.

Employer Contribution History and Annual Valuations

Fiscal year 2017-18 City employer contributions to the Retirement System were \$582.6 million, which included \$315.3 million from the General Fund. Fiscal year 2018-19 City employer contributions to the Retirement System were \$607.4 million, which includes \$332.8 million from the General Fund. For fiscal year 2019-20, total City employee contributions to the Retirement System are budgeted at \$692.0 million, which includes \$327.4 million from the General Fund. These budgeted amounts are based upon the fiscal year 2019-20 employer contribution rate of 25.19% (estimated to be 21.8% after taking into account the 2011 Proposition C cost-sharing provisions). The fiscal year 2020-21 employer contribution rate is 26.90% (estimated to be 23.5% after cost-sharing). The increase in employer contribution rate from 25.19% to 26.90% reflects a new Supplemental COLA effective July 1, 2019 and the last-year of the five-year phase-in of the 2015 demographic assumption changes approved by the Retirement Board. Employer contribution rates anticipate annual increases in pensionable payroll of 3.5% and total contributions to the Retirement System could continue to climb even as contribution rates decline. As discussed under "City Budget – Five-Year Financial Plan" increases in retirement costs are projected in the City's Five Year Financial Plan.

Table A-21 shows total Retirement System liabilities, assets and percent funded for the last five actuarial valuations as well as contributions for the fiscal years 2013-14 through 2017-18. Information is shown for all employers in the Retirement System (City & County, SFUSD, SFCCD and San Francisco Trial Courts). "Actuarial Liability" reflects the actuarial accrued liability of the Retirement System measured for purposes of determining the funding contribution. "Market Value of Assets" reflects the fair market value of assets held in trust for payment of pension benefits. "Actuarial Value of Assets" refers to the plan assets with investment returns different than expected smoothed over five years to provide a more stable contribution rate. The "Market Percent Funded" column is determined by dividing the market value of assets by the actuarial accrued liability. The "Actuarial Percent Funded" column is determined by dividing the actuarial value of assets by the actuarial accrued liability. "Employee and Employer Contributions" reflects the sum of mandated employee and employer contributions received by the Retirement System in the fiscal year ended June 30th prior to the July 1st valuation date.

TABLE A-21

**City and County of San Francisco
Employees' Retirement System
Fiscal Years 2014-2015 through 2018-2019
(Amounts in 000s)**

As of July 1st	Actuarial Liability	Market Value of Assets	Actuarial Value of Assets	Market Percent Funded	Actuarial Percent Funded	Employee & Employer Contributions in prior FY	Employer Contribution Rates ¹ in prior FY
2015	22,970,892	20,428,069	19,653,339	88.9	85.6	894,325	26.76
2016	24,403,882	20,154,503	20,654,703	82.6	84.6	849,569	22.80
2017	25,706,090	22,410,350	22,185,244	87.2	86.3	868,653	21.40
2018	27,335,417	24,557,966	23,866,028	89.8	87.3	983,763	23.46
2019	28,798,581	26,078,649	25,247,549	90.6	87.7	1,026,036	23.31

¹ Employer contribution rates are shown prior to employer/employee cost-sharing provisions of 2011 Proposition C. Employer contribution rates for fiscal years 2019-20 and 2020-21 are 25.19% and 26.90%, respectively.

Sources: SFERS' audited year-end financial statements and required supplemental information.
SFERS' annual Actuarial Valuation Report dated July 1st. See the Retirement System's website, mysfers.org, under Publications.
The information on such website is not incorporated herein by reference.

Note: Information above reflects entire Retirement System, not just the City and County of San Francisco.

As shown in the table above as of July 2019, the Market Percent Funded ratio is higher than the Actuarial Percent Funded ratio. The Actuarial Percent Funded ratio does not yet fully reflect the net asset gains from the last five fiscal years.

The actuarial accrued liability is measured by an independent consulting actuary in accordance with Actuarial Standards of Practice. In addition, an actuarial audit is conducted every five years in accordance with Retirement Board policy.

Governmental Accounting Standards Board ("GASB") Disclosures

The Retirement System discloses accounting and financial reporting information under GASB Statement No. 67, *Financial Reporting for Pension Plans*. The City discloses accounting and financial information about the Retirement System under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In general, the City's funding of its pension obligations is not affected by the GASB 68 reporting of the City's pension liability. Funding requirements are specified in the City Charter and are described in "Funding Practices" above.

Total Pension Liability reported under GASB Statements No. 67 and 68 differs from the Actuarial Liability calculated for funding purposes in several ways, including the following differences. First, Total Pension Liability measured at fiscal year-end is a roll-forward of liabilities calculated at the beginning of the year and is based upon a beginning of year census adjusted for significant events that occurred during the year. Second, Total Pension Liability is based upon a discount rate determined by a blend of the assumed investment return, to the extent the fiduciary net position is available to make payments, and a municipal bond rate, to the extent that the fiduciary net position is unavailable to make payments. Differences between the discount rate and assumed investment return have been small, ranging from zero to four basis points at the last five fiscal year-ends. The third distinct difference is that Total Pension Liability includes a provision for Supplemental COLAs that may be granted in the future, while Actuarial Liability for funding purposes includes only Supplemental COLAs that have already been granted as of the valuation date.

Supplemental COLAs do not occur every year as they are only granted after favorable investment experience and only to certain groups of retirees dependent upon the funded status of the pension plan. Supplemental COLAs are capped at 3.5% less any basic COLA. As the majority of retirees have annual basic COLAs capped at 2.0%, a Supplemental COLA when granted typically represents a 1.5% increase in benefit.

Table A-21A below shows for the five most recent fiscal years the collective Total Pension Liability, Plan Fiduciary Net Position (market value of assets), and Net Pension Liability for all employers who sponsor the Retirement System. The City's audited financial statements disclose only its own proportionate share of the Net Pension Liability and other required GASB 68 disclosures.

TABLE A-21A

City and County of San Francisco						
Employees' Retirement System						
GASB 67/68 Disclosures						
Fiscal Years 2014-15 through 2018-19						
(000s)						
As of	Collective		Plan Fiduciary	Plan Net	Collective Net	City and County's
June 30th	Total Pension Liability (TPL)	Discount Rate	Net Position	Position as % of TPL	Pension Liability (NPL)	Proportionate Share of NPL
2015	\$22,724,102	7.46 %	\$20,428,069	89.9 %	\$2,296,033	\$2,156,049
2016	25,967,281	7.50	20,154,503	77.6	5,812,778	5,476,653
2017	27,403,715	7.50	22,410,350	81.8	4,993,365	4,697,131
2018	28,840,673	7.50	24,557,966	85.2	4,282,707	4,030,207
2019	30,555,289	7.40	26,078,649	85.3	4,476,640	4,213,807

Sources: SFERS fiscal year-end GASB 67/68 Reports as of each June 30.

Notes: Collective amounts include all employees (City and County, SFUSD, SFCCD, Superior Courts)

The trend in the decline in the City's net pension liability due to investment returns in excess of the assumed returns would have continued at year-end 2019 but was offset by the increase in TPL due to the drop in discount rate from 7.50% to 7.40%.

Asset Management

The assets of the Retirement System, (the "Fund") are invested in a broadly diversified manner across the institutional global capital markets. In addition to U.S. equities and fixed income securities, the Fund holds international equities, global sovereign and corporate debt, global public and private real estate and an array of alternative investments including private equity and venture capital limited partnerships. For a breakdown of the asset allocation as of June 30, 2019, see the City's CAFR.

Annualized investment return (net of fees and expenses) for the Retirement System for the five years ending June 30, 2019 was 7.57%. For the ten-year and twenty-year periods ending June 30, 2019, annualized investment returns were 10.43% and 7.02% respectively.

The investments, their allocation, transactions and proxy votes are regularly reviewed by the Retirement Board and monitored by an internal staff of investment professionals who in turn are advised by external consultants who are specialists in the areas of investments detailed above. A description of the Retirement System's investment policy, a description of asset allocation targets and current investments,

and the Annual Report of the Retirement System are available upon request from the Retirement System by writing to the San Francisco Retirement System, 1145 Market Street, 5th Floor, San Francisco, California 94103, or by calling (415) 487-7000. These documents are not incorporated herein by reference.

2011 Voter Approved Changes to the Retirement Plan

The levels of SFERS plan benefits are established under the Charter and approved directly by the voters, rather than through the collective bargaining process. Changes to retirement benefits require a voter-approved Charter amendment. As detailed below, the most recent changes to SFERS plan benefits have been intended to reduce pension costs associated with future City employees.

Voters of San Francisco approved Proposition C in November 2011 which provided the following:

1. New SFERS benefit plans for Miscellaneous and Safety employees commencing employment on or after January 7, 2012, which raise the minimum service retirement age for Miscellaneous members from 50 to 53; limit covered compensation to 85% of the IRC §401(a)(17) limits for Miscellaneous members and 75% of the IRC §401(a)(17) limits for Safety members; calculate final compensation using highest three-year average compensation; and decrease vesting allowances for Miscellaneous members by lowering the City's funding for a portion of the vesting allowance from 100% to 50%;
2. Employees commencing employment on or after January 7, 2012 otherwise eligible for membership in CalPERS may become members of SFERS;
3. Cost-sharing provisions which increase or decrease employee contributions to SFERS on and after July 1, 2012 for certain SFERS members based on the employer contribution rate set by the Retirement Board for that year. For example, Miscellaneous employees hired on or after November 2, 1976 pay a Charter-mandated employee contribution rate of 7.5% before-cost-sharing. However, after cost-sharing those who earn between \$50,000 and \$100,000 per year pay a fluctuating rate in the range of 3.5% to 11.5 and those who earn \$100,000 or more per year pay a fluctuating rate in the range of 2.5% to 12.5%. Similar fluctuating employee contributions are also required from Safety employees; and
4. Effective July 1, 2012, no Supplemental COLA will be paid unless SFERS is fully funded on a market value of assets basis and, for employees hired on or after January 7, 2012, Supplemental COLA benefits will not be permanent adjustments to retirement benefits - in any year when a Supplemental COLA is not paid, all previously paid Supplemental COLAs will expire.

A retiree organization has brought a legal action against the requirement in Proposition C that SFERS be fully funded in order to pay the Supplemental COLA. In that case, *Protect our Benefits (POB) v. City of San Francisco* (1st DCA Case No. A140095), the Court of Appeals held that changes to the Supplemental COLA adopted by the voters in November 2011 under Proposition C could not be applied to current City employees and those who retired after November 1996 when the Supplemental COLA provisions were originally adopted, but could be applied to SFERS members who retired before November 1996. This decision is now final, and its implementation increased the July 1, 2016 unfunded actuarial liability by \$429.3 million for Supplemental COLAs granted retroactive to July 1, 2013 and July 1, 2014.

On July 13, 2016, the SFERS Board adopted a Resolution to exempt members who retired before November 6, 1996, from the "fully funded" provision related to payment of Supplemental COLAs under Proposition C. The Resolution directed that retroactive payments for Supplemental COLAs be made to

these retirees. After the SFERS Board adopted the Resolution, the Retirement System published an actuarial study on the cost to the Fund of payments to the pre-1996 retirees. The study reports that the two retroactive supplemental payments will trigger immediate payments of \$34 million, create additional liability for continuing payments of \$114 million, and cause a new unfunded liability of \$148 million. This liability does not include the Supplemental COLA payments that may be triggered in the future. Under the cost sharing formulas in Proposition C, the City and its employees will pay for these costs in the form of higher yearly contribution rates. The Controller has projected the future cost to the City and its employees to be \$260 million, with over \$200 million to be paid in the next five fiscal years. The City obtained a permanent injunction to prevent SFERS from making Supplemental COLA payments to these members who retired before November 6, 1996. The Retirement Board appealed the Superior Court's injunction; however, the injunction was affirmed by the Court of Appeal reserving the power to take action for the City's voters.

In August 2012, then-Governor Brown signed the Public Employee Pension Reform Act of 2012 ("PEPRA"). Current plan provisions of SFERS are not subject to PEPRA although future amendments may be subject to these reforms.

Impact on the Retirement System from Changes in the Economic Environment

As of June 30, 2019, the audited market value of Retirement System assets was \$26.1 billion. These values represent, as of the date specified, the estimated value of the Retirement System's portfolio if it were liquidated on that date. The Retirement System cannot be certain of the value of certain of its portfolio assets and, accordingly, the market value of the portfolio could be lower or higher. Moreover, appraisals for classes of assets that are not publicly traded are based on estimates which typically lag changes in actual market value by three to six months. Representations of market valuations are audited at each fiscal year end as part of the annual audit of the Retirement System's financial statements.

The Retirement System investment portfolio is structured for long-term performance. The Retirement System continually reviews investment and asset allocation policies as part of its regular operations and continues to rely on an investment policy which is consistent with the principles of diversification and the search for long-term value. Market fluctuations are an expected investment risk for any long-term strategy. Significant market fluctuations are expected to have significant impact on the value of the Retirement System investment portfolio.

A decline in the value of SFERS Trust assets over time, without a commensurate decline in the pension liabilities, will result in an increase in the contribution rate for the City. No assurance can be provided by the City that contribution rates will not increase in the future, and that the impact of such increases will not have a material impact on City finances.

Other Employee Retirement Benefits

As noted above, various City employees are members of CalPERS, an agent multiple-employer public employee defined benefit plan for safety members and a cost-sharing multiple-employer plan for miscellaneous members. The City makes certain payments to CalPERS in respect of such members, at rates determined by the CalPERS board. Section A8.510 of the Charter requires the City to pay the full amount required by the actuarial valuations. The actual total employer contributions to CalPERS was \$30.7 million in fiscal year 2017-18, and \$34.9 million in fiscal year 2018-19. In addition to the required amounts, the City elected to pay an additional amount of \$8.4 million in fiscal years 2017-18, 2018-19 and 2019-2020

in order to reduce its unfunded liability. Further discussion of the City's CalPERS plan obligations is summarized in Note 9 to the City's CAFR, as of June 30, 2019. A discussion of other post-employment benefits, including retiree medical benefits, is provided below under "Medical Benefits – Post-Employment Health Care Benefits and GASB 75 Reporting Requirements."

Medical Benefits

Administration through San Francisco Health Service System; Audited System Financial Statements

Medical and COBRA benefits for eligible active City employees and eligible dependents, for retired City employees and eligible dependents, and for surviving spouses and domestic partners of covered City employees (the "City Beneficiaries") are administered by the San Francisco Health Service System (the "San Francisco Health Service System" or "SFHSS") pursuant to City Charter Sections 12.200 *et seq.* and A8.420 *et seq.* Pursuant to such Charter Sections, the SFHSS also administers medical benefits to active and retired employees of SFUSD, SFCCD and the San Francisco Superior Court, however, the City is only required to fund medical benefits for City Beneficiaries.

The San Francisco Health Service System is overseen by the City's Health Service Board (the "Health Service Board"). The plans (the "SFHSS Medical Plans") for providing medical care to the City Beneficiaries are determined annually by the Health Service Board and approved by the Board of Supervisors pursuant to Charter Section A8.422.

The San Francisco Health Service System oversees a trust fund (the "Health Service Trust Fund") established pursuant to Charter Sections 12.203 and A8.428 through which medical benefits for the City Beneficiaries are funded. The San Francisco Health Service System issues an annual, publicly available, independently-audited financial report that includes financial statements for the Health Service Trust Fund. This report may be obtained through the SFHSS website, by writing to the San Francisco Health Service System, 1145 Market Street, Third Floor, San Francisco, California 94103, or by calling (415) 554-1750. Audited annual financial statements for prior years are posted to the SFHSS website, however the information available on the SFHSS website is not incorporated in this Official Statement by reference.

Under the City Charter, the Health Service Trust Fund is not a fund through which assets are accumulated to finance post-employment healthcare benefits (an "Other Post-Employment Benefits Trust Fund"). Thus, GASB Statement Number 45, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 45") and GASB Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which apply to OPEB trust funds, do not apply to the San Francisco Health Service System Trust Fund. However, the City has been funding the Retiree Health Care Trust Fund for the purpose of prefunding future OPEB payments as described below.

Determination of Employer and Employee Contributions for Medical Benefits

According to the City Charter Section A8.428, the City's contribution towards SFHSS Medical Plans for active employees and retirees is determined by the results of an annual survey of the amount of premium contributions provided by the ten most populous counties in California (other than the City) for health care. The survey is commonly called the 10-County Average Survey and is used to determine "the average contribution made by each such County toward the providing of health care plans, exclusive of dental or optical care, for each employee of such County." The "average contribution" is used to calculate the City's required contribution to the Health Service Trust Fund for retirees.

For unions representing approximately 93.3% of City employees, rather than applying the “average contribution” to determine the amount the City is required to contribute for active employees, a percentage-based employee premium contribution formula was negotiated through collective bargaining. To the extent annual medical premiums exceed the contributions made by the City as required by the Charter and union agreements, such excess must be paid by SFHSS Beneficiaries or, if elected by the Health Service Board, from the assets of the Health Service Trust Fund. Medical benefits for City Beneficiaries who are retired or otherwise not employed by the City (e.g., surviving spouses and surviving domestic partners of City retirees) (“Nonemployee City Beneficiaries”) are funded through contributions from such Nonemployee City Beneficiaries and the City as determined pursuant to Charter Section A8.428. The San Francisco Health Service System medical benefit eligibility requirements for Nonemployee City Beneficiaries are described below under “– *Post-Employment Health Care Benefits.*”

[Remainder of Page Intentionally Left Blank]

City Contribution for Retirees

The City contributes the full employer contribution amount for medical coverage for eligible retirees who were hired on or before January 9, 2009 pursuant to Charter Section A8.428. For retirees who were hired on or after January 10, 2009, the City contributes a portion of the medical coverage costs based on five coverage / employer contribution classifications that reflect certain criteria outlined in the table below.

Retiree Medical Coverage / Employer Contribution for Those Hired On or After January 10, 2009	
Years of Credited Service at Retirement	Percentage of Employer Contribution Established in Charter Section A8.428 Subsection (b)(3)
Less than 5 year of Credited Service with the Employers (except for the surviving spouses or surviving domestic partners of active employees who died in the line of duty)	No Retiree Medical Benefits Coverage
At least 5 but less than 10 years of Credited Service with the Employers; or greater than 10 years of Credited Service with the Employers but not eligible to receive benefits under Subsections (a)(4), (b)(5) (A8.428 Subsection (b)(6))	0% - Access to Retiree Medical Benefits Coverage. Including Access to Dependent Coverage
At least 10 but less than 15 years of Credited Service with the Employers (AB.428 Subsection (b)(5))	50%
At least 15 but less than 20 years pf Credited Service with the Employers (AB.428 Subsection (b)(5))	75%
At least 20 years of Credited Service with the Employer; Retired Persons who retired for disability; surviving spouses or surviving domestic partners of active employees who died in the line of duty (AB.428 Subsection (b)(4))	100%

Health Care Reform

The following discussion is based on the current status of the Patient Protection and Affordable Care Act (the “ACA”). Many attempts have been made to completely repeal the ACA, however full repeal has been unsuccessful thus far.

Three ACA taxes impact SFHSS rates for medical coverage. The taxes and the current status are as follow:

- **Excise Tax on High-cost Employer-sponsored Health Plans**

The Excise Tax on High-cost Employer-sponsored Health Plans (Cadillac Tax) is a 40% excise tax on high-cost coverage health plans. The National Defense Authorization Act for Fiscal Year 2020, signed into law by President Trump on December 20, 2019, repealed the Cadillac tax, effective January 1, 2020.

- **Health Insurance Tax (“HIT”)**

The ACA also imposed a tax on health insurance providers, which was passed on to employer sponsored fully-insured plans in the form of higher premiums. The tax was repealed effective January 1, 2021. The HIT is in effect in 2020 and substantially impacted rates.

- **Medical Device Excise Tax**

The ACA’s medical device excise tax imposes a 2.3 percent tax on sales of medical devices (except certain devices sold at retail). The tax was repealed effective January 1, 2020.

- **Patient-Centered Outcomes Research Institute (PCORI) Fee**

Congress revived and extended the PCORI fee, which had expired in 2019. The PCORI fee, adopted in the ACA, is paid by issuers of health insurance policies and plan sponsors of self-insured health plans to help fund the Patient-Centered Outcomes Research Institute. The fee is based on the average number of lives covered under the policy or plan. The fee will now apply to policy or plan years ending on or after October 1, 2012, and before October 1, 2029.

Employer Contributions for San Francisco Health Service System Benefits

For fiscal year 2018-19, based on the most recent audited financial statements, the San Francisco Health Service System received approximately \$789.8 million from participating employers for San Francisco Health Service System benefit costs. Of this total, the City contributed approximately \$669.2 million; approximately \$186.5 million of this \$669.2 million amount was for health care benefits for approximately 22,563 retired City employees and their eligible dependents and approximately \$482.7 million was for benefits for approximately 32,931 active City employees and their eligible dependents.

The 2020 aggregate (employee and employer) cost of benefits offered by SFHSS to the City increased by 4.6%, which is below national trends of 5.5% to 6%. This can be attributed to several factors including aggressive contracting by SFHSS that maintains competition among the City’s vendors, implementing Accountable Care Organizations that reduced utilization and increased use of generic prescription rates and changing the City’s Blue Shield plan from a fully-funded to a flex-funded product and implementing a narrow network. Flex-funding allows lower premiums to be set by the City’s actuarial consultant, Aon, without the typical margins added by Blue Shield; however, more risk is assumed by the City and reserves are required to protect against this risk. The 2020 aggregate cost of benefits offered by SFHSS to the City increased 4.6% which is also less than the national trends.

Post-Employment Health Care Benefits

Eligibility of former City employees for retiree health care benefits is governed by the Charter. In general, employees hired before January 10, 2009 and a spouse or dependent are potentially eligible for health benefits following retirement at age 50 and completion of five years of City service. Proposition B, passed by San Francisco voters on June 3, 2008, tightened post-retirement health benefit eligibility rules for employees hired on or after January 10, 2009, and generally requires payments by these employees equal to 2% of their salary, with the City contributing an additional 1%, into a Retiree Health Care Trust Fund.

Under Proposition C, passed by San Francisco voters in November of 2011, employees hired on or before January 9, 2009, were required to contribute 0.25% of compensation into the Retiree Health Care Trust Fund beginning in fiscal year 2016-17. This contribution increased to 0.50% in fiscal year 2017-18, 0.75% in fiscal year 2018-19, and will reach the maximum contribution of 1.00% in fiscal year 2019-20. These contributions are matched by the City on a one-to-one basis.

Unlike employee pension contributions that are made to individual accounts, contributions to the Retiree Health Care Trust Fund are non-refundable, even if an employee separates from the City and does not receive retiree health care from the City.

Proposition A, passed by San Francisco voters on November 5, 2013, restricted the City's ability to withdraw funds from the Retiree Health Care Trust Fund. The restrictions allow payments from the fund only when certain conditions are met. The balance in the Retiree Health Care Trust Fund as of June 30, 2018 is approximately \$240.1 million. The City will continue to monitor and update its actuarial valuations of liability as required under GASB 75.

GASB 75 Reporting Requirements

In June 2015, GASB issued Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“GASB 75”). GASB 75 revises and establishes new accounting and financial reporting requirements for governments that provide their employees with OPEBs. The new standard is effective for periods beginning after June 15, 2017. The City implemented the provisions of GASB 75 in its audited financial statements for Fiscal Year 2017-18. According to GASB's Summary of GASB 75, GASB 75 requires recognition of the entire OPEB liability, a more comprehensive measure of OPEB expense, and new note disclosures and required supplementary information to enhance decision-usefulness and accountability.

City's Estimated Liability

The City is required by GASB 75 to prepare a new actuarial study of its postemployment benefits obligation at least once every two years. As of June 30, 2018, the most recent actuarial valuation date, the retiree health care fiduciary plan net position as a percentage of the total OPEB liability was 6.6%. As of June 30, 2019, the estimated covered payroll (annual payroll of active employees covered by the plan) was \$3.58 billion and the ratio of the Net OPEB liability to the covered payroll was 100.5%.

While GASB 75 does not require funding of the annual OPEB cost, any differences between the amount funded in a year and the annual OPEB cost are recorded as increases or decreases in the net OPEB liability. See Note 9(b) and the Required Supplementary Information to the City's CAFR, as of June 30, 2019. Five-year trend information is displayed in Table A-22.

[Remainder of Page Intentionally Left Blank]

TABLE A-22

CITY AND COUNTY OF SAN FRANCISCO
Five-year Trend
Fiscal Years 2014-15 to 2018-19
(000s)

Fiscal Year	Annual OPEB	Percentage of Annual OPEB Cost Funded	Net OPEB Obligation
2014-15	363,643	46.0%	1,990,155
2015-16	326,133	51.8%	2,147,434
2016-17	421,402	43.6%	2,384,938
2017-18	355,186	57.4%	3,717,209 ¹
2018-19	320,331	68.2%	3,600,967

¹ Starting in FY2017-18, the liability amount reflects what is referred to as Net OPEB Liability due to the implementation of GASB Statement No. 75.

Total City Employee Benefits Costs

Table A-23 provides historical and 2019-20 Original Budget information for all health benefits costs paid including pension, health, dental and other miscellaneous benefits. Historically, approximately 50% of health benefit costs are paid from the General Fund. For all fiscal years shown, a “pay-as-you-go” approach was used by the City for health care benefits.

Table A-23 below provides a summary of the City’s employee benefit actual and budgeted costs from fiscal year 2015-16 to fiscal year 2019-20.

TABLE A-23

CITY AND COUNTY OF SAN FRANCISCO
Employee Benefit Costs, All Funds
Fiscal Years 2015-16 through 2019-20
(000s)

	2015-16 Actual ¹	2016-17 Actual ¹	2017-18 Actual ¹	2018-19 Actual ¹	2019-20 Budget ⁴
SFERS and PERS Retirement Contributions	\$531,821	\$554,956	\$621,055	\$650,011	\$733,385
Social Security & Medicare	184,530	196,914	\$212,782	\$219,176	\$229,342
Health - Medical + Dental, active employees ²	421,864	459,772	\$501,831	\$522,006	\$525,511
Health - Retiree Medical ²	158,939	165,822	\$178,378	\$186,677	\$195,607
Other Benefits ³	20,827	21,388	\$44,564	\$26,452	\$23,308
Total Benefit Costs	\$1,317,981	\$1,398,852	\$1,558,609	\$1,604,322	\$1,707,153

¹ Fiscal year 2015-16 through fiscal year 2018-19 figures are audited actuals.

² Does not include Health Service System administrative costs. Does include flexible benefits that may be used for health insurance.

³ "Other Benefits" includes unemployment insurance premiums, life insurance and other miscellaneous employee benefits.

⁴ Figures for fiscal year 2019-20 are Original Budget amounts.

Source: Office of the Controller, City and County of San Francisco.

INVESTMENT OF CITY FUNDS

Investment Pool

The Treasurer of the City (the “Treasurer”) is authorized by Charter Section 6.106 to invest funds available under California Government Code Title 5, Division 2, Part 1, Chapter 4. In addition to the funds of the City, the funds of various City departments and local agencies located within the boundaries of the City, including the school and community college districts, airport and public hospitals, are deposited into the City and County’s Pooled Investment Fund (the “Pool”). The funds are commingled for investment purposes.

Investment Policy

The management of the Pool is governed by the Investment Policy administered by the Office of the Treasurer and Tax Collector in accordance with California Government Code Sections 27000, 53601, 53635, et. al. In order of priority, the objectives of this Investment Policy are safety, liquidity and return on investments. Safety of principal is the foremost objective of the investment program. The investment portfolio maintains sufficient liquidity to meet all expected expenditures for at least the next six months. The Office of the Treasurer and Tax Collector also attempts to generate a market rate of return, without undue compromise of the first two objectives.

The Investment Policy is reviewed and monitored annually by a Treasury Oversight Committee established by the Board of Supervisors. The Treasury Oversight Committee meets quarterly and is comprised of members drawn from (a) the Treasurer; (b) the Controller; (c) a representative appointed by the Board of Supervisors; (d) the County Superintendent of Schools or his/her designee; (e) the Chancellor of the Community College District or his/her designee; and (f) Members of the general public. A complete copy of the Treasurer’s Investment Policy, dated February 2018, is included as an Appendix to this Official Statement.

Investment Portfolio

As of March 31, 2020, the City’s surplus investment fund consisted of the investments classified in Table A-24 and had the investment maturity distribution presented in Table A-25.

[Remainder of Page Intentionally Left Blank]

TABLE A-24

City and County of San Francisco
Investment Portfolio
Pooled Funds
As of March 31, 2020

Type of Investment	Par Value	Book Value	Market Value
U.S. Treasuries	\$2,060,000,000	\$2,063,089,067	\$2,081,059,750
Federal Agencies	4,701,300,000	4,700,002,121	4,741,471,584
State and Local Obligations	80,731,641	80,301,528	81,441,567
Public Time Deposits	45,000,000	45,000,000	45,000,000
Negotiable Certificates of Deposit	2,004,290,000	2,004,379,064	2,008,567,598
Commercial Paper	960,000,000	950,271,543	954,974,946
Medium Term Notes	5,000,000	4,997,000	5,072,600
Money Market Funds	1,421,562,862	1,421,562,862	1,421,562,862
Supranationals	922,135,000	918,039,690	925,751,776
Total	\$12,200,019,503	\$12,187,642,876	\$12,264,902,683

March Earned Income Yield: 1.786%

Sources: Office of the Treasurer and Tax Collector, City and County of San Francisco
From Citibank-Custodial Safekeeping, SunGard Systems-Inventory Control Program.

TABLE A-25

City and County of San Francisco
Investment Maturity Distribution
Pooled Funds
As of March 31, 2020

Maturity in Months	Par Value	Percentage
0 to 1	\$2,122,062,862	17.39%
1 to 2	604,495,000	4.95%
2 to 3	891,575,000	7.31%
3 to 4	845,000,000	6.93%
4 to 5	280,490,000	2.30%
5 to 6	578,000,000	4.74%
6 to 12	2,456,295,000	20.13%
12 to 24	2,329,141,641	19.09%
24 to 36	1,040,140,000	8.53%
36 to 48	120,495,000	0.99%
48 to 60	932,325,000	7.64%
	\$12,200,019,503	100.00%

Weighted Average Maturity: 410 Days

Sources: Office of the Treasurer and Tax Collector, City and County of San Francisco
From Citibank-Custodial Safekeeping, SunGard Systems-Inventory Control Program.

Further Information

A report detailing the investment portfolio and investment activity, including the market value of the portfolio, is submitted to the Mayor and the Board of Supervisors monthly. The monthly reports and annual reports are available on the Treasurer's web page: www.sftreasurer.org. The monthly reports and annual reports are not incorporated by reference herein.

Additional information on the City's investments, investment policies, and risk exposure as of June 30, 2019 are described in the City's CAFR, Notes 2(c) and 5.

CAPITAL FINANCING AND BONDS

Capital Plan

In October 2005, the Board of Supervisors adopted, and the Mayor approved, Ordinance No. 216-05, which established a new capital planning process for the City. The legislation requires that the City develop and adopt a 10-year capital expenditure plan for City-owned facilities and infrastructure. It also created the Capital Planning Committee ("CPC") and the Capital Planning Program ("CPP"). The CPC, composed of other City finance and capital project officials, makes recommendations to the Mayor and Board of Supervisors on all of the City's capital expenditures. To help inform CPC recommendations, the CPP staff, under the direction of the City Administrator, review and prioritize funding needs; project and coordinate funding sources and uses; and provide policy analysis and reports on interagency capital planning.

The City Administrator, in conjunction with the CPC, is directed to develop and submit a 10-year capital plan every other fiscal year for approval by the Board of Supervisors. The Capital Plan is a fiscally constrained long-term finance strategy that prioritizes projects based on a set of funding principles. It provides an assessment of the City's infrastructure and other funding needs over 10 years, highlights investments required to meet these needs and recommends a plan of finance to fund these investments. Although the Capital Plan provides cost estimates and proposes methods to finance such costs, the document does not reflect any commitment by the Board of Supervisors to expend such amounts or to adopt any specific financing method. The Capital Plan is required to be updated and adopted biennially, along with the City's Five-Year Financial Plan and the Five-Year Information & Communication Technology Plan. The CPC is also charged with reviewing the annual capital budget submission and all long-term financing proposals and providing recommendations to the Board of Supervisors relating to the compliance of any such proposal or submission with the adopted Capital Plan.

The Capital Plan is required to be submitted to the Mayor and the Board of Supervisors by each March 1 in odd-numbered years and adopted by the Board of Supervisors and the Mayor on or before May 1 of the same year. The fiscal year 2020-2029 Capital Plan was approved by the CPC on April 17, 2019 and was adopted by the Board of Supervisors on April 30, 2019. The Capital Plan contains \$39.1 billion in capital investments over the coming decade for all City departments, including \$5.1 billion in projects for General Fund-supported departments. The Capital Plan proposes \$2.2 billion for General Fund pay-as-you-go capital projects over the next 10 years. The amount for General Fund pay-as-you-go capital projects is assumed to grow to over \$200 million per year by fiscal year 2023-24. Major capital projects for General Fund-supported departments included in the Capital Plan consist of critical seismic projects and relocation of staff from seismically vulnerable facilities; upgrades to public health, police, and fire facilities; transportation and utility system improvements; improvements to homeless service sites; street and right-of-way improvements; the removal of barriers to accessibility; and park improvements, among other

capital projects. \$3.5 billion of the capital projects of General Fund supported departments are expected to be financed with general obligation bonds and other long- term obligations, subject to planning policy constraints. The balance is expected to be funded by federal and State funds, the General Fund and other sources

In addition to the City General Fund-supported capital spending, the Capital Plan recommends \$20.3 billion in enterprise fund department projects to continue major transit, economic development and public utility projects such as the Central Subway project, runway and terminal upgrades at San Francisco International Airport, Pier 70 infrastructure investments, the Sewer System Improvement Program, and building adequate facilities to support the City’s growing transit fleet, among others. Approximately \$10.2 billion of enterprise fund department capital projects are anticipated to be financed with revenue bonds. The balance is expected to be funded by federal and State funds, user/operator fees, General Fund and other sources.

While significant investments are proposed in the City’s adopted Capital Plan, identified resources remain below those necessary to maintain and enhance the City’s physical infrastructure. As a result, over \$4.9 billion in capital needs including enhancements are deferred from the plan’s horizon.

Failure to make the capital improvements and repairs recommended in the Capital Plan may have the following impacts: (i) failing to meet federal, State or local legal mandates; (ii) failing to provide for the imminent life, health, safety and security of occupants and the public; (iii) failing to prevent the loss of use of the asset; (iv) impairing the value of the City’s assets; (v) increasing future repair and replacement costs; and (vi) harming the local economy.

Tax-Supported Debt Service – City General Obligation Bonds

Under the State Constitution and the Charter, City bonds secured by *ad valorem* property taxes (“general obligation bonds” or “GO bonds”) can only be authorized with a two-thirds approval of the voters. As of May 15, 2020, the City had approximately \$2.4 billion aggregate principal amount of GO bonds outstanding. In addition to the City’s general obligation bonds, BART, SFUSD and SFCCD also have outstanding general obligation as shown in Table A-31.

Table A-26 shows the annual amount of debt service payable on the City’s outstanding GO bonds.

[Remainder of Page Intentionally Left Blank]

TABLE A-26

CITY AND COUNTY OF SAN FRANCISCO
General Obligation Bonds Debt Service
As of May 15, 2020^{1 2}

Fiscal Year	Principal	Interest	Annual Debt Service
2019-20	208,466,232	98,539,597	307,005,829
2020-21	137,160,457	92,818,051	229,978,509
2021-22	145,228,401	85,205,452	230,433,853
2022-23	150,035,251	78,150,113	228,185,364
2023-24	153,691,206	70,814,375	224,505,581
2024-25	155,591,476	63,325,798	218,917,273
2025-26	148,206,279	55,855,492	204,061,771
2026-27	154,390,840	49,131,050	203,521,890
2027-28	160,009,035	42,463,966	202,473,002
2028-29	161,236,751	35,902,968	197,139,719
2029-30	158,420,095	29,144,938	187,565,033
2030-31	121,271,950	22,652,264	143,924,214
2031-32	125,545,000	18,068,915	143,613,915
2032-33	91,790,000	13,592,094	105,382,094
2033-34	68,280,000	10,213,872	78,493,872
2034-35	60,525,000	7,777,367	68,302,367
2035-36	44,420,000	5,649,220	50,069,220
2036-37	32,815,000	4,095,129	36,910,129
2037-38	22,905,000	2,955,139	25,860,139
2038-39	3,280,000	2,133,507	5,413,507
2039-40	1,725,000	2,024,678	3,749,678
2040-41	1,795,000	1,954,971	3,749,971
2041-42	1,865,000	1,882,435	3,747,435
2042-43	1,940,000	1,807,070	3,747,070
2043-44	2,020,000	1,728,675	3,748,675
2044-45	2,100,000	1,647,047	3,747,047
2045-46	2,185,000	1,562,186	3,747,186
2046-47	2,275,000	1,473,890	3,748,890
2047-48	2,365,000	1,381,957	3,746,957
2048-49	2,460,000	1,286,387	3,746,387
2049-50	2,560,000	1,186,979	3,746,979
2050-51	2,670,000	1,076,361	3,746,361
2051-52	2,790,000	960,990	3,750,990
2052-53	2,910,000	840,435	3,750,435
2053-54	3,035,000	714,693	3,749,693
2054-55	3,165,000	583,551	3,748,551
2055-56	3,300,000	446,791	3,746,791
2056-57	3,445,000	304,198	3,749,198
2057-58	3,595,000	155,340	3,750,340
TOTAL³	2,351,467,973	811,507,942	\$3,162,975,914

¹ This table includes the City's General Obligation Bonds shown in Table A-31 and does not include any overlapping debt, such as any assessment district indebtedness or any redevelopment agency indebtedness.

² Totals reflect rounding to nearest dollar.

³ Section 9.106 of the City Charter limits issuance of general obligation bonds of the City to 3% of the assessed value of all real and personal assessment district indebtedness or any redevelopment agency indebtedness.

Source: Office of Public Finance, City and County of San Francisco.

Authorized but Unissued City GO Bonds

Certain GO bonds authorized by the City's voters as discussed below have not yet been issued. Such bonds may be issued at any time by action of the Board of Supervisors, without further approval by the voters.

In November 1992, voters approved Proposition A ("1992 Proposition A") which authorized the issuance of up to \$350.0 million in GO bonds to support San Francisco's Seismic Safety Loan Program ("SSLP"), which provides loans for the seismic strengthening of privately-owned unreinforced masonry affordable housing, market-rate residential, commercial and institutional buildings. Between 1994 and 2015, the City issued \$89.3 million of bonds under the original 1992 Proposition A authorization. In November 2016, voters approved Proposition C ("2016 Proposition C"), which amended the 1992 Proposition A authorization (together, the "1992A/2016A Propositions") to broaden the scope of the remaining \$260.7 million authorization by adding the eligibility to finance the acquisition, improvement, and rehabilitation to convert at-risk multi-unit residential buildings to affordable housing, as well as the needed seismic, fire, health, and safety upgrades and other major rehabilitation for habitability, and related costs. In early 2019, \$72.4 million of bonds were issued under the 1992A/2016A Propositions. Currently \$188.3 million remains authorized and unissued.

In November 2014, voters approved Proposition A ("2014 Transportation Proposition"), which authorized the issuance of up to \$500.0 million in general obligation bonds for the construction, acquisition and improvement of certain transportation and transit related improvements and other related costs. The City issued \$241.5 million over two series of bonds in 2015 and 2018, leaving \$258.6 million authorized and unissued.

In June 2016, voters approved Proposition A ("2016 Public Health & Safety Proposition"), which authorized the issuance of up to \$350.0 million in general obligation bonds to protect public health and safety, improve community medical and mental health care services, earthquake safety and emergency medical response; to seismically improve, and modernize neighborhood fire stations and vital public health and homeless service sites; to construct a seismically safe and improved San Francisco Fire Department ambulance deployment facility; and to pay related costs. The City issued \$223.1 million over two series of the bonds in 2017 and 2018, leaving \$126.9 million authorized and unissued.

In November 2018, voters approved Proposition A ("2018 Embarcadero Seawall Improvement Proposition"), authorizing the issuance of up to \$425.0 million in general obligation bonds for repair and improvement projects along the City's Embarcadero and Seawall to protect the waterfront, BART and Muni, buildings, historic piers, and roads from earthquakes, flooding, and sea level rise. In July 2019, the Board of Supervisors approved the issuance of a first series of bonds under this authorization in an amount not to exceed \$50.0 million. The bonds are expected to be issued in May 2020.

In November 2019, voters approved Proposition A ("2019 Affordable Housing Proposition"), which authorized the issuance of up to \$600.0 million in general obligation bonds to finance the construction, development, acquisition, and preservation of affordable housing for certain vulnerable San Francisco residents; to assist in the acquisition, rehabilitation, and preservation of existing affordable housing to prevent the displacement of residents; to repair and reconstruct distressed and dilapidated public housing developments and their underlying infrastructure; to assist the City's middle-income residents or workers in obtaining affordable rental or home ownership opportunities including down payment assistance and support for new construction of affordable housing for San Francisco Unified School District and City College of San Francisco employees; and to pay related costs. Bonds have not been issued yet under this authorization.

In March 2020, voters approved Proposition B (“2020 Earthquake Safety and Emergency Response Proposition”) which authorized the issuance of up to \$628.5 million in general obligation bonds to aid fire, earthquake and emergency response by improving, constructing, and/or replacing: deteriorating cisterns, pipes, and tunnels, and related facilities to ensure firefighters a reliable water supply for fires and disasters; neighborhood fire and police stations and supporting facilities; the City's 911 Call Center; and other disaster response and public safety facilities, and to pay related costs. Bonds have not been issued yet under this authorization.

Refunding General Obligation Bonds

The Board of Supervisors adopted and the Mayor approved Resolution No. 272-04 in May of 2004 (“2004 Resolution”). The 2004 Resolution authorized the issuance of \$800.0 million of general obligation refunding bonds from time to time in one or more series for the purpose of refunding all or a portion of the City’s outstanding General Obligation Bonds. In November of 2011, the Board of Supervisors adopted and the Mayor approved, Resolution No. 448-11 (“2011 Resolution,” and together with the 2004 Resolution, the “Refunding Resolutions”). The 2011 Resolution authorized the issuance \$1.356 billion of general obligation refunding bonds from time to time in one or more series for the purpose of refunding certain outstanding General Obligation Bonds of the City. In March of 2020, the Board of Supervisors adopted and the Mayor approved, Resolution No. 097-20 (“2020 Resolution,” and together with the 2004 Resolution and 2011 Resolution, the “Refunding Resolutions”). The 2020 Resolution authorized the issuance \$1.483 billion of general obligation refunding bonds from time to time in one or more series for the purpose of refunding certain outstanding General Obligation Bonds of the City. The following refunding bonds remain currently outstanding, under the Refunding Resolutions, as shown in Table A-27 below.

TABLE A-27

CITY AND COUNTY OF SAN FRANCISCO
General Obligation Refunding Bonds
As of May 15, 2020

Series Name	Date Issued	Principal Amount Issued	Amount Outstanding
2011-R1	November 2011	\$339,475,000	\$149,240,000 ¹
2015-R1	February 2015	293,910,000	234,310,000 ²
2020-R1	May 2020	195,250,000	195,250,000 ³

¹ Series 2004-R1 Bonds were refunded by the 2011-R1 Bonds in November 2011

² Series 2006-R1, 2006-R2, and 2008-R3 Bonds were refunded by the 2015-R1 Bonds in February 2015.

³ Series 2008-R1 Bonds were refunded by the 2020-R1 Bonds in May 2020.

Table A-28 below lists for each of the City’s voter-authorized general obligation bond programs the amount issued and outstanding, and the amount of remaining authorization for which bonds have not yet been issued. Series are grouped by program authorization in chronological order. The authorized and unissued column refers to total program authorization that can still be issued and does not refer to any particular series. As of May 15, 2020, the City had authorized and unissued general obligation bond authority of approximately \$2.2 billion.

TABLE A-28

CITY AND COUNTY OF SAN FRANCISCO
 General Obligation Bonds
 As of May 15, 2020

Bond Authorization Name	Election Date	Authorized Amount	Series	Bonds Issued	Bonds Outstanding	Authorized & Unissued
Seismic Safety Loan Program	11/3/92	\$350,000,000	1994A	\$35,000,000	-	
			2007A	\$30,315,450	\$18,657,973	
			2015A	\$24,000,000	-	
<i>Reauthorization to Repurpose for Affordable Housing</i>	11/8/16		2019A	\$72,420,000	\$72,420,000	\$188,264,550
Clean & Safe Neighborhood Parks	2/5/08	\$185,000,000	2008B	\$42,520,000	-	
			2010B	\$24,785,000	-	
			2010D	\$35,645,000	\$35,645,000	
			2012B	\$73,355,000	\$2,860,000	
			2016A	\$8,695,000	\$7,195,000	-
San Francisco General Hospital & Trauma Center Earthquake Safety	11/4/08	\$887,400,000	2009A	\$131,650,000	-	
			2010A	\$120,890,000	-	
			2010C	\$173,805,000	\$173,805,000	
			2012D	\$251,100,000	\$147,770,000	
			2014A	\$209,955,000	\$154,035,000	-
Earthquake Safety and Emergency Response Bond	6/8/10	\$412,300,000	2010E	\$79,520,000	\$2,605,000	
			2012A	\$183,330,000	\$6,965,000	
			2012E	\$38,265,000	\$28,380,000	
			2013B	\$31,020,000	\$16,720,000	
			2014C	\$54,950,000	\$40,095,000	
			2016C	\$25,215,000	\$21,435,000	-
			2016E	\$44,145,000	\$37,515,000	-
Road Repaving & Street Safety	11/8/11	\$248,000,000	2012C	\$74,295,000	\$2,925,000	
			2013C	\$129,560,000	\$69,785,000	
			2016E	\$44,145,000	\$37,515,000	-
Clean & Safe Neighborhood Parks	11/6/12	\$195,000,000	2013A	\$71,970,000	\$38,780,000	
			2016B	\$43,220,000	\$23,355,000	
			2018A	\$76,710,000	\$44,855,000	
			2019B	\$3,100,000	\$3,100,000	-
Earthquake Safety and Emergency Response Bond	6/3/14	\$400,000,000	2014D	\$100,670,000	\$73,435,000	
			2016D	\$109,595,000	\$72,305,000	
			2018C	\$189,735,000	\$137,570,000	-
Transportation and Road Improvement	11/4/14	\$500,000,000	2015B	\$67,005,000	\$41,870,000	
			2018B	\$174,445,000	\$102,010,000	\$258,550,000
Affordable Housing Bond	11/3/15	\$310,000,000	2016F	\$75,130,000	\$48,485,000	
			2018D	\$142,145,000	\$102,070,000	
			2019C	\$92,725,000	\$92,725,000	-
Public Health and Safety Bond	6/7/16	\$350,000,000	2017A	\$173,120,000	\$116,925,000	
			2018E	\$49,955,000	\$36,370,000	\$126,925,000
Embarcadero Seawall Earthquake Safety	11/6/18	\$425,000,000				\$425,000,000
Affordable Housing Bond	11/5/19	\$600,000,000				\$600,000,000
Earthquake Safety and Emergency Response Bond	3/3/20	\$628,500,000				\$628,500,000
SUBTOTAL		\$5,491,200,000		\$3,263,960,450	\$1,772,667,973	\$2,227,239,550
General Obligation Refunding Bonds				Bonds Issued	Bonds Outstanding	
Series 2011-R1	11/9/12			\$339,475,000	\$149,240,000	
Series 2015-R1	2/25/15			\$293,910,000	\$234,310,000	
Series 2020-R1	5/7/20			\$195,250,000	\$195,250,000	
SUBTOTAL				\$828,635,000	\$578,800,000	
TOTALS		\$5,491,200,000		\$4,092,595,450	\$2,351,467,973	\$2,227,239,550

¹ Section 9.106 of the City Charter limits issuance of general obligation bonds of the City to 3% of the assessed value of all taxable real and personal property, located within the City and County.

² Of the \$35,000,000 authorized by the Board of Supervisors in February 2007, \$30,315,450 has been drawn upon to date pursuant to the Credit Agreement described under "General Obligation Bonds."

Source: Office of Public Finance, City and County of San Francisco.

General Fund Lease Obligations

The Charter requires that any lease-financing agreements with a nonprofit corporation or another public agency must be approved by a majority vote of the City's electorate, except (i) leases approved prior to April 1, 1977, (ii) refunding lease financings expected to result in net savings, and (iii) certain lease financing for capital equipment. The Charter does not require voter approval of lease financing agreements with for-profit corporations or entities.

Table A-29 sets forth the aggregate annual lease payment obligations supported by the City's General Fund with respect to outstanding long-term lease revenue bonds and certificates of participation as of May 15, 2020.

[Remainder of Page Intentionally Left Blank]

TABLE A-29

CITY AND COUNTY OF SAN FRANCISCO
Lease Revenue Bonds and Certificates of Participation
As of May 15, 2020¹

Fiscal Year ²	Principal	Interest ³	Annual Payment Obligation
2019-20 ⁴	\$3,980,000	\$1,494,267	\$5,474,267
2020-21	57,640,000	64,058,824	121,698,824
2021-22	58,080,000	61,435,465	119,515,465
2022-23	61,305,000	58,765,744	120,070,744
2023-24	64,205,000	55,941,418	120,146,418
2024-25	65,305,000	52,955,087	118,260,087
2025-26	66,610,000	49,957,666	116,567,666
2026-27	69,745,000	46,794,502	116,539,502
2027-28	64,640,000	43,637,007	108,277,007
2028-29	69,600,000	40,500,835	110,100,835
2029-30	70,200,000	37,378,013	107,578,013
2030-31	65,535,000	34,517,264	100,052,264
2031-32	58,550,000	31,911,416	90,461,416
2032-33	59,625,000	29,519,716	89,144,716
2033-34	62,105,000	26,887,785	88,992,785
2034-35	53,165,000	24,516,247	77,681,247
2035-36	53,125,000	22,213,443	75,338,443
2036-37	52,505,000	19,873,029	72,378,029
2037-38	54,635,000	17,552,864	72,187,864
2038-39	56,845,000	15,136,956	71,981,956
2039-40	59,160,000	12,618,872	71,778,872
2040-41	61,560,000	9,997,668	71,557,668
2041-42	56,000,000	7,430,811	63,430,811
2042-43	20,990,000	5,247,200	26,237,200
2043-44	19,855,000	4,388,600	24,243,600
2044-45	20,650,000	3,594,400	24,244,400
2045-46	13,695,000	2,768,400	16,463,400
2046-47	14,245,000	2,220,600	16,465,600
2047-48	13,220,000	1,650,800	14,870,800
2048-49	13,750,000	1,122,000	14,872,000
2049-50	14,300,000	572,000	14,872,000
TOTAL⁵	\$1,474,825,000	\$786,658,899	\$2,261,483,899

¹ Excludes commercial Paper and the following private placements (with current outstanding amounts):

SFGH Emergency Backup Generators Project (\$11,793,228)

Gsmart Citywide Emergency Radio Replacement Project (\$24,511,781)

Transbay CCSF Lease Revenue Direct Placement Revolving COPs (\$76,000,000)

² For the Series 2018A (Refunding Open Space LRBs), reflects 7/1 payments to be paid in the current fiscal year, as budgeted.

³ Totals reflect rounding to nearest dollar.

⁴ Excludes payments made to date in current fiscal year.

⁵ For purposes of this table, the interest rate on the Lease Revenue Bonds Series 2008-1, and 2008-2 (Moscone Center Expansion Project) is assumed to be 3.50%. These bonds are in variable rate mode.

Source: Office of Public Finance, City and County of San Francisco.

Voter-Approved Lease Revenue Bonds

The City electorate has approved several lease revenue bond propositions, some of which have authorized but unissued bonds. The following lease programs have remaining authorization:

In 1987, voters approved Proposition B, which authorizes the City to lease finance (without limitation as to maximum aggregate par amount) the construction of new parking facilities, including garages and surface lots, in eight of the City's neighborhoods. In July 2000, the City issued \$8.2 million in lease revenue bonds to finance the construction of the North Beach Parking Garage, which was opened in February 2002.

In 1990, voters approved Proposition C ("1990 Proposition C"), which amended the Charter to authorize the City to lease- purchase equipment through a nonprofit corporation without additional voter approval but with certain restrictions. The City and County of San Francisco Finance Corporation (the "Corporation") was incorporated for that purpose. 1990 Proposition C provides that the outstanding aggregate principal amount of obligations with respect to lease financings may not exceed \$20.0 million, with such amount increasing by five percent each fiscal year. As of May 15, 2020, the total authorized and unissued amount for such financings was \$82.3 million.

In 1994, voters approved Proposition B ("1994 Proposition B"), which authorized the issuance of up to \$60.0 million in lease revenue bonds for the acquisition and construction of a combined dispatch center for the City's emergency 911 communication system and for the emergency information and communications equipment for the center. In 1997 and 1998, the Corporation issued \$22.6 million and \$23.3 million of 1994 Proposition B lease revenue bonds, respectively, leaving \$14.1 million in remaining authorization. There are no current plan to issue additional series of bonds under 1994 Proposition B.

In 2000, voters approved Proposition C ("2000 Proposition C"), which extended a two- and one-half cent per \$100.0 in assessed valuation property tax set-aside for the benefit of the Recreation and Park Department (the "Open Space Fund"). 2000 Proposition C also authorized the issuance of lease revenue bonds or other forms of indebtedness payable from the Open Space Fund. In August 2018 the City issued refunding lease revenue bonds, which are currently outstanding in the principal amount of \$31.9 million to refund Series 2006 and 2007 Open Space Fund lease revenue bonds.

In 2007, voters approved Proposition D, which amended the Charter and renewed the Library Preservation Fund. Proposition D continued the two- and one-half cent per \$100.0 in assessed valuation property tax set-aside and established a minimum level of City appropriations, moneys that are maintained in the Library Preservation Fund. Proposition D also authorized the issuance of revenue bonds or other evidences of indebtedness. In August 2018 the City issued refunding lease revenue bonds, which are currently outstanding in the principal amount of \$12.2 million, to refund Series 2009A Branch Library Improvement Project lease revenue bonds.

Table A-30 below lists the City's outstanding certificates of participation and voter-authorized lease revenue bonds.

TABLE A-30

CITY AND COUNTY OF SAN FRANCISCO
Outstanding Certificates of Participation and Lease Revenue Bonds
As of May 15, 2020

Issue Name	Final Maturity	Original Par	Outstanding Principal
CERTIFICATES OF PARTICIPATION¹			
Series 2009C (525 Golden Gate Avenue)	2022	\$38,120,000	\$12,490,000
Series 2009D - Taxable BABs (525 Golden Gate Avenue)	2041	129,550,000	129,550,000
Refunding Series 2010A	2033	138,445,000	90,950,000
Refunding Series 2011A (Moscone Center South)	2024	23,105,000	11,690,000
Series 2012A (Multiple Capital Improvement Projects)	2036	42,835,000	32,580,000
Series 2013B - Non-AMT (Port Facilities Project)	2038	4,830,000	4,830,000
Series 2013C - AMT (Port Facilities Project)	2043	32,870,000	23,965,000
Refunding Series 2014-R1 (Courthouse Project)	2021	13,615,000	2,230,000
Refunding Series 2014-R2 (Juevenile Hall Project)	2034	33,605,000	26,030,000
Series 2015A (War Memorial Veterans Building)	2045	112,100,000	112,100,000
Series 2015B - Taxable (War Memorial Veterans Building)	2024	22,225,000	7,935,000
Refunding Series 2015-R1 (City Office Buildings - Multiple Properties)	2040	123,600,000	112,030,000
Series 2016A (War Memorial Veterans Building)	2032	16,125,000	12,540,000
Series 2017A - Taxable (Hope SF)	2047	28,320,000	26,445,000
Series 2017B (Moscone Convention Center Expansion Project)	2042	412,355,000	392,255,000
Series 2019A (49 South Van Ness Project)	2050	247,810,000	247,810,000
Refunding Series 2019-R1 (Multiple Capital Improvement Projects)	2035	116,460,000	107,005,000
Subtotal Certificates of Participation		\$1,535,970,000	\$1,352,435,000
LEASE PURCHASE FINANCING			
2010 Lease Purchase Financing (SFGH Emergency Backup Generators)	2025	\$22,549,489	\$11,793,228
2016 Lease Purchase Financing (Public Safety Radio Replacement Project)	2026	34,184,136	24,511,781
Subtotal Lease Revenue Bonds		\$56,733,625	\$36,305,010
FINANCE CORPORATION LEASE REVENUE BONDS			
Refunding Series 2008-1 (Moscone Center Expansion Project) - Variable	2030	\$72,670,000	\$36,100,000
Refunding Series 2008-2 (Moscone Center Expansion Project) - Variable	2030	72,670,000	36,100,000
Refunding Series 2010-R1 (Emergency Communications System)	2024	22,280,000	6,060,000
Refunding Series 2018A (Open Space Fund - Various Park Projects)	2029	34,950,000	31,955,000
Refunding Series 2018B (Branch Library Improvement Program)	2028	13,355,000	12,175,000
Subtotal Lease Revenue Bonds		\$215,925,000	\$122,390,000
Total General Fund Obligations		\$1,808,628,625	\$1,511,130,010

¹ Excludes Commercial Paper and the CCSF Lease Revenue Direct Placement Revolving COPs (Transbay), which was outstanding in the principal amount of \$76,000,000 as of 5/15/20.

Board Authorized and Unissued Long-Term Certificates of Participation

Treasure Island Improvement Project: In October of 2013, the Board authorized, and the Mayor approved the issuance of not to exceed \$13.5 million of City and County of San Francisco Certificates of Participation to finance the cost of additions and improvements to the utility infrastructure at Treasure Island. At this time there is not an expected timeline for the issuance these certificates.

Animal Care and Control Renovation Project: In November 2016, the Board authorized, and the Mayor approved the issuance of not to exceed \$60.5 million of City and County of San Francisco Certificates of Participation to finance the costs acquisition, construction, and improvement of an animal care and control facility. The City anticipates issuing the certificates in Fiscal Year 2020-21.

Housing Trust Fund Project: In April 2016, the Board authorized and the Mayor approved the issuance of not to exceed \$95.0 million of City and County of San Francisco Certificates of Participation (Affordable Housing Projects) to provide funds to assist in the development, acquisition, construction or rehabilitation of affordable rental housing projects. The City anticipates issuing the certificates in multiple series, with the first issuance in Fiscal Year 2021-22.

Hall of Justice Relocation Projects: In October 2019, the Board authorized and the Mayor approved the issuance of not to exceed \$94.6 million of City and County of San Francisco Certificates of Participation (Multiple Capital Projects) to (i) finance or refinance the site acquisition of 814-20 Bryant Street and 470 6th Street and related construction, acquisitions, and improvement costs; and (ii) finance or refinance the acquisition of 1828 Egbert Avenue and related construction, acquisitions, and improvement costs. The City anticipates issuing the certificates in Fall 2020.

Also in October 2019, the Board authorized and the Mayor approved the issuance of not to exceed \$62.0 million of City and County of San Francisco Certificates of Participation (Multiple Capital Projects) to finance or refinance tenant improvements involving the construction, acquisition, improvement, renovation, and retrofitting of City-owned properties as needed for the Hall of Justice Improvement Project enabling staff and offices to be consolidated in acquired City-owned properties. The City anticipates issuing the certificates in Fiscal Year 2021-22.

HOPE SF Project: In December 2019, the Board authorized and the Mayor approved the issuance of not to exceed \$83.6 million of City and County of San Francisco Certificates of Participation to finance or refinance certain capital improvements, including but not limited to certain properties generally known as Hunters View, Sunnysdale, and Potrero Terrace and Annex housing developments. The City anticipates issuing the certificates in Fiscal Year 2021-22.

Commercial Paper Program

In March 2009, the Board authorized and the Mayor approved a not-to-exceed \$150.0 million Lease Revenue Commercial Paper Certificates of Participation Program, Series 1 and 1-T and Series 2 and 2-T (the "Original CP Program"). In July of 2013, the Board authorized, and the Mayor approved an additional \$100.0 million of Lease Revenue Commercial Paper Certificates of Participation, Series 3 and 3-T and Series 4 and 4-T (the "Second CP Program" and together with the Original CP Program, the "City CP Program") that increased the total authorization of the City CP Program to \$250.0 million. Commercial Paper Notes (the "CP Notes") are issued from time to time to pay approved project costs in connection with the acquisition, improvement, renovation and construction of real property and the acquisition of capital

equipment and vehicles in anticipation of long-term or other take-out financing to be issued when market conditions are favorable. Projects are eligible to access the CP Program once the Board and the Mayor have approved the project and the long-term, permanent financing for the project.

The Series 1 and 1-T and Series 2 and 2-T CP notes are secured by credit facilities from: (i) State Street Bank and Trust Company (with a maximum principal amount of \$75 million) and (ii) U.S. Bank National Association (with a maximum principal amount of \$75 million). These credit facilities expire in May 2021. The Series 3 and 3-T and 4 and 4-T are secured by a letter of credit issued by State Street Bank and Trust Company expiring in February 2022.

As of May 15, 2020, the outstanding principal amount of CP Notes is \$115.6 million. The weighted average interest rate for the outstanding CP Notes is approximately 1.31%. The projects with Board Authorized and Unissued Certificates of Participation currently utilizing the CP Program include Animal Care and Control, Housing Trust Fund, and the Hall of Justice Relocation Project. Also utilizing the CP Program is the San Francisco General Hospital and Trauma Project which is financing the costs of the acquisition of furniture, fixtures and equipment (“SFGH FF&E”). The following is a summary of the outstanding liability by project associated with the CP Notes outstanding.

Project	CP Notes Liability as of 5/15/2020
Animal Care and Control	\$4,860,638
Housing Trust Fund	\$18,643,661
Hall of Justice Relocation	\$78,384,339
SFGH FF&E	\$13,702,362
TOTAL	\$115,591,000

Transbay Transit Center Interim Financing

In May 2016, the Board authorized and the Mayor approved the establishment of not-to-exceed \$260.0 million Lease Revenue Commercial Paper Certificates of Participation (“Short-Term Certificates”) to meet cash flow needs during the construction of phase one of the Transbay Transit Center (now known as the Salesforce Transit Center). The Short-Term Certificates are expected to be repaid in part from Transbay Transit Center CFD bond proceeds (secured by special taxes) and tax increment. It is anticipated that long-term debt will be issued to retire the Short-Term Certificates, and such long-term debt is also expected to be repaid from such sources.

The Short-Term Certificates originally consisted of \$160.0 million of direct placement revolving certificates with Wells Fargo, expiring in January 2022, and \$100.0 million of direct placement revolving certificates with Bay Area Toll Authority, which expired December 31, 2018. Of the \$260.0 million authorized, \$103.0 million was drawn. As of May 15, 2020, the outstanding balance on the Wells Fargo financing facility was \$76.0 million, at an interest rate of 0.93%.

Overlapping Debt

Table A-31 shows bonded debt and long-term obligations as of May 15, 2020 sold in the public capital markets, except for those financings otherwise noted in the table, by the City and those public agencies whose boundaries overlap the boundaries of the City in whole or in part. Long-term obligations of non-City agencies generally are not payable from revenues of the City. In many cases, long-term obligations

issued by a public agency are payable only from the General Fund or other revenues of such public agency. In the table, lease obligations of the City which support indebtedness incurred by others are included. As noted below, the Charter limits the City's outstanding general obligation bond debt to 3% of the total assessed valuation of all taxable real and personal property within the City.

TABLE A-31

CITY AND COUNTY OF SAN FRANCISCO
Statement of Direct and Overlapping Debt and Long-Term Obligations
As of May 15, 2020

<u>2019-20 Assessed Valuation</u> (includes unitary utility valuation):	\$281,683,409,781 ¹
<u>GENERAL OBLIGATION BONDED DEBT</u>	
San Francisco City and County	\$2,351,467,973
San Francisco Unified School District	898,785,000
San Francisco Community College District	215,130,000
TOTAL GENERAL OBLIGATION BONDS	\$3,465,382,973
<u>LEASE OBLIGATIONS BONDS</u>	
San Francisco City and County	\$1,499,336,781
LONG-TERM OBLIGATIONS	\$1,499,336,781 ²
TOTAL COMBINED DIRECT DEBT	\$4,964,719,754
<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	
Bay Area Rapid Transit District General Obligation Bond (34.606%) ²	\$443,905,004 ³
San Francisco Community Facilities District No. 4	10,600,000
San Francisco Community Facilities District No. 6	123,466,726
San Francisco Community Facilities District No. 7	34,490,000
San Francisco Community Facilities District No. 2009-1, Improvement Areas 1 and 2	2,701,034
San Francisco Community Facilities District No. 2014-1 Transbay Transit Center	475,665,000
City of San Francisco Assessment District No. 95-1	405,000
ABAG Community Facilities District No. 2004-1 Seismic Safety Improvements	9,500,000
ABAG Community Facilities District No. 2006-1 San Francisco Rincon Hill	5,105,000
ABAG Community Facilities District No. 2006-2 San Francisco Mint Plaza	2,905,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$1,108,742,764
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$800,377,447
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	\$6,873,839,965 ⁴
<u>Ratios to 2019-20 Assessed Valuation:</u>	<u>Actual Ratio</u>
Direct General Obligation Bonded Debt (\$3,503,227,973)	1.23% ⁵
Combined Direct Debt (\$5,034,324,755)	1.76%
Total Direct and Overlapping Bonded Debt	2.44%
<u>Ratio to 2019-20 Redevelopment Incremental Valuation (\$34,366,733,708)</u>	
Total Overlapping Tax Increment Debt	2.33%

¹ Includes \$610,103,200 homeowner's exemption for FY19-20.

² Excludes the CCSF Lease Revenue Direct Placement Revolving COPs (Transbay), outstanding in the principal amount of \$76,000,000 as of 5/15/20.

Excludes privately placed SFGH Emergency Backup Generators Project, outstanding in the principal amount of \$11,793,228 as of 5/15/20.

³ Reflects 2019-20 ratio.

⁴ Excludes tax and revenue anticipation notes, enterprise revenue bonds and airport improvement corporation bonds

⁵ The Charter limits the City's outstanding general obligation bond debt to 3% of the total assessed valuation of all taxable real and personal property within the City. The City's general obligation debt as a percentage of FY19-20 AV is 0.81%.

Source: California Municipal Statistics Inc., Office of Public Finance, City and County of San Francisco

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES

Several constitutional and statutory limitations on taxes, revenues and expenditures exist under State law which limit the ability of the City to impose and increase taxes and other revenue sources and to spend such revenues, and which, under certain circumstances, would permit existing revenue sources of the City to be reduced by vote of the City electorate. These constitutional and statutory limitations, and future limitations, if enacted, could potentially have an adverse impact on the City's general finances and its ability to raise revenue, or maintain existing revenue sources, in the future. However, *ad valorem* property taxes required to be levied to pay debt service on general obligation bonds was authorized and approved in accordance with all applicable constitutional limitations. A summary of the currently effective limitations is set forth below.

Article XIII A of the California Constitution

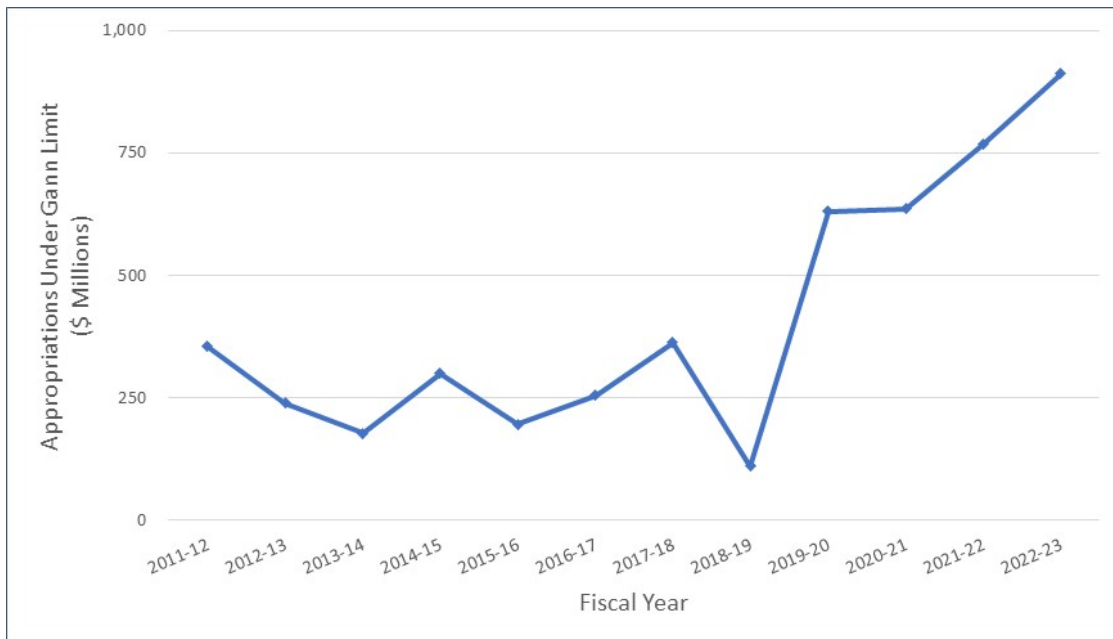
Article XIII A of the California Constitution, known as "Proposition 13," was approved by the California voters in June of 1978. It limits the amount of *ad valorem* tax on real property to 1% of "full cash value," as determined by the county assessor. Article XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when "purchased, newly constructed or a change in ownership has occurred" (as such terms are used in Article XIII A) after the 1975 assessment. Furthermore, all real property valuation may be increased or decreased to reflect the inflation rate, as shown by the CPI or comparable data, in an amount not to exceed 2% per year, or may be reduced in the event of declining property values caused by damage, destruction or other factors. Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes to pay interest or redemption charges on 1) indebtedness approved by the voters prior to July 1, 1978, 2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, or 3) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district voting on the proposition, but only if certain accountability measures are included in the proposition.

The California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher or lower than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The California courts have upheld the constitutionality of this procedure.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be assessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate persons with disabilities and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the City. Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII.

Article XIII B of the California Constitution

Article XIII B was enacted by California voters as an initiative constitutional amendment in November 1979. Article XIII B limits the annual appropriations from the proceeds of taxes of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population, and services rendered by the governmental entity. However, no limit is imposed on the appropriation of local revenues and taxes to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters. Article XIII B includes a requirement that if an entity's average revenues over two consecutive years exceed the amount permitted to be spent, the excess would have to be returned by revising tax or fee schedules over the following two years. With voter approval, the appropriations limit can be raised for up to four years. See the graph below for appropriations available under the Gann Limit.



Articles XIII C and XIII D of the California Constitution

Proposition 218, an initiative constitutional amendment, approved by the voters of the State in 1996, added Articles XII C and XIII D to the State Constitution, which affect the ability of local governments, including charter cities such as the City, to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 does not affect the levy and collection of taxes for voter-approved debt. However, Proposition 218 affects the City's finances in other ways. Article XIII C requires that all new local taxes be submitted to the electorate for approval before such taxes become effective. Taxes for general governmental purposes of the City require a majority vote and taxes for specific purposes require a two-thirds vote. Under Proposition 218, the City can only continue to collect taxes that were imposed after January 1, 1995 if voters subsequently approved such taxes by November 6, 1998. All of the City's local taxes subject to such approval have been either reauthorized in accordance with Proposition 218 or discontinued. The voter approval requirements of Article XIII C reduce the City's flexibility to manage fiscal problems through new, extended or increased taxes. No assurance can be given that the City will be able to raise taxes in the future to meet increased expenditure requirements.

In addition, Article XIII C addresses the initiative power in matters of local taxes, assessments, fees and charges. Pursuant to Article XIII C, the voters of the City could, by initiative, repeal, reduce or limit any existing or future local tax, assessment, fee or charge, subject to certain limitations imposed by the courts and additional limitations with respect to taxes levied to repay bonds. The City raises a substantial portion of its revenues from various local taxes which are not levied to repay bonded indebtedness, and which could be reduced by initiative under Article XIII C. No assurance can be given that the voters of the City will disapprove initiatives that repeal, reduce or prohibit the imposition or increase of local taxes, assessments, fees or charges. See "OTHER CITY TAX REVENUES" herein, for a discussion of other City taxes that could be affected by Proposition 218.

With respect to the City's general obligation bonds (City bonds secured by *ad valorem* property taxes), the State Constitution and the laws of the State impose a duty on the Board of Supervisors to levy a property tax sufficient to pay debt service coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the City's general obligation bonds or to otherwise interfere with performance of the duty of the City with respect to such taxes which are pledged as security for payment of those bonds.

Article XIII D contains several provisions making it generally more difficult for local agencies, such as the City, to levy and maintain "assessments" (as defined in Article XIII D) for local services and programs. The City has created a number of special assessment districts both for neighborhood business improvement purposes and community benefit purposes and has caused limited obligation bonds to be issued in 1996 to finance construction of a new public right of way. The City cannot predict the future impact of Proposition 218 on the finances of the City, and no assurance can be given that Proposition 218 will not have a material adverse impact on the City's revenues.

Proposition 1A

Proposition 1A, a constitutional amendment proposed by the State Legislature and approved by the voters in November 2004, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate, or change the allocation of local sales tax revenues, subject to certain exceptions. As set forth under the laws in effect as of November 3, 2004, Proposition 1A generally prohibits the State from shifting any share of property tax revenues allocated to local governments for any fiscal year to schools or community colleges. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. Proposition 1A provides, however, that beginning in fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe State financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 1A also provides that if the State reduces the annual vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable City revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing aid to cities and spending on other State programs, or other actions, some of which could be adverse to the City.

Proposition 22

Proposition 22 (“Proposition 22”) which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. In addition, Proposition 22 generally eliminates the State’s authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase a school and community college district’s share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies (but see “San Francisco Redevelopment Agency Dissolution” above). While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Due to the prohibition with respect to the State’s ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A (2004). However, borrowings and reallocations from local governments during 2009 are not subject to Proposition 22 prohibitions. In addition, Proposition 22 supersedes Proposition 1A of 2006. Accordingly, the State is prohibited from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local governments except pursuant to specified procedures involving public notices and hearings.

Proposition 26

On November 2, 2010, the voters approved Proposition 26 (“Proposition 26”), revising certain provisions of Articles XIII and XIII of the California Constitution. Proposition 26 re-categorizes many State and local fees as taxes, requires local governments to obtain two-thirds voter approval for taxes levied by local governments, and requires the State to obtain the approval of two-thirds of both houses of the State Legislature to approve State laws that increase taxes. Furthermore, pursuant to Proposition 26, any increase in a fee beyond the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require a two-thirds vote. In addition, for State-imposed charges, any tax or fee adopted after January 1, 2010 with a majority vote which would have required a two-thirds vote if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII of the State Constitution to state that a “tax” means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law, including late payment fees, fees imposed under administrative citation ordinances, parking violations, etc.; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218. Fees, charges and payments that are made pursuant to a voluntary contract that are not “imposed by a local government” are not considered taxes and are not covered by Proposition 26.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of property owners.

Future Initiatives and Changes in Law

The laws and Constitutional provisions described above were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

On April 25, 2013, the California Supreme Court in *McWilliams v. City of Long Beach* (April 25, 2013, No. S202037), held that the claims provisions of the Government Claims Act (Government Code Section 900 *et. seq.*) govern local tax and fee refund actions (absent another State statute governing the issue), and that local ordinances were without effect. The effect of the *McWilliams* case is that local governments could face class actions over disputes involving taxes and fees. Such cases could expose local governments to significant refund claims in the future. The City cannot predict whether any such class claims will be filed against it in the future, the outcome of any such claim or its impact on the City.

LEGAL MATTERS AND RISK MANAGEMENT

Pending Litigation

There are a number of lawsuits and claims routinely pending against the City, including those summarized in Note 18 to the City's CAFR as of June 30, 2019. Included among these are a number of actions which if successful would be payable from the City's General Fund. In the opinion of the City Attorney, such suits and claims presently pending will not materially impair the ability of the City to pay debt service on its General Fund lease obligations or other debt obligations, nor have an adverse impact on City finances.

Millennium Tower is a 58-story luxury residential building completed in 2009 and located at 301 Mission Street in downtown San Francisco. On August 17, 2016, some owners of condominiums in Millennium Tower filed a lawsuit, San Francisco Superior Court No. 16-553758 ("Lehman Lawsuit") against TJPA and the individual members of the TJPA, including the City. The TJPA is responsible under State law for developing and operating the Salesforce Transit Center, which will be a new regional transit hub located near the Millennium Tower.

The TJPA began excavation and construction of the Salesforce Transit Center in 2010, after the Millennium Tower was completed. In brief, the Lehman Lawsuit claims that the construction of the Salesforce Transit Center harmed the Millennium Tower by causing it to settle into the soil more than planned and tilt toward the west/northwest, and the owners claim unspecified monetary damages for inverse condemnation and nuisance. The TJPA has asserted that the Millennium Tower was already sinking more than planned and tilting before the TJPA began construction of the Salesforce Transit Center and that the TJPA took precautionary efforts to avoid exacerbating the situation. In addition to the Lehman Lawsuit, several other lawsuits have been filed against the TJPA related to the subsidence and tilting of the Millennium Tower. In total, eight lawsuits have been filed against TJPA, and a total of four of those name the City.

In addition to the Lehman Lawsuit, the City is named as a defendant in a lawsuit filed by the owners of a single unit, the Montana Lawsuit, San Francisco Superior Court Case No. 17-558649, and in two lawsuits filed by owners of multiple units, the Ying Lawsuit (Case No. 17-559210) and the Turgeon Lawsuit (Case No. 18-564417). The Montana, Ying and Turgeon Lawsuits contain similar claims as the Lehman Lawsuit. In the Summer of 2019, the parties announced a tentative settlement of matters relating to the lawsuit. For the settlement to be effective, a number of events must occur, including approval of the settlement by all parties and the Court. These approvals could occur in early Summer 2020. While the City expects that all necessary events will occur for the settlement to become final and effective, no assurance can be given by the City that the settlement will be finalized. If the settlement becomes void, litigation may resume. If litigation were to resume, the City cannot now make any prediction as to the outcome of any such lawsuits, or whether the lawsuits, if determined adversely to the TJPA or the City, would have a material adverse impact on City finances.

Ongoing Investigations

On January 28, 2020 the City's former Director of Public Works Mohammad Nuru was indicted on federal criminal charges of public corruption, including honest services wire fraud and lying to Federal Bureau of Investigation officials. The allegations contained in the complaint involve various schemes, including an attempt by Mr. Nuru and Mr. Nick Bovis, a local restaurateur who was also indicted by the federal government, to bribe an Airport Commissioner to influence the award of lease of space at the San

Francisco International Airport, Mr. Nuru using his official position to benefit a developer of a mixed-use project in San Francisco in exchange for personal gifts and benefits; Mr. Nuru attempting to use his former position as the chair of the Transbay Joint Powers Authority to secure a lease for Mr. Bovis in the Transbay Transit Center, in exchange for personal benefits provided by the restaurateur; Mr. Nuru providing Mr. Bovis with inside information on City projects regarding contracts for portable bathroom trailers and small container-like housing units for use by the homeless, so that Mr. Bovis could win the contracts for those projects; and Mr. Nuru obtaining free and discounted labor and construction equipment from contractors to help him build a personal vacation home while those contractors were also engaging in business with the City. Mr. Nuru resigned from employment with the City two weeks after his arrest. On February 4, 2020, City Attorney Dennis Herrera and Controller Ben Rosenfield announced a joint investigation that was underway, stemming from federal criminal charges filed against Mr. Nuru and Mr. Bovis.

The City Attorney's Office, in conjunction with the Controller's Office, is seeking to identify officials, employees and contractors involved in these schemes or other related conduct, and to identify contracts, grants, gifts, and other government decisions possibly tainted by conflicts of interest and other legal or policy violations. The Controller's Office, in conjunction with the City Attorney's Office, has put into place interim controls to review Public Works contracts for red flags and process failures. The Controller's Office is also working with the City Attorney's Office to identify whether stop payments, cancellations or other terminations are justified on any open contracts, purchase orders or bids. Also, the Controller, in coordination with the City Attorney's Office, intends to produce periodic public reports setting forth assessments of patterns and practices to help prevent fraud and corruption and recommendations about best practices, including possible changes in City law and policy.

On March 10, 2020, the City Attorney transmitted to the Mayor its preliminary report of investigations of alleged misconduct by the City's Director of the Department of Building Inspections ("DBI"). The allegations involve violations of the City Campaign and Conduct Code and DBI's Code of Professional Conduct by the Director by (i) providing intentional and preferential treatment to certain permit expeditors, (ii) accepting gifts and dinners in violation of DBI's professional code of conduct, and (iii) otherwise violating City laws and policies by abusing his position to seek positions for his son and son's girlfriend. The Mayor placed the Director of Building Inspection on administrative leave, and he resigned shortly thereafter.

In addition to the joint investigation by the City Attorney's Office and the Controller's Office, the City's Board of Supervisors has initiated a series of public hearings before its Government Audit and Oversight Committee to examine issues raised by the federal complaints. That committee will also consider the Controller's periodic reports. The full Board of Supervisors is considering retaining additional independent services relating to the matters that were the subject of the federal indictment. The City can give no assurance regarding when the City's investigation will be completed or what the outcome will be.

Risk Retention Program

Citywide risk management is coordinated by the Risk Management Division which reports to the Office of the City Administrator. With certain exceptions, it is the general policy of the City not to purchase commercial liability insurance for the risks of losses to which it is exposed but rather to first evaluate self-insurance for such risks. The City believes that it is more economical to manage its risks internally and administer, adjust, settle, defend, and pay claims from budgeted resources (i.e., "self-insurance"). The City obtains commercial insurance in certain circumstances, including when required by bond or lease financing covenants and for other limited purposes. The City actuarially determines liability and workers'

compensation risk exposures as permitted under State law. The City does not maintain commercial earthquake coverage, with certain minor exceptions.

The City's decision to obtain commercial insurance depends on various factors including whether the facility is currently under construction or if the property is owned by a self-supporting enterprise fund department. For new construction projects, the City has utilized traditional insurance, owner-controlled insurance programs or contractor-controlled insurance programs. Under the latter two approaches, the insurance program provides coverage for the entire construction project. When a traditional insurance program is used, the City requires each contractor to provide its own insurance, while ensuring that the full scope of work be covered with satisfactory limits. The majority of the City's commercial insurance coverage is purchased for enterprise fund departments and other similar revenue-generating departments (i.e. the Airport, MTA, the PUC, the Port and Convention Facilities, etc.). The remainder of the commercial insurance coverage is for General Fund departments that are required to provide coverage for bond-financed facilities, coverage for collections at City-owned museums and to meet statutory requirements for bonding of various public officials, and other limited purposes where required by contract or other agreement.

Through coordination between the City Controller and the City Attorney's Office, the City's general liability risk exposure is actuarially determined and is addressed through appropriations in the City's budget and also reflected in the CAFR. The appropriations are sized based on actuarially determined anticipated claim payments and the projected timing of disbursement.

The City actuarially estimates future workers' compensation costs to the City according to a formula based on the following: (i) the dollar amount of claims; (ii) yearly projections of payments based on historical experience; and (iii) the size of the department's payroll. The administration of workers' compensation claims, and payouts are handled by the Workers' Compensation Division of the City's Department of Human Resources. The Workers' Compensation Division determines and allocates workers' compensation costs to departments based upon actual payments and costs associated with a department's injured workers' claims. Statewide workers' compensation reforms have resulted in some City budgetary savings in recent years. The City continues to develop and implement programs to lower or mitigate workers' compensation costs. These programs focus on accident prevention, transitional return to work for injured workers, improved efficiencies in claims handling and maximum utilization of medical cost containment strategies.

The City's estimated liability and workers' compensation risk exposures are summarized in Note 18 to the City's CAFR for Fiscal Year ended June 30, 2019.

**[\$Par Amount]
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

**[\$Par Amount]
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)**

PURCHASE CONTRACT

_____, 2020

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 336
San Francisco, California 94102

Ladies and Gentlemen:

The undersigned [Representative] (“Representative”), on its own behalf and as representative of [Underwriters] (“Underwriters”), offers to enter into the following agreement with the City and County of San Francisco (“City”). Upon the acceptance of this offer by the City, this Purchase Contract will be binding upon the City and the Underwriters. This offer is made subject to the acceptance of this Purchase Contract by the City on or before 5:00 P.M. California time on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice (by facsimile transmission or otherwise) from the Representative delivered to the City at any time prior to the acceptance of this Purchase Contract by the City. If the Underwriters withdraw this offer, or the Underwriters’ obligation to purchase the general obligation bonds captioned above is otherwise terminated pursuant to Section 11(c) hereof, then and in such case the City shall be without any further obligation to the Underwriters, including the payment of any costs set forth under Section 12(b) hereof, and the City shall be free to sell the Bonds to any other party.

Capitalized terms used in this Purchase Contract and not otherwise defined herein shall have the respective meanings set forth for such terms in the Resolutions (as hereinafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth in this Purchase Contract, the Underwriters hereby jointly and severally agree to purchase from the City, and the City agrees to sell and deliver to the Underwriters, all (but not less than all) of the \$[Par Amount] aggregate principal amount of the City’s General Obligation Bonds (Transportation & Road Improvement Bonds, 2014) Series 2020B-1 Bonds (the “2020B-1 Bonds”) and all (but not less than all) of the \$[Par Amount] aggregate principal amount of the City’s General Obligation Bonds (Transportation & Road Improvement Bonds, 2014) Series 2020B-2 Bonds (Taxable) (the “2020B-2 Bonds” and together with the 2020B-1 Bonds, the “Bonds”).

The Bonds shall be dated the date of delivery thereof and shall have the maturities, subject to the right of redemption, and bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto. The purchase price for the Series 2020B-1 Bonds shall be \$[Purchase Price], calculated as the aggregate principal amount of the Bonds in the amount of \$[Par Amount], less [net] original issue discount/plus [net] original issue premium, less an aggregate underwriters' discount in the amount of \$[Underwriter's Discount].

The purchase price for the Series 2020B-2 Bonds shall be \$[Purchase Price], calculated as the aggregate principal amount of the Bonds in the amount of \$[Par Amount], less net original issue discount/plus net original issue premium, less an aggregate underwriters' discount in the amount of \$[Underwriter's Discount].

Interest with respect to the Bonds will be exempt from State of California personal income taxes, all as further described in the Official Statement, dated the date hereof, and relating to the Bonds (as amended and supplemented, the "Official Statement").

Section 2. Official Statement. The City ratifies, approves and confirms the distribution of the preliminary Official Statement with respect to the Bonds, dated [POS Date] (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "Preliminary Official Statement"), in connection with the offering and sale of the Bonds by the Underwriters prior to the availability of the Official Statement. The City represents that the Preliminary Official Statement was deemed final as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Corporation under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings and other terms of the Bonds dependent on such matters.

The City shall provide the Underwriters, within 7 business days after the date hereof (but in any event at least 2 business days prior to the Closing Date (as defined herein)) with a reasonable number of copies of the Official Statement in the form of the Preliminary Official Statement with such changes thereto as have been approved by the Representative (which approval shall not be unreasonably withheld), as requested by the Representative, for distribution. The City authorizes and approves the distribution by the Underwriters of the Official Statement in connection with the offering and sale of the Bonds. The City authorizes the Representative to file, and the Representative hereby agrees to file at or prior to the Closing Date (as defined herein), the Official Statement with Municipal Securities Rulemaking Board Rule G-32 ("MSRB"), or its designees. The Official Statement, including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing Date is herein referred to as the "Official Statement."

Section 3. The Bonds and City Documents. The Bonds shall be as described in and shall be issued and secured under the provisions of the following resolutions (the "Resolutions"):

- Resolution No. 193-15 Issuance of General Obligation Bonds – Transportation and Road Improvement Bonds – Not to Exceed \$500,000,000 (the "Master Resolution"), providing for the issuance of City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014) in

the amount of \$500,000,000, adopted by the Board of Supervisors of the City (the “Board of Supervisors”) on June 2, 2015; and

- Resolution No, ____-20, authorizing the issuance and sale of not to exceed \$[PAR] aggregate principal amount of the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B; prescribing the form and terms of such bonds; authorizing the execution, authentication, an registration of such bonds; providing for the appointment of depositories and other agents for such bonds; providing for the establishment of accounts and/or subaccounts related to such bonds; providing for the manner of sale of such bonds by either competitive or negotiated sale; approving the forms of the Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell bonds; approving the form of the Purchase Contract; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of such bonds; approving the form of the Continuing Disclosure Certificate; authorizing and approving modifications to documents; declaring the City’s official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Report; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary action in connection with the authorization, issuance, sale and delivery of such bonds, as defined herein.

Section 4. Description of the Bonds. The Bonds shall be payable, and shall be subject to prepayment prior to their respective stated maturities, as provided in the Resolutions and as described in the Official Statement. The Bonds are secured by *ad valorem* taxes that the Board of Supervisors of the City has the power and is obligated, and under the Resolutions has covenanted, to levy without limitation as to rate or amount upon all property subject to taxation by the City (except certain property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds when due.

Section 5. Purpose of the Bonds. The Bonds are being issued for the purpose of providing funds to (a) finance certain public improvement projects and (b) pay costs of issuance of the Bonds. This Purchase Contract and the Continuing Disclosure Certificate are sometimes referred to in this Purchase Contract as the “City Documents.”

Section 6. City Representations, Covenants and Agreements. The City represents and covenants and agrees with each of the Underwriters that as of the date hereof:

- (a) The City has full legal right, power and authority to enter into the City Documents, to approve the Resolutions, and to observe, perform and consummate the covenants, agreements and transactions contemplated by the City Documents and the Resolutions; by all necessary official action of the City, the City has duly adopted the Resolutions prior to or concurrently with the acceptance hereof and has approved the Preliminary Official Statement and the Official Statement; the Resolutions are in full force and effect and have not been amended, modified, rescinded or challenged by referendum; the City has duly authorized and approved the execution and delivery of, and the

performance by the City of its obligations contained in, the Resolutions and the City Documents; the City has duly authorized and approved the execution and delivery of the Official Statement; and the City is in compliance in all material respects with the obligations in connection with the execution and delivery of the Bonds on its part contained in the Resolutions and the City Documents.

(b) As of the date thereof, the Preliminary Official Statement (except for information regarding The Depository Trust Company (“DTC”) and its book-entry only system) did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(c) From the date of delivery of the Official Statement (as hereinafter defined) up to and including the end of the underwriting period (as such term is defined in Rule 15c2-12), the Official Statement (except for information regarding DTC and its book-entry only system) does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. For purposes of this Purchase Contract, the end of the underwriting period shall be deemed to be the Closing Date (as hereinafter defined), unless the Underwriters notify the City to the contrary on or prior to such date.

(d) If the Official Statement is supplemented or amended pursuant to Section 6(e), at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including the Closing Date or the end of the underwriting period, as the case may be, the Official Statement as so supplemented or amended (except for information regarding DTC and its book-entry only system) will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(e) If between the date of delivery of the Official Statement and the date that is twenty-five days after the end of the underwriting period (i) any event occurs or any factor condition becomes known to the City that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Representative thereof, and (ii) if in the reasonable opinion of the City or the Representative such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Representative, which approval shall not be unreasonably withheld.

(f) The City is not in material violation of, or in material breach of or in material default under, any applicable constitutional provision, charter provision, law or administrative regulation or order of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, or other agreement or instrument to which the City is a party or to which the City or any of its properties is otherwise subject, and no event has occurred and is continuing which, with

the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument; and the execution and delivery of the City Documents, the adoption of the Resolutions and compliance with the provisions of the City Documents and the Resolutions will not conflict with or constitute a material breach of or material default under any constitutional provision, charter provision, law, administrative regulation, order, judgment, court decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is subject, or by which it or any of its properties is bound, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its properties or under the terms of any such law, regulation or instrument, except as permitted by the City Documents and the Resolutions.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending, with service of process having been accomplished, or to the best knowledge of the City after due inquiry, threatened by a prospective party or their counsel in writing addressed to the City, (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) in any way contesting, affecting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or the payment of the principal and interest with respect to the Bonds, or the application of the proceeds of the Bonds; (iii) in any way contesting or affecting the validity of the Bonds or the tax-exempt status of the interest on the Bonds, the Resolutions, or the City Documents, or contesting the powers of the City or any authority for the execution and delivery of the Bonds, the approval of the Resolutions or the execution and delivery by the City of the City Documents or the Official Statement; (iv) which would likely result in any material adverse change relating to the business, operations or financial condition of the City or the City's ability to levy and collect the *ad valorem* property taxes securing the Bonds, or otherwise satisfy its payment obligations with respect to the Bonds; or (v) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(h) The City will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the City in cooperation with the Representative as may be reasonably requested (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Representative, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, that the City shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(i) The City Documents, when executed or adopted by the City, and the Bonds, when duly authenticated and delivered, will be legal, valid and binding obligations of the City enforceable in accordance with their respective terms, subject to bankruptcy,

insolvency, reorganization, moratorium, other laws affecting creditors' rights generally, and to limitations on remedies against cities and counties under California law.

(j) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the City of, its respective obligations under City Documents and the Resolutions have been duly obtained or when required for future performance are expected to be obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(k) The financial statements of the City for the fiscal year ended June 30, 2019, set forth as an Appendix to the Official Statement fairly present the financial position of the City as of the dates indicated and the results of its operations, the sources and uses of its cash and the changes in its fund balances for the periods therein specified to the extent included therein and, other than as set forth in the Official Statement, were prepared in conformity with generally accepted accounting principles applied on a consistent basis.

(l) The City has never defaulted in the payment of principal or interest with respect to any of its general obligation bonds.

(m) The City will undertake, pursuant to the Resolutions and a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of certain events, if material, pursuant to paragraph (b)(5) of Rule 15c2-12. An accurate description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The City has been and is in compliance with its continuing disclosure obligations under Rule 15c2-12, as described in the Official Statement.

(n) Between the date hereof and the Closing Date, the City will not supplement or amend the City Documents, the Resolutions or the Official Statement in any respect that is material to the obligations of the City under this Purchase Contract without the prior written consent of the Representative, which consent shall not be unreasonably withheld.

Section 7. Underwriters' Representations, Covenants and Agreements. Each of the Underwriters represents and covenants and agrees with the City that:

(a) The Representative has been duly authorized to enter into this Purchase Contract and to act hereunder by and on behalf of the Underwriters. Any authority, discretion or other power conferred upon the Underwriters by this Purchase Contract may be exercised jointly by all of the Underwriters or by the Representative on their behalf.

(b) It shall comply with the San Francisco Business Tax Resolution and shall, if not otherwise exempt from such Resolution, provide to the City a Business Tax Registration Certificate on or prior to the date hereof.

(c) It shall comply with Chapter 12B of the San Francisco Administrative Code,

entitled “Nondiscrimination in Contracts,” which is incorporated herein by this reference.

Section 8. Offering. It shall be a condition to the City’s obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters’ obligations to purchase and to accept delivery of the Bonds that the entire \$[Par Amount] aggregate principal amount of the Bonds shall be issued, sold and delivered by or at the direction of the City and purchased, accepted and paid for by the Underwriters at the Closing. On or prior to the Closing, the Representative will provide the City with information regarding the reoffering prices and yields on the Bonds, in such form as the City may reasonably request.

The Underwriters agree to make a bona fide public offering of all the Bonds, at prices not in excess of the initial public offering prices as set forth in the Official Statement. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering price stated on the cover of the Official Statement. Each of the Underwriters will provide, consistent with the requirements of MSRB, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the underwriting period. Each of the Underwriters further agree that it will comply with applicable laws and regulations, including without limitation Rule 15c2-12, in connection with the offering and sale of the Bonds.

[Section 9. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the City in establishing the issue price of the Series 2020B-1 Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit C**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the City and Co-Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices of the Bonds to the public.

(b) The City will treat the first price at which 10% of each maturity of the Series 2020B-1 Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Schedule I attached hereto sets forth the maturities of the Bonds for which the 10% test has been satisfied as of the date of this Purchase Contract (the “10% Test Maturities”) and the prices at which the Underwriters have sold such 10% Test Maturities to the public.

The City acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2020B-1 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2020B-1 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2020B-1 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of Series 2020B-1 Bonds to the public, the agreement of each broker-dealer that is a

party to such agreement to comply with the requirements for establishing issue price of the Series 2020B-1 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires.

(c) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of Series 2020B-1 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A)(i) report the prices at which it sells to the public the unsold Series 2020B-1 Bonds of any maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020B-1 Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2020B-1 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires,

(B) to promptly notify the Representative of any sales of Series 2020B-1 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2020B-1 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of Series 2020B-1 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of Series 2020B-1 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020B-1 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2020B-1 Bonds of that maturity allocated to it have been sold or until it is notified by the Representative or the Underwriter or dealer that the 10% test has been satisfied as to Series 2020B-1 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set

forth in the related pricing wires.

(d) The Underwriters acknowledge that sales of any Series 2020B-1 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of Series 2020B-1 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of Series 2020B-1 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of Series 2020B-1 Bonds to the public),

(iii) a purchaser of any of Series 2020B-1 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties.]

Section 10. Closing. At [8:30] a.m., California time, on [Closing Date], or at such other time as shall have been mutually agreed upon by the City and the Representative (the “Closing Date” or the “Closing”), the City will deliver or cause to be delivered to the account of the Representative (through DTC) the Bonds duly executed on behalf of the City, together with the other certificates, opinions and documents set forth in Section 11(d); and the Representative will accept such delivery (through DTC) and pay by wire transfer the purchase price of the Bonds set forth in Section 1.

Payment for the delivery of the Bonds shall be coordinated at the offices of Orrick, Herrington & Sutcliffe LLP, in San Francisco, California, or at such other place as may be mutually agreed upon by the City and the Underwriters. Such payment and delivery is called the “Closing.” The Representative shall order CUSIP identification numbers and the City shall cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print any such number

on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Representative to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Contract. Physical delivery of the Bonds shall be made to the City Treasurer, as agent for DTC under the Fast Automated Securities Transfer System, or as otherwise instructed by the Underwriters, and will be in printed form, will be prepared and delivered in registered form and will be registered in the name of Cede & Co., as nominee of DTC. The Bonds will be made available to the Representative for checking not less than 2 business days prior to the Closing.

Section 11. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of the obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the Closing, and the Underwriters' obligations under this Purchase Contract are and shall also be subject to the following conditions:

(a) the representations and warranties of the City herein shall be true, complete and correct on the date thereof and on and as of the Closing Date, as if made on the Closing Date;

(b) at the time of the Closing, the City Documents shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to by the Representative;

(c) (1) the Underwriters shall have the right to cancel their obligation to purchase the Bonds by written notification from the Representative to the City if at any time after the date of this Purchase Contract and prior to the Closing:

(i) any event shall have occurred or any fact or condition shall have become known which, in the sole reasonable judgment of the Underwriters following consultation with the City, Co-Bond Counsel and Disclosure Counsel (both as hereinafter defined), either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; or

(ii) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission (SEC) which in the reasonable opinion of the Underwriters has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Resolutions under the Trust Indenture Act of 1939, as amended, or any laws analogous thereto relating to governmental bodies; or

(iii) any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or

the charge to the net capital requirements of, the Underwriters.

(iv) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(2) The Underwriters shall have the further right to cancel their obligation to purchase the Bonds by written notification from the Representative to the City if at any time after the date of this Purchase Contract and prior to the Closing any of the following occurs and in the reasonable judgment of the Representative would have the effect of materially adversely affecting, directly or indirectly, the market price or marketability of the Bonds, the ability of the Underwriters to enforce contracts for the Bonds or the sale at the contemplated offering price by the Underwriters of the Bonds:

(i) there shall have occurred any materially adverse change in the affairs or financial condition of the City, except for changes which the Official Statement discloses are expected to occur;

(ii) there shall have occurred or any notice shall have been given of any, downgrading, suspension, withdrawal, or negative change in credit watch status by Moody's Investors Service, S&P Global Ratings and Fitch Ratings Inc. or any other national rating service to any of the City's obligations (including the ratings to be accorded the Bonds);

(iii) any proceeding shall have been commenced or be threatened in writing by the SEC against the City;

(iv) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the California legislature or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to the California legislature or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or

other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived pursuant to the Resolutions which may have the purpose or effect, directly or indirectly, of affecting the tax status of the City, its property or income, its securities (including the Bonds) or any tax exemption granted or authorized by State of California legislation or, in the reasonable judgment of the Representative, materially and adversely affecting the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(v) the declaration of war or engagement in, or escalation of, military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government of, or the financial community in, the United States;

(vi) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or the establishment of minimum prices on such national securities exchanges, or the establishment of material restrictions (not in force as the date hereof) upon trading securities generally by any governmental authority or any national securities exchange or a material disruption in commercial banking or securities settlement or clearances services shall have occurred; or

(vii) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the SEC, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the delivery, offering or sale of obligations of the general character of the Bonds, or the delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(vii) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriters;

(viii) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

(d) at or prior to the Closing, the Underwriters shall have received each of the following documents:

(1) the Official Statement, together with any supplements or amendments thereto in the event the Official Statement has been supplemented or amended, with the Official Statement and each supplement or amendment (if any) signed on behalf of the City by its authorized officer;

(2) copies of the adopted Resolutions, certified by the Clerk of the Board of Supervisors as having been duly enacted by the Board of Supervisors of the City and as being in full force and effect;

(3) a certificate of the City executed by its authorized officer(s), substantially in the form attached hereto as **Exhibit B**;

(4) an opinion of the City Attorney of the City addressed solely to the City substantially in the form acceptable to Underwriters' Counsel;

(5) opinions of Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C. ("Co-Bond Counsel"), in substantially the form set forth in Appendix F to the Official Statement;

(6) supplemental opinions of Co-Bond Counsel, addressed to the City and the Underwriters, dated the Closing Date, to the following effect:

(i) The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," and APPENDIX F—"PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL," insofar as such statements purport to summarize certain provisions of the Bonds and the opinion of Co-Bond Counsel with respect to the exclusion from gross income of interest on the Bonds for federal income tax purposes are accurate in all material respects.

(ii) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended.

(iii) This Purchase Contract and the City Documents have each been duly authorized, executed and delivered by the City and constitute the valid and binding agreements of the City, each enforceable in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other similar laws affecting enforcement of creditors' rights, by the application of equitable principles if equitable remedies are sought and limitations on the enforcement of legal remedies against public agencies in the State.

(7) a Negative Assurance Letter from Hawkins Delafield & Wood LLP and Stradling, Yocca, Carlson & Rauth LLP, Co-Disclosure Counsel, addressed and in form and substance acceptable to the City and the City Attorney, with a reliance letter to the Representative;

(8) a letter of [Underwriters' Counsel], Underwriters' Counsel ("Underwriters' Counsel"), dated the Closing Date and addressed to the Underwriters in form and substance acceptable to the Underwriters;

(9) a Tax Certificate of the City regarding the Series 2020B-1 Bonds, in a form satisfactory to Co-Bond Counsel;

(10) evidence of required filings with the California Debt and Investment Advisory Commission;

(11) evidence satisfactory to the Representative that Moody's Investors Service, Inc., S&P Global Ratings and Fitch Ratings have assigned ratings to the Bonds set forth in the Preliminary Official Statement;

(12) the Continuing Disclosure Certificate duly executed by the City; and

(13) such additional legal opinions, certificates, instruments or other documents as the Representative may reasonably request to evidence the truth and accuracy, as of the date of this Purchase Contract and as of the Closing Date, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the City on or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the City.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Representative and Underwriters' Counsel (provided that the letter described in subsection (d)(7) above shall be deemed satisfactory for purposes of this paragraph). If the City is unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the City shall be under further obligations hereunder, except that the respective obligations of the City and the Underwriters set forth in Section 12 of this Purchase Contract shall continue in full force and effect.

Section 12. Expenses.

(a) Except for those expenses assigned to the Underwriters pursuant to Section 12(b) hereof, the Underwriters shall be under no obligation to pay, and the City shall pay, any expenses incident to the performance of the City's obligations under this Purchase Contract and the fulfillment of the conditions imposed hereunder, including but not limited to: (i) the fees and disbursements of Co-Bond Counsel, Disclosure Counsel and Fieldman, Rolapp & Associates, Inc. (the "Municipal Advisor"); (ii) the fees and disbursements of the City, including the Citizens' Bonds Oversight Committee and the City Services Auditor Fee, any counsel, auditors, engineers, consultants or others retained by the City in connection with the transactions contemplated herein; (iii) the costs of preparing and printing the Bonds; (iv) the costs of the printing of the Official Statement (and any amendment or supplement prepared pursuant to Section 6(e) of this Purchase Contract); and (v) any fees charged by investment rating agencies for the rating of the Bonds. The City shall pay for expenses incurred on behalf of its employees which are directly related to the offering of the Bonds, including, but not limited to, meals, transportation, and lodging of those employees.

(b) The Underwriters shall pay (from the expense component of the underwriting discount) all expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the costs of printing the Blue Sky memorandum used by the Underwriters, (iii) all out-of-pocket disbursements and expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including the fees of the CUSIP Service Bureau for the assignment of CUSIP numbers; and (iv) all other expenses incurred by the Underwriters in connection with the offering and distribution of the Bonds, including the fees and disbursements of Underwriters' Counsel and the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure compliance review. The Underwriters are required to pay fees to the California Debt and Investment Advisory Commission in connection with the offering of the Bonds. Notwithstanding that such fees are solely the legal obligation of the Underwriters, the City agrees to reimburse the Underwriters (by way of paying the expense component of the underwriting discount) for such fees.

Section 13. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City at the address set forth above and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to the Representative.

Section 14. Parties in Interest. This Purchase Contract is made solely for the benefit of the City and the Underwriters (including the successors or assigns of the Underwriters), and no other person shall acquire or have any right hereunder or by virtue of this Purchase Contract. All of the representations, warranties and agreements of the City contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

Section 15. Mandatory City Contracting Provisions. The City Contracting Requirements set forth in **Exhibit A**, attached hereto, are incorporated herein by this reference.

Section 16. Invalid or Unenforceable Provisions. In the event that any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 17. Counterparts. This Purchase Contract may be executed by facsimile transmission and in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Contract by signing any such counterpart.

Section 18. Governing Law; Venue. This Purchase Contract shall be governed by and interpreted under the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Purchase Contract shall be in the City and County of San Francisco.

Section 19. Arm's Length Transaction. The City acknowledges that (i) the purchase and

sale of the Bonds pursuant to this Purchase Contract is an arm's-length, commercial transaction between the City and the Underwriters, (ii) in connection with such transaction and the discussions, undertakings and procedures leading thereto, each Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor, agent or fiduciary of the City and may have financial and other interests that differ from those of the City, irrespective of whether any Underwriter has provided other services or is currently providing other services to the City on other matters; and (iii) the City has consulted with its own legal and financial advisor in connection with the offering of the Bonds.

Section 20. Entire Agreement. This Purchase Contract is the sole agreement of the parties relating to the subject matter hereof and supersedes all prior understandings, writings, proposals, representations or communications, oral or written. This Purchase Contract may only be amended by a writing executed by the authorized representatives of the parties.

Section 21. Headings. The section headings in this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 22. This Purchase Contract shall become effective upon execution of the acceptance of this Purchase Contract by the City and shall be valid and enforceable as of the time of such acceptance.

[Remainder of this Page Intentionally Left Blank]

Very truly yours,

[UNDERWRITERS]

By: [REPRESENTATIVE], as Representative

By: _____
Authorized Officer

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Benjamin Rosenfield
Controller

ACCEPTED at ___ p.m. Pacific Time this ___ day of ____, 2020

APPROVED AS TO FORM:

DENNIS J. HERRERA,
CITY ATTORNEY

By: _____
MARK D. BLAKE
Deputy City Attorney

SCHEDULE I

**\$ _____
Series 2020B-1 Bonds**

<u>Maturity Date</u> <u>(June 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
--	-----------------------------------	----------------------	--------------	--------------

\$ _____ % Term Bonds Due _____ 1, 20__, Yield: _____%, Price: _____%

\$ _____ % Term Bonds Due _____ 1, 20__, Yield: _____%, Price: _____%

**\$ _____
Series 2020B-2 Bonds (Taxable)**

<u>Maturity Date</u> <u>(June 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
--	-----------------------------------	----------------------	--------------	--------------

\$ _____ % Term Bonds Due _____ 1, 20__, Yield: _____%, Price: _____%

\$ _____ % Term Bonds Due _____ 1, 20__, Yield: _____%, Price: _____%

REDEMPTION PROVISIONS

Optional Redemption of the Bonds

The Series 2020B-1 Bonds maturing on or before June 15, 20__ will not be subject to optional redemption prior to their respective stated maturity dates. The Series 2020B-1 Bonds maturing on or after June 15, 20__ will be subject to optional redemption prior to their respective stated maturity dates, at the option of the City, from any source of available funds, as a whole or in part on any date, on or after June 15, 20__, at the redemption price equal to the principal amount of the Bonds redeemed, together with accrued interest to the date fixed for redemption (the "Redemption Date"), without premium.

[The Series 2020B-1 Bonds will not be subject to optional redemption prior to maturity.]

Mandatory Redemption

The Series 2020B-1 Bonds maturing on June 15, 20__ will be subject to mandatory sinking fund redemption prior to their stated maturity date, on each June 15, as shown in the table below, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium.

Mandatory Sinking Fund Redemption Date (June 15)	Sinking Fund Payment Principal Amount
_____	_____
	\$

† _____
Maturity

EXHIBIT A

CITY CONTRACTING REQUIREMENTS

Each underwriter shall comply with the following provisions of this Purchase Contract as if set forth in the text thereof. Capitalized terms used but not defined in this exhibit shall have the meanings given in the Purchase Contract.

1. Nondiscrimination; Penalties.

(a) *Non Discrimination in Contracts.* Each Underwriter shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Each Underwriter shall incorporate by reference in any subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require any subcontractors to comply with such provisions. Each Underwriter is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

(b) *Nondiscrimination in the Provision of Employee Benefits.* San Francisco Administrative Code 12B.2. Each Underwriter does not as of the date of this Purchase Contract, and will not during the term of this Purchase Contract, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

(c) *Condition to Contract.* As a condition to the Purchase Contract, each Underwriter shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

2. MacBride Principles—Northern Ireland. The provisions of San Francisco Administrative Code §12F are incorporated by this reference and made part of this Purchase Contract. By entering into this Purchase Contract, each Underwriter confirms that it has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

3. Tropical Hardwood and Virgin Redwood Ban. Under San Francisco Environment Code Section 804(b), the City urges each Underwriter not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

4. Alcohol and Drug-Free Workplace. The City reserves the right to deny access to, or require each Underwriter to remove from, City facilities personnel of such Underwriter who the City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs the City’s ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. The City shall have the right of final approval

for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

5. Compliance with Americans with Disabilities Act. Each Underwriter shall provide the services specified in the Purchase Contract in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

6. Sunshine Ordinance. Each Underwriter acknowledges that this Purchase Contract and all records related to its formation, such Underwriter's performance of services provided under the Purchase Contract, and the City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

7. Limitations on Contributions. By executing this Purchase Contract, each Underwriter acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or the board of a state agency on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The prohibition on contributions applies to each prospective party to the contract; each member of each Underwriter's board of directors; each Underwriter's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in such Underwriter; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Underwriter. Each Underwriter must inform each such person of the limitation on contributions imposed by Section 1.126 and provide the names of the persons required to be informed to City.

8. Requiring Minimum Compensation for Covered Employees. Each Underwriter shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12P. By entering into this Purchase Contract, each Underwriter certifies that it is in compliance with Chapter 12P.

9. Requiring Health Benefits for Covered Employees. Each Underwriter shall comply with San Francisco Administrative Code Chapter 12Q. Each Underwriter shall choose and perform one of the Health Care Accountability options set forth in San Francisco Administrative

Code Chapter 12Q.3. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12Q.

10. Prohibition on Political Activity with City Funds. In performing the services provided under the Purchase Contract, each Underwriter shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Purchase Contract from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12G.

11. Nondisclosure of Private, Proprietary or Confidential Information. If this Purchase Contract requires the City to disclose “Private Information” to an Underwriter within the meaning of San Francisco Administrative Code Chapter 12M, each Underwriter shall use such information consistent with the restrictions stated in Chapter 12M and in this Purchase Contract and only as necessary in performing the services provided under the Purchase Contract. Each Underwriter is subject to the enforcement and penalty provisions in Chapter 12M.

In the performance of services provided under the Purchase Contract, each Underwriter may have access to the City’s proprietary or confidential information, the disclosure of which to third parties may damage the City. If the City discloses proprietary or confidential information to an Underwriter, such information must be held by such Underwriter in confidence and used only in performing the Purchase Contract. Each Underwriter shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or confidential information.

12. Consideration of Criminal History in Hiring and Employment Decisions. Each Underwriter agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Purchase Contract. The text of Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of the Underwriters’ obligations under Chapter 12T is set forth in this Section. Each Underwriter is required to comply with all of the applicable provisions of Chapter 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Purchase Contract shall have the meanings assigned to such terms in Chapter 12T.

The requirements of Chapter 12T shall only apply to an Underwriter’s operations to the extent those operations are in furtherance of the performance of this Purchase Contract, shall apply only to applicants and employees who would be or are performing work in furtherance of this Purchase Contract, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

13. Submitting False Claims; Monetary Penalties. The full text of San Francisco Administrative Code §§ 21.35, including the enforcement and penalty provisions, is incorporated

into this Purchase Contract. Under San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

15. Conflict of Interest. By entering into the Purchase Contract, each Underwriter certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 et seq.), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 et seq.), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Purchase Contract.

16. Assignment. The services provided under the Purchase Contract to be performed by each Underwriter are personal in character and neither this Purchase Contract nor any duties or obligations may be assigned or delegated by an Underwriter unless first approved by the City by written instrument executed and approved in the same manner as this Purchase Contract. Any purported assignment made in violation of this provision shall be null and void.

17. Food Service Waste Reduction Requirements. Each Underwriter shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the provided remedies for noncompliance.

18. Cooperative Drafting. This Purchase Contract has been drafted through a cooperative effort of the City and the Underwriters, and all parties have had an opportunity to have the Purchase Contract reviewed and revised by legal counsel. No party shall be considered the drafter of this Purchase Contract, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Purchase Contract.

19. Sugar-Sweetened Beverage Prohibition. Each Underwriter agrees that it will not sell, provide, or otherwise distribute Sugar-Sweetened Beverages, as defined by San Francisco Administrative Code Chapter 101, as part of its performance of this Purchase Contract.

20. First Source Hiring Program. Each Underwriter must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Purchase Contract, and each Underwriter is subject to the enforcement and penalty provisions in Chapter 83.

21. Laws Incorporated by Reference. The full text of the laws listed in this Exhibit A, including enforcement and penalty provisions, are incorporated into this Purchase Contract by reference. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Exhibit A are available at www.sfgov.org under “Open Gov.”

EXHIBIT B

FORM OF CERTIFICATE OF THE CITY

**\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

**\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)**

The undersigned Mayor, Controller and Treasurer, respectively, of the City and County of San Francisco (“City”), acting in their official capacities, hereby certify as follows in connection with the issuance, sale and delivery of the general obligation bonds captioned above (“Bonds”):

1. The City is a chartered city and county duly organized and validly existing under its Charter and the Constitution of the State of California (“State”), with full right, power and authority to (a) manage, control, hold and convey property for the use and benefit of the City, and (b) enter into and perform all of the transactions contemplated by the Resolutions (defined below), the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) executed by the City and the Purchase Contract, dated [Sale Date] (the “Purchase Contract”), executed by the City and [Underwriters]. The Resolutions, the Continuing Disclosure Certificate and the Purchase Contract are sometimes referred to in this Certificate as the “City Documents.” Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Purchase Contract.

2. The representations and warranties of the City contained in the Purchase Contract are true, complete and correct as of the Closing Date as if made on such Closing Date.

3. The City has duly authorized the execution and delivery of the City Documents and the Official Statement, has duly executed and delivered the City Documents and the Official Statement, and is authorized to perform the obligations on its part to be performed under the City Documents; and each of the City Documents constitutes the legal, valid and binding obligation of the City enforceable against the City in accordance with its respective terms.

4. The City is not in breach of or in default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, note, ordinance, resolution, agreement or other instrument to which the City is party or otherwise subject, which breach or default would in any way materially and adversely affect the City Documents or the performance of any of the City’s obligations thereunder. No event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default. The execution and delivery by the City of the City Documents and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree or any agreement or other instrument to which the City is a party or is otherwise subject; nor will any such execution, delivery or compliance

* Preliminary, subject to change.

result in the creation or imposition of any lien, charge, encumbrance or security interest of any nature whatsoever upon any of the revenues, property or assets of the City, except as expressly provided or permitted by the Resolutions.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands.

Dated: _____, 2020.

CITY AND COUNTY OF SAN FRANCISCO

By: _____

London N. Breed
Mayor

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Benjamin Rosenfield
Controller

CITY AND COUNTY OF SAN FRANCISCO

By: _____

José Cisneros
Treasurer

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

[TO COME]

NOTICE OF INTENTION TO SELL

\$ _____*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION AND ROAD
IMPROVEMENT BONDS, 2014),
SERIES 2020B-1

\$ _____*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION AND ROAD
IMPROVEMENT BONDS, 2014),
SERIES 2020B-2 (TAXABLE)

NOTICE IS HEREBY GIVEN that the City and County of San Francisco (the “City”) intends to offer the above-captioned general obligation bonds (the “Bonds”) for public sale on _____, 2020:

at __:00 a.m. (California time) at __:30 a.m. (California time)
Series 2020B-1 Bonds Series 2020B-2 Bonds

**(subject to modification, postponement or cancellation in accordance
with the Official Notice of Sale)**

by electronic bids **only**
through Ipreo LLC’s BiDCOMP™/PARITY® System (“Parity”).

The City reserves the right to postpone or cancel the sale of the Bonds or to change the terms thereof upon notice given through Thomson Reuters and Bloomberg Business News (collectively, the “News Services”) and/or Parity. If no bid is awarded for the Bonds, the City may reschedule the sale of the Bonds to another date or time by providing notification through Parity and/or the News Services.

The Bonds will be offered for public sale subject to the terms and conditions of the Official Notice of Sale, dated on or around _____, 2020 (the “Official Notice of Sale”) relating to the Bonds. Additional information regarding the proposed sale of the Bonds, including copies of the Preliminary Official Statement for the Bonds, dated on or around _____, 2020 (the “Preliminary Official Statement”), and the Official Notice of Sale, are expected to be available electronically at Ipreo Prospectus: www.i-dealprospectus.com on or around _____, 2020, and may also be obtained from the City’s Municipal Advisor: Fieldman, Rolapp & Associates, Inc., 19900 MacArthur Blvd., Suite 1100, Irvine, CA 92612, Telephone: (949) 660-7308, Attention: Anna Sarabian (email: avr@fieldman.com). Failure of any bidder to receive such notice shall not affect the legality of the sale.

Other than with respect to postponement or cancellation as described above, the City reserves the right to modify or amend the Official Notice of Sale in any respect, as more fully described in the Official Notice of Sale; provided, that any such modification or amendment will be communicated to potential bidders through Parity and/or the News Services not later than 1:00 p.m. (California time) on the business day preceding the date for receiving bids for the Bonds or as otherwise described in the Official Notice of Sale. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale. The City reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid which does not materially affect such bid or change the ranking of the bids.

Dated: _____, 2020

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

**[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

**[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)**

The City and County of San Francisco will receive electronic bids for the above-referenced Bonds at the place and up to the time specified below:

SALE DATE: _____, 2020*
(Subject to postponement, cancellation, modification or amendment in accordance with this Official Notice of Sale)

TIME: ____:00 a.m.* , California time for the Series 2020B-1 Bonds

____:30 a.m.* , California time for the Series 2020B-2 Bonds

PLACE: Controller's Office of Public Finance
1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102

DELIVERY DATE: _____, 2020*

* Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)

NOTICE IS HEREBY GIVEN that electronic bids will be received in the manner described herein through the Ipreo LLC's BiDCOMPTM/PARITY[®] System ("Parity") at www.newissuehome.i-deal.com for the purchase of all, but not less than all, of the above-captioned General Obligation Bonds (collectively, the "Bonds" and individually each series thereof, the "Series") of the City and County of San Francisco ("City") as more particularly described herein. Bidding procedures and sale terms are as follows:

Issue: The Bonds of each Series are described in the City's Preliminary Official Statement for the Bonds dated _____, 2020* ("Preliminary Official Statement").

Time: Bids for the Series 2020B-1 Bonds must be received electronically by _:00 a.m., California time, on _____, 2020 (subject to postponement or cancellation in accordance with this Official Notice of Sale).

Bids for the Series 2020B-2 Bonds must be received electronically by _:30 a.m., California time, on _____, 2020 (subject to postponement or cancellation in accordance with this Official Notice of Sale).

Place: Bidders may submit electronic bids only in the manner and subject to the terms and conditions described under "TERMS OF SALE - Form of Bids; Delivery of Bids" below, but no bid will be received after the time for receiving bids specified above.

THE RECEIPT OF BIDS ON _____, 2020* MAY BE POSTPONED OR CANCELLED AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED BY THE CITY THROUGH THOMSON REUTERS AND/OR BLOOMBERG BUSINESS NEWS (COLLECTIVELY, THE "NEWS SERVICES") AND/OR PARITY (AS DESCRIBED IN "TERMS OF SALE - FORM OF BIDS; DELIVERY OF BIDS" BELOW) AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION. Notice of the new date and time for receipt of bids shall be given through Parity and/or the News Services as soon as practicable following a postponement and no later than 1:00 p.m., California time, on the business day preceding the new date for receiving bids.

* Preliminary, subject to change.

As an accommodation to bidders, notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from:

Fieldman, Rolapp & Associates, Inc.
19900 MacArthur Blvd., Suite 1100
Irvine, CA 92612
Telephone: (949) 660-7308
Fax: (949) 474-8773
Attention: Anna Sarabian
Email: avr@fieldman.com

(“Municipal Advisor”), provided, however, that failure of any bidder to receive such supplemental notice shall not affect the sufficiency of any such notice or the legality of the sale. See “TERMS OF SALE - Postponement or Cancellation of Sale.”

The City reserves the right to modify or amend this Official Notice of Sale in any respect, including, without limitation, increasing or decreasing the principal amounts of any serial maturity or mandatory sinking fund payment for a Series of the Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment dates, along with corresponding principal amounts with respect thereto; provided, that any such modification or amendment will be communicated to potential bidders through the News Services and/or Parity not later than 1:00 p.m., California time, on the business day preceding the date for receiving bids. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale. Bidders are required to bid upon the Bonds as so modified or amended. See “TERMS OF SALE - Right to Modify or Amend.”

Bidders are referred to the Preliminary Official Statement for additional information regarding the City, the Bonds, the security for the Bonds and other matters. See “CLOSING PROCEDURES AND DOCUMENTS - Official Statement.” Capitalized terms used and not defined in this Official Notice of Sale shall have the meanings ascribed to them in the Preliminary Official Statement.

This Official Notice of Sale will be submitted for posting to Parity (as described in “TERMS OF SALE - Form of Bids; Delivery of Bids” below). In the event the summary of the terms of sale of the Bonds posted on Parity conflicts with this Official Notice of Sale in any respect, the terms of this Official Notice of Sale shall control, unless a notice of an amendment is given as described herein.

TERMS RELATING TO THE BONDS

THE AUTHORITY FOR ISSUANCE, PURPOSES, PAYMENT OF PRINCIPAL AND INTEREST, REDEMPTION, DEFEASANCE, SOURCES AND USES OF FUNDS, SECURITY AND SOURCES OF PAYMENT, FORM OF LEGAL OPINIONS OF CO-BOND COUNSEL AND OTHER INFORMATION REGARDING THE BONDS ARE PRESENTED IN THE PRELIMINARY OFFICIAL STATEMENT, WHICH EACH BIDDER IS DEEMED TO HAVE OBTAINED AND REVIEWED PRIOR TO BIDDING FOR THE BONDS. THIS OFFICIAL NOTICE OF SALE GOVERNS ONLY THE TERMS OF SALE, BIDDING, AWARD AND CLOSING PROCEDURES FOR THE BONDS. THE

DESCRIPTION OF THE BONDS CONTAINED IN THIS OFFICIAL NOTICE OF SALE IS QUALIFIED IN ALL RESPECTS BY THE DESCRIPTION OF THE BONDS CONTAINED IN THE PRELIMINARY OFFICIAL STATEMENT.

Issue. Each Series of the Bonds will be issued as fully registered bonds without coupons in book-entry form in denominations of \$5,000 or any integral multiple of that amount, as designated by the winning bidder of such Series of the Bonds (each, a “Purchaser”). The Bonds will be dated the date of delivery, which is expected to be May 28, 2020*. If the sale is postponed, notice of the new date of the sale will also set forth the new expected date of delivery of the Bonds.

Book-Entry Only. The Bonds will be registered in the name of a nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only, and the Purchaser will not receive certificates representing its interest in the Bonds purchased. As of the date of award of the Bonds, the Purchaser must either participate in DTC or must clear through or maintain a custodial relationship with an entity that participates in DTC.

Interest Rates. Interest on the Bonds will be payable on December 15, 2020, and semi-annually thereafter on June 15 and December 15 of each year (each an “Interest Payment Date”). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months from the dated date of the Bonds. Bidders may specify any number of separate rates, and the same rate or rates may be repeated as often as desired, provided:

- (i) each interest rate specified in any bid for the Bonds must be a multiple of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%) per annum;
- (ii) the maximum interest rate bid for any maturity shall not exceed ___% per annum;
- (iii) no Bond shall bear a zero rate of interest;
- (iv) each Bond shall bear interest from its dated date to its stated maturity date at the single rate of interest specified in the bid; and
- (v) all Bonds maturing at any one time shall bear the same rate of interest.

See the Preliminary Official Statement – “THE BONDS - Payment of Principal and Interest.”

Purchase Price: The purchase price of the Bonds shall not be less than ___%, nor greater than ___%, of the par amount of the Bonds.

Principal Payments of the Bonds. Subject to the City’s right to modify or amend this Official Notice of Sale (see “TERMS OF SALE - Right to Modify or Amend”), and to adjustment as provided in this Official Notice of Sale (see “–Adjustment of Principal Payments”), the principal amount of the serial maturity or mandatory sinking fund payment for the Bonds in each year is as follows:

* Preliminary, subject to change.

Maturity Date (June 15)	Principal Amount
—	\$[TO COME]

Adjustment of Principal Payments. The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the City with respect to the likely interest rates of the winning bid and the premium contained in the winning bid. The City reserves the right to change the principal payment schedule set forth above for a Series of Bonds after the determination of the winning bidder therefor, by adjusting one or more of the principal payments of such Series of Bonds, in increments of \$5,000 or to eliminate maturities in their entirety, as determined in the sole discretion of the City. Any such adjustment of principal payments with respect to a Series of Bonds shall be based on the schedule of principal payments provided by the City to be used as the basis of bids for such Series of Bonds. Any such adjustment will not change the average per Bond dollar amount of the applicable underwriter’s discount. Any such adjustment will be communicated to the winning bidder within 24 hours after receipt of such bid by the City. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and no winning bid may be withdrawn.

See also “TERMS OF SALE - Right to Modify or Amend,” regarding the City’s right to modify or amend this Official Notice of Sale in any respect including, without limitation, increasing or decreasing the principal amount of any serial maturity or mandatory sinking fund payment for any Series of Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment dates, along with corresponding principal amounts with respect thereto.

A BIDDER AWARDED A SERIES OF BONDS BY THE CITY WILL NOT BE PERMITTED TO WITHDRAW ITS BID, CHANGE THE INTEREST RATES IN ITS BID OR THE REOFFERING PRICES IN ITS ISSUE PRICE CERTIFICATE AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL PAYMENTS OF SUCH BONDS IN ACCORDANCE WITH THIS OFFICIAL NOTICE OF SALE.

Optional Redemption: The Series 2020B-1 Bonds maturing on or before June 15, 20___, are not subject to redemption prior to their respective maturity dates. The Series 2020B-1 Bonds maturing on or after June 15, 20___, shall be subject to redemption prior to their respective maturity dates as a whole or in part, on any date, from any moneys provided at the option of the City, in each case on and after June 15, 20___, at a redemption price equal to the principal amount of the Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Series 2020B-2 Bonds are not subject to optional redemption prior to maturity.

For additional information related to optional redemption, refer to the definitions under “THE BONDS – Optional Redemption” in the Preliminary Official Statement.

Mandatory Redemption. Term bonds, if any, are also subject to redemption prior to their respective stated maturity dates, in part, by lot, from mandatory sinking fund payments, on each June 15 on or after June 15, 20__, designated by the winning bidder as a date upon which a mandatory sinking fund payment is to be made, at a redemption price equal to the principal amount thereof, as adjusted pursuant to “-Adjustment of Principal Payments” above, plus accrued interest thereon to the date fixed for redemption, without premium. No term bonds may be redeemed from mandatory sinking fund payments until all term Series 2020B-1 Bonds maturing on preceding term maturity dates, if any, have been redeemed. See the Preliminary Official Statement – “THE BONDS – Redemption – *Mandatory Redemption of Bonds.*”

Legal Opinions and Tax Matters. Upon delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C. (“Co-Bond Counsel”), will deliver their separate legal opinions as to the validity, enforceability and tax status of each Series of the Bonds.

A complete copy of the proposed form of each opinion of Co-Bond Counsel is set forth in Appendix F to the Preliminary Official Statement. Copies of the opinions of Co-Bond Counsel will be furnished to the Purchaser upon delivery of the Bonds.

See the Preliminary Official Statement – “TAX MATTERS.”

TERMS OF SALE

[Par and Premium Bids; No Net Discount Bids. All bids for each Series of Bonds shall be for par or more; no net discount bids for any Series of Bonds will be accepted. No bid submitted at a price less than the aggregate par value of a Series of Bonds will be considered. Individual maturities of any Series of Bonds may be reoffered at par, a premium or a discount.]

Form of Bids; Delivery of Bids. Each bid for a Series of Bonds must be: (1) for not less than all of a Series of Bonds offered for sale; (2) unconditional; and (3) submitted via Parity. Bids must conform to the procedures established by Parity. All bids will be deemed to incorporate all of the terms of this Official Notice of Sale. The submission of a bid electronically via Parity shall constitute and be deemed the bidder’s signature on the bid for the purchase of the Bonds.

If the sale of a Series of Bonds is canceled or postponed, any bids received prior to such cancellation or postponement shall be rejected. No bid submitted to the City shall be subject to withdrawal or modification by the bidder. No bid will be accepted after the time for receiving bids. The City retains absolute discretion to determine whether any bidder is a responsible bidder and whether any bid is timely and complete and conforms to this Official Notice of Sale. The City takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete or nonconforming with this Official Notice of Sale or has not been received.

Bids will be received exclusively through Parity in accordance with this Official Notice of Sale. For further information about Parity, potential bidders may contact the Municipal Advisor at the number provided above or Parity at: (212) 404-8107.

Warnings Regarding Electronic Bids. None of the City, the City Attorney, the Municipal Advisor or Co-Bond Counsel assumes any responsibility for any error contained in any bid submitted electronically or for failure of any bid to be transmitted, received or opened by the time for receiving bids, and each bidder expressly assumes the risk of any incomplete, untimely or nonconforming bid submitted by electronic transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telecommunications lines, or any other cause arising from submission by electronic transmission.

When a bidder submits an electronic bid for a Series of Bonds through Parity, such bidder thereby agrees to the following terms and conditions: (1) if any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments or modifications issued through Parity and/or the News Services, will control; (2) each bidder will be solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (3) the City will not have any duty or obligation to provide or assure access to Parity to any bidder, and the City will not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted by any bidder through Parity; (4) the City is permitting use of Parity as a communication mechanism, and not as an agent of the City, to facilitate the submission of electronic bids for the Bonds; Parity is acting as an independent contractor, and is not acting for or on behalf of the City; (5) the City is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; and (6) the City may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for a Series of Bonds or the interest rates for any maturity of the Bonds) as though the information were submitted and executed on the bidder's behalf by a duly authorized signatory.

Process of Award. The City will take final action awarding each Series of Bonds or rejecting all bids for such Series of Bonds not later than thirty (30) hours after the time for receipt of bids, unless such time period is waived by the winning bidder.

The following five (5) steps constitute the City's process for a final award of each Series of Bonds:

(1) The Municipal Advisor, on behalf of the City, will give a verbal notice of award of the Bonds to the apparent winning bidder ("Apparent Winning Bidder") to be determined as described below under "--Basis of Award;"

Such Apparent Winning Bidder shall, promptly after such verbal award, but no later than one hour after the City has given notice of such verbal award, fax or email to the City (in c/o its Municipal Advisor and to the City's Controller's Office, Director of Public Finance at the fax and/or email addresses provided for such purpose) a signed copy of their bid;

(2) The Apparent Winning Bidder shall provide the Good Faith Deposit, as described under "--Good Faith Deposit;"

(3) The Municipal Advisor will fax or email to the Apparent Winning Bidder confirmation of the final principal amortization schedule and purchase price for the Bonds, after adjustments, if any, are made, as described under “TERMS RELATING TO THE BONDS - Adjustment of Principal Payments;” and

(4) The City will fax or email to the Apparent Winning Bidder its written final award (“Certificate of Award”).

Upon completion of the steps described above, the Apparent Winning Bidder will be deemed the Purchaser of the Series of Bonds and will be contractually bound by the terms of this Official Notice of Sale to purchase the Bonds, which contract shall consist of: (a) this Official Notice of Sale; (b) the bid transmitted electronically by the bidder through Parity; and (c) the Certificate of Award.

Basis of Award. Unless all bids are rejected each Series of Bonds will be awarded to the responsible bidder who submits a conforming bid that represents the lowest true interest cost to the City. The true interest cost will be that nominal interest rate that, when compounded semiannually and applied to discount all payments of principal and interest payable on such Series of Bonds to the dated date of such Series of Bonds results in an amount equal to the principal amount of such Bonds plus the amount of any net premium. For the purpose of calculating the true interest cost, mandatory sinking fund payment for any term bond of a Series of Bonds specified by a bidder will be treated as Bonds maturing on the dates of such mandatory sinking fund payments. In the event that two or more bidders offer bids for a Series of Bonds at the same true interest cost, the City will determine by lot which bidder will be awarded such Series of Bonds. Bid evaluations or rankings made by Parity are not binding on the City.

Multiple Bids. In the event multiple bids with respect to a Series of Bonds are received from a single bidder by any means or combination thereof, the City shall be entitled to accept the bid representing the lowest true interest cost to the City, and each bidder agrees by submitting multiple bids to be bound by the bid representing the lowest true interest cost to the City.

Good Faith Deposit. To secure the City from any loss resulting from the failure of the Apparent Winning Bidder to comply with the terms of its bid, the apparent winning bidder for each Series must provide to the City a good faith deposit (in the amount of \$_____ for the Series 2020B-1 Bonds and \$_____ for the Series 2020B-2 Bonds, each, a “Good Faith Deposit”) for such Series.

Upon the determination by the City of the Apparent Winning Bidder of the Bonds, the Municipal Advisor will (i) provide to the Apparent Winning Bidder of such Series of Bonds the wire transfer information and (ii) request the Apparent Winning Bidder to immediately wire the Good Faith Deposit to the

City. No later than [ninety (90)] minutes after the time the Municipal Advisor request the Apparent Winning Bidder to wire the Good Faith Deposit to the City, the Apparent Winning Bidder of such Series must wire the applicable Good Faith Deposit to the City and provide the Federal wire reference number of such Good Faith Deposit to the Municipal Advisor. In the event that the Apparent Winning Bidder does not wire the Good Faith Deposit to the City or does not provide the Federal wire reference number of such Good Faith Deposit to the Municipal Advisor within

the time specified above, the City may reject the bid of the Apparent Winning Bidder and award such Series of Bonds to a responsible bidder that submitted a conforming bid that represents the next lowest true interest cost to the City.

No interest will be paid upon the Good Faith Deposit made by any bidder. The Good Faith Deposit of each Purchaser will immediately become the property of the City. The Good Faith Deposit will be held and invested for the exclusive benefit of the City. The Good Faith Deposit, without interest thereon, will be credited against the purchase price of the Series of Bonds purchased by such Purchaser at the time of delivery thereof.

If the purchase price is not paid in full upon tender of a Series of Bonds, the City shall retain the applicable Good Faith Deposit and the Purchaser will have no right in or to such Bonds or to the recovery of its Good Faith Deposit, or to any allowance or credit by reason of such deposit, unless it shall appear that such Series of Bonds would not be validly delivered to the Purchaser in the form and manner proposed, except pursuant to a right of cancellation. See “CLOSING PROCEDURES AND DOCUMENTS - Right of Cancellation.” In the event of nonpayment for such Series of Bonds by a winning bidder, the City reserves any and all rights granted by law to recover the full purchase price of such Series of Bonds and, in addition, any damages suffered by the City.

Reoffering Prices, Establishment of Issue Price and Issue Price Certificate [(Hold-the-Offering Price Rule Will Apply if Competitive Sale Requirements are Not Satisfied)].

(a) The winning bidder for the Series 2020B-1 Bonds shall assist the City in establishing the issue price of such Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Co-Bond Counsel.

(b) The City intends that Treasury Regulation Sections 1.148-1(f)(3)(i) and 1.148-1(f)(2)(iii) (providing a special rule for competitive sales for purposes of establishing the issue price of the Series 2020B-1 Bonds and defining the term “competitive sale”) will apply to the initial sale of the Series 2020B-1 Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids for the Series 2020B-1 Bonds from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Series 2020B-1 Bonds to the bidder who submits a firm offer to purchase the Series 2020B-1 Bonds at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Series 2020B-1 Bonds as specified in the bid.

(c) If the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. [In such event, the City intends to treat the initial offering price to the public as of the sale date of each maturity of the Series 2020B-1 Bonds as the issue price of that maturity (the “hold-the-offering-price rule”). The City shall promptly advise the winning bidder, at or before the time of award of the Series 2020B-1 Bonds, if the competitive sale requirements were not satisfied, in which case the hold-the-offering-price rule shall apply to the Series 2020B-1 Bonds. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied and the City determines to apply the hold-the-offering-price rule to any maturity of the Series 2020B-1 Bonds. Bidders should prepare their bids on the assumption that some or all maturities of the Series 2020B-1 Bonds will be subject to the hold-the-offering-price rule in order to establish the issue prices of the Series 2020B-1 Bonds.]

(d) By submitting a bid for the Series 2020B-1 Bonds, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2020B-1 Bonds to the public on or before the date of award at the offering price or prices (“initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2020B-1 Bonds, that the underwriters will neither offer nor sell unsold Series 2020B-1 Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Series 2020B-1 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Series 2020B-1 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of such Series 2020B-1 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail or other third-party distribution agreement that was employed in connection with the initial sale of such Series 2020B-1 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail or other third-party distribution agreement and the related pricing wires. The City further acknowledges that each

underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member

of a selling group, or of any broker-dealer that is a party to a retail or other third-party distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2020B-1 Bonds.

(f) By submitting a bid for the Series 2020B-1 Bonds, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail or other third-party distribution agreement (to which the bidder is a party) relating to the initial sale of such Series 2020B-1 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail or other third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2020B-1 Bonds of each maturity allotted to it until it is notified by the winning bidder that the hold-the-offering-price rule no longer applies to such maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of such Series 2020B-1 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail or other third-party distribution agreement to be employed in connection with the initial sale of the Series 2020B-1 Bonds to the public to require each broker-dealer that is a party to such retail or other third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2020B-1 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that the hold-the-offering-price rule no longer applies to such maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Series 2020B-1 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2020B-1 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2020B-1 Bonds to the public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Series 2020B-1 Bonds to the public),
- (iii) a purchaser of any of the Series 2020B-1 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50%

common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the

corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) “sale date” means the date that the Series 2020B-1 Bonds are awarded by the City to the winning bidder.

Right of Rejection and Waiver of Irregularity. The City reserves the right, in its sole discretion, to reject any and all bids and to waive any irregularity or informality in any bid which does not materially affect such bid or change the ranking of the bids.

Right to Modify or Amend. Other than with respect to postponement or cancellation as described in this Official Notice of Sale, and in addition to the City’s right to adjust the payment amounts of the Bonds as provided in “TERMS RELATING TO THE BONDS - Adjustment of Principal Payments” the City reserves the right to modify or amend this Official Notice of Sale in any respect including, without limitation, increasing or decreasing the principal amount of any serial maturity or mandatory sinking fund payment for any Series of Bonds and adding or deleting serial or term maturity and mandatory sinking fund payment dates, along with corresponding principal amounts with respect thereto; provided, that, subject to the terms of this Official Notice of Sale (see “TERMS RELATING TO THE BONDS - Adjustment of Principal Payments”) any such modification or amendment will be communicated to potential bidders through Parity and/or the News Services not later than [1]:00 p.m., California time, on the business day preceding the date for receiving bids. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Postponement or Cancellation of Sale. The City may postpone or cancel the sale of any or all Series of the Bonds at or prior to the time for receiving bids. Notice of such postponement or cancellation shall be given through Parity and/or the News Services as soon as practicable following such postponement or cancellation. If a sale is postponed, notice of a new sale date will be given through Parity and/or the News Services as soon as practicable following a postponement and no later than [1]:00 p.m., California time, on the business day preceding the new date for receiving bids. Failure of any potential bidder to receive notice of postponement or cancellation will not affect the sufficiency of any such notice.

Prompt Award. The Controller’s Office of Public Finance of the City will take official action awarding the Bonds or rejecting all bids with respect to the Bonds not later than [thirty (30)] hours after the time for receipt of bids for each Series of Bonds, unless such time period is waived by the Purchaser.

Equal Opportunity. Pursuant to the spirit and intent of the City’s Local Business Enterprise (“LBE”) Ordinance, Chapter 14B of the Administrative Code of the City, the City strongly encourages the inclusion of Local Business Enterprises certified by the San Francisco Human Rights Commission in prospective bidding syndicates. A list of certified LBEs may be obtained

from the San Francisco Human Rights Commission, 25 Van Ness Avenue, Room 800, San Francisco, California 94102; telephone: (415) 252-2500.

Sales Outside of the United States. The Purchaser must undertake responsibility for compliance with any laws or regulations of any foreign jurisdiction in connection with any sale of each Series of Bonds to persons outside the United States.

Insurance. No bids with municipal bond insurance will be accepted.

CLOSING PROCEDURES AND DOCUMENTS

Delivery and Payment. Delivery of the Bonds will be made through the facilities of DTC in New York, New York, and is presently expected to take place on or about May 28, 2020*. Payment for the delivery of the Bonds of each Series shall be coordinated at the offices of Orrick, Herrington & Sutcliffe LLP, in San Francisco, California, or at such other place as may be mutually agreed upon by the City and each Purchaser. Such payment and delivery is called the “Closing.” Payment for the Bonds (including any premium) must be made at the time of delivery in immediately available funds to the City Treasurer. Any expense for making payment in immediately available funds shall be borne by the applicable Purchaser. The City will deliver to the Purchaser, dated as of the delivery date, the legal opinions with respect to the Bonds, described in Appendix F to the Preliminary Official Statement.

Qualification for Sale. The City will furnish such information and take such action not inconsistent with law as a Purchaser may request and the City may deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; provided, that the City will not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. By submitting its bid for a Series of Bonds, the Purchaser assumes all responsibility for qualifying the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of the states and jurisdictions in which the Purchaser offers or sells the Bonds, including the payment of fees for such qualification. Under no circumstances may the Bonds be sold or offered for sale or any solicitation of an offer to buy the Bonds be made in any jurisdiction in which such sale, offer or solicitation would be unlawful under the securities laws of the jurisdiction.

No Litigation. The City will deliver a certificate stating that no litigation of any nature is pending, or to the knowledge of the officer of the City executing such certificate, threatened, restraining or enjoining the sale, issuance or delivery of the Bonds or any part thereof, or the entering into or performance of any obligation of the City, or concerning the validity of the Bonds, the ability of the City to levy and collect the *ad valorem* tax required to pay debt service on the Bonds, the corporate existence or the boundaries of the City, or the entitlement of any officers of the City who will execute the Bonds to their respective offices.

Right of Cancellation. A Purchaser will have the right, at its option, to cancel this contract if the City fails to execute the purchased Bonds and tender the same for delivery within thirty (30) days from the sale date, and in such event the Purchaser will be entitled only to the return of the

* Preliminary, subject to change.

Good Faith Deposit, without interest thereon.

CUSIP Numbers. The Municipal Advisor will timely apply for CUSIP numbers with respect to the Bonds as required by Municipal Securities Rulemaking Board's Rule G-34. The Purchaser will be responsible for the cost of assignment of such CUSIP numbers and any CUSIP Service Bureau charges related to the Bonds awarded to such Purchaser. The Purchaser shall also notify the CUSIP Service Bureau as to the final structure of the Bonds awarded to such Purchaser.

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for such Bonds in accordance with the terms hereof.

CUSIP is a registered trademark of American Bankers Association. CUSIP data is provided by CUSIP Global Services managed by S&P Global Market Intelligence on behalf of the American Bankers Association. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. The City takes no responsibility for the accuracy of such CUSIP numbers. CUSIP numbers are provided only for the convenience of the Purchaser of each Series of Bonds.

Expenses of the Winning Bidder(s). CUSIP Service Bureau charges, California Debt and Investment Advisory Commission fees (under California Government Code Section 8856), Depository Trust Company charges and all other expenses of the winning bidder will be the responsibility of the winning bidder. Pursuant to Section 8856 of the California Government Code, the Purchaser must pay to the California Debt and Investment Advisory Commission, within sixty (60) days from the sale date, the statutory fee for the Bonds purchased.

Official Statement. Copies of the Preliminary Official Statement with respect to the Bonds will be furnished or electronically transmitted to any potential bidder upon request to the Controller's Office of Public Finance or to either of the Municipal Advisor. (The contact information for the Municipal Advisor is set forth above in this Official Notice of Sale.) In accordance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), the City deems the Preliminary Official Statement final as of its date, except for the omission of certain information as permitted by Rule 15c2-12. Within seven (7) business days after the date of award of the Bonds, the Purchaser of each Series of Bonds will be furnished with a reasonable number of copies (not to exceed fifty (50)) of the final Official Statement, without charge, for distribution in connection with the resale of the Bonds. The Purchaser of each Series of Bonds must notify the City in writing within two (2) days of the sale of such Bonds if the Purchaser requires additional copies of the final Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the Purchaser requesting such copies.

By submitting a bid for a Series of Bonds, the Purchaser of Series of Bonds agrees: (1) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements; (2) to promptly file a copy of the final Official Statement, including any supplements, with the Municipal Securities Rulemaking Board; and (3) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of such Series of Bonds to the Purchaser, including, without limitation, the delivery of a final Official

Statement, including any supplements, to each investor who purchases such Series of Bonds.

The form and content of the final Official Statement is within the sole discretion of the City. The name of the Purchaser(s) of the Bonds will not appear on the cover of the final Official Statement.

Certificate Regarding Official Statement. At the time of delivery of the Bonds, each Purchaser will receive a Certificate, signed by an authorized representative of the City, confirming to the Purchaser that (i) such authorized representative has determined that, to the best of such authorized representative's knowledge and belief, the final Official Statement (excluding reoffering information, information relating to The Depository Trust Company and its book-entry system, as to which no view will be expressed) did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (ii) such authorized representative knows of no material adverse change in the condition or affairs of the City that would make it unreasonable for such Purchaser to rely upon the final Official Statement in connection with the resale of each Series of the Bonds, and (iii) the City authorizes the Purchaser to distribute copies of the final Official Statement in connection with the resale of its Series of Bonds.

Purchaser's Certificate Concerning Official Statement. As a condition of delivery of each Series of the Bonds, the Purchaser of such Series of Bonds will be required to execute and deliver to the City, prior to the date of Closing, a certificate to the following effect:

- (i) The Purchaser has provided to the City the initial reoffering prices or yields on such Series of Bonds as printed in the final Official Statement, and the Purchaser has made a bona fide offering of such Series of Bonds to the public at the prices and yields so shown.
- (ii) While the Purchaser has not undertaken any responsibility for the contents of the final Official Statement, the Purchaser, in accordance with and as part of its responsibilities under the federal securities laws, has reviewed the information in the final Official Statement and has not notified the City of the need to modify or supplement the final Official Statement.
- (iii) The foregoing statements will be true and correct as of the date of Closing.

Continuing Disclosure. In order to assist bidders in complying with Rule 15c2-12, the City will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information, operating data and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Except as otherwise disclosed in the Official Statement under the heading "CONTINUING DISCLOSURE," for the past five years, the City has been in compliance in all material respects with its continuing disclosure obligations under Rule 15c2-12.

Additional Information. Prospective bidders should read the entire Preliminary Official

Statement, copies of which may be obtained in electronic form from the City.

Dated: _____, 2020.

EXHIBIT A

**[FORM OF ISSUE PRICE CERTIFICATE
(IF 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)]**

**(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE
OFFICIAL NOTICE OF SALE)**

**[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

This certificate is being delivered by [Purchaser], the purchaser (“Purchaser”) in connection with the issuance of the City and County of San Francisco General Obligation Bonds, Series 2020B (“Bonds”). The Purchaser hereby certifies and represents that:

I. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (“Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Issuer* means the City and County of San Francisco.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

* Preliminary, subject to change.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2020.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in a tax certificate with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF PURCHASER'S BID
(Attached)

**[FORM OF ISSUE PRICE CERTIFICATE
(IF LESS THAN 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)]**

**(TO BE DELIVERED BY THE PURCHASER AS DESCRIBED IN THE
OFFICIAL NOTICE OF SALE)**

[\$[Par Amount]]*
**CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

The undersigned, on behalf of _____ (“Purchaser”), hereby certifies as set forth below with respect to the issuance of the above-captioned obligations (“Bonds”) of the City and County of San Francisco (“City”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (“Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

(b) As set forth in the Official Notice of Sale, the Purchaser agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (“hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the- Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

* Preliminary, subject to change.

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Purchaser sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2020.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the tax certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C., Co-Bond Counsel in connection with rendering their opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that they may give to the City from time to time relating to the Bonds.

[NAME OF PURCHASER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

AGREEMENT TO PROVIDE REGISTRAR AND PAYING AGENT SERVICES FOR FULLY REGISTERED MUNICIPAL BONDS

This Agreement dated as of _____, 2020 (this "Agreement") has been entered into by and between the City and County of San Francisco (the "Issuer") and _____ (the "Bank"). Issuer, by a resolution adopted by the Board of Supervisors of the City on _____, 2020 and approved by the Mayor on _____, 2020 (the "Resolution") has appointed Bank to act as Registrar and Paying Agent for the "[City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B]" (the "Bonds") issued in the aggregate principal amount of \$_____. This Agreement sets out the terms and conditions of said appointment.

Issuer and Bank, to the extent consistent with the provisions of the Resolution, agree as follows:

1. Bank as Registrar will deliver the Bonds upon original issue at the written direction of Issuer.
2. Bank as Registrar will maintain records as to the identity of the registered holders of the Bonds (the "Bondholders") on its register.
3. Bank as Registrar will effect transfers of the registered ownership of Bonds upon surrender of validly issued Bonds to Bank accompanied by such instruments of transfer and other documents and items as Bank may require (which may include a signature guarantee by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program).
4. Bank as Registrar will maintain in safekeeping an inventory of unissued Bonds, it being understood and agreed that it is the responsibility of Issuer to ensure that Bank is provided with a sufficient supply of unissued Bonds to accommodate normal transfer activity.
5. Issuer hereby authorizes and directs Bank, as Registrar (i) to cancel all Bonds surrendered to it for transfer or payment and (ii) unless otherwise directed in writing by Issuer prior to such destruction, to destroy all cancelled Bonds in accordance with its standard procedures.
6. Out of funds provided to it by Issuer, Bank as Paying Agent will pay interest on the Bonds by either wire payment or by preparing and mailing checks on each June 15, and December 15 (each, a "Payment Date"), starting on December 15, 2020, and thereafter, until the satisfaction and discharge of the Bonds, to Bondholders of record on its register on the respective record dates and, upon presentation of the Bonds, either wire payment or prepare and mail or deliver checks in payment of the principal of the Bonds maturing or called for redemption. When mail is used for the delivery of payment of interest and/or principal on the Bonds, Bank shall forward the check for such payment by first class mail, unless otherwise instructed in writing by Issuer.
7. If the Bonds are subject to redemption prior to their stated maturity date(s), Bank as Paying Agent shall be governed by the redemption provisions set forth on the Bonds and in the Resolution. Bank as Paying Agent shall not be required to transfer any Bond, or portion thereof, that has been called for redemption. Payment of the principal amount (including premium, if any) of any Bond, or portion thereof, called for redemption shall be made by wire. Notwithstanding anything to the contrary herein, the Bonds shall not be required to be presented or surrendered to receive payment in connection with any mandatory sinking fund redemption until the final maturity date of the Bonds, as the case may be, or earlier payment in full of the Bonds, as the case may be. Where the entire principal amount of the Bonds has not been called for redemption, a new Bond in the amount of the unredeemed portion will be issued to the registered Bondholder or its assignee. Whether or not promptly submitted for redemption, interest on any Bond, or portion thereof, called for redemption shall cease to accrue on and after the redemption date provided that sufficient moneys therefore are on deposit with Bank as Paying Agent. Bank shall send, at the direction of Issuer, any required notices of redemption by first-class mail to the registered holder of any Bonds to be called or redeemed prior to its maturity date neither less than 20 days nor more than 60 days prior to the specified redemption date.

8. On the business day prior to each Payment Date, Issuer will deposit with Bank as Paying Agent, in good funds, funds sufficient to pay all interest and principal payable on the Bonds as said interest and principal become due. Business day shall mean any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in New York, New York are authorized or obligated by law, regulation or executive order to remain closed. Any money deposited with Bank for the payment of the principal of or interest on any Bonds and remaining unclaimed for two years after such interest or principal has become due and payable (subject to applicable escheatment laws) shall be paid to Issuer. Thereafter, Bondholders shall look solely to Issuer for the payment of such funds and Bank shall have no further liability for such funds.

9. Bank shall not be required to invest funds deposited with it nor shall Bank be required to pay interest on said funds.

10. Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement and as specifically directed by Issuer, and no implied covenants or obligations shall be read into this Agreement against Bank. Any right to take an action by the Bank shall not be interpreted as a requirement to do so.

Neither Bank nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Agreement or in connection therewith except to the extent caused by Bank's gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review.

Bank shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of Bank and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire floods, earthquakes, epidemics or other similar occurrences.

Bank shall not be bound to make any investigation into the performance of any other parties' respective obligations and into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document.

Bank may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

At any time, Bank may apply to Issuer for instructions. Whenever in the administration of this Agreement Bank shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action to be taken hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of Bank, be deemed to be conclusively proved and established by a certificate signed by one of Issuer's officers and delivered to Bank and such certificate, shall be full warrant to Bank for any action taken, suffered or omitted by it under the provisions of this Agreement upon the faith thereof.

Bank shall have the right to perform any of its duties hereunder through agents, attorneys, custodians and nominees and shall not be liable for the willful misconduct or negligence of any agent, attorney, custodian or nominee appointed by it with due care.

Bank may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel.

Any banking association or corporation into which Bank may be merged, converted or with which Bank may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of Bank shall be transferred, shall succeed to all the Bank's rights, obligations and immunities hereunder without the

execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

None of the provisions of this Agreement shall require Bank to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. Anything in this Agreement to the contrary notwithstanding, in no event shall Bank be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

Bank may become a Bondholder with the same rights it would have if it were not Registrar or Paying Agent.

Bank agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that Bank shall have received an incumbency certificate listing such designated persons and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be or deleted from the listing. If Issuer elects to give Bank email or facsimile instructions (or instructions by a similar electronic method) and Bank in its discretion elects to act upon such instructions, Bank's understanding of such instructions shall be deemed controlling. Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from Bank's reliance upon and compliance with such instructions notwithstanding if such instructions conflict or are inconsistent with a subsequent written instruction. Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to Bank, including without limitation the risk of Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

11. Should Bank be notified of the loss, destruction or theft of any Bond, Bank will place a stop transfer order against said Bond and shall consult with Issuer with respect to issuance of any replacement Bond. Upon receiving instructions from Issuer and indemnity satisfactory to Bank as Registrar, Bank may inscribe, authenticate and deliver, to the persons entitled thereto, new Bonds in place of Bonds represented to have been lost, stolen or destroyed and likewise may issue a new Bond in exchange for, and upon surrender of, an identifiable mutilated Bond.

12. This Agreement, (with the exception of the covenants in Section 13, which shall continue until payment in full of all fees and expenses due in accordance with Bank's fee schedule attached hereto, and Section 14, which shall survive the termination of this Agreement and the earlier removal or resignation of Bank), shall remain in effect until (A) the Bonds mature on June 15, 20__, or (ii) the Bonds are otherwise satisfied and discharged, and all funds are disbursed or (B) until this Agreement is amended or terminated; provided, however, that such amendment or termination shall be in accordance with the provisions set forth, if any, in the Resolution. This Agreement may be terminated by 30 days written notice of either party to the other. This Agreement may be amended, modified, supplemented, superseded, rescinded, or canceled only by a written instrument executed by each of the parties hereto. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Issuer.

13. Issuer will compensate Bank for its services as Registrar and Paying Agent in accordance with the terms and conditions of the fee schedule attached hereto and reimburse Bank in such capacities upon its request for all reasonable expenses, disbursements and advances incurred or made by Bank in accordance with any of the provisions hereof (including the reasonable compensation and the reasonable expenses of its counsel).

14. The Issuer shall pay the Registrar and Paying Agent for any extraordinary services or expenses which are approved separately in writing by the Issuer prior to the performance of those services or the incurring of those expenses so as to allow the Issuer to appropriate sufficient funds for their payment.

15. Issuer shall furnish Bank with the following documents to support this appointment: (a) certified copy of the Resolution authorizing issuance of the Bonds and appointment of Bank as Registrar and Paying Agent, (b) specimen Bond; (c) signed copy of bond counsel's legal opinion, (d) incumbency certificate, and (e) such other documents as Bank may reasonably request.

16. This Agreement shall be governed by the laws of the State of California. The parties hereby irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in San Francisco, California, waive any objection to venue in any such action or proceeding in such courts and waive any objections that such courts are in a convenient forum or do not have jurisdiction over each party.

17. The Paying Agent may resign and be discharged from its duties and obligations hereunder at any time by giving no less than 30 calendar days' prior written notice of such resignation to the Issuer, specifying the date when such resignation shall take effect. The Issuer at any time shall have the right to terminate the Bank, with or without cause, by providing no less than 30 calendar days' prior written notice to the Bank specifying the date upon which such termination shall take effect. Any removal or resignation of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been appointed and have accepted, the resigning Paying Agent may petition any court of competent jurisdiction for appointment of a successor Paying Agent.

18. If any one or more of the provisions contained in this Agreement or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions continued herein and such invalidity, illegality or unenforceability shall not affect any other provision of the Agreement and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

19. This Agreement hereto sets forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Name: José Cisneros

Title: Treasurer

[_____] , as Registrar
and Paying Agent

By: _____

Name:

Title:

[SIGNATURE PAGE TO AGREEMENT TO PROVIDE REGISTRAR AND
PAYING AGENT SERVICES FOR FULLY REGISTERED MUNICIPAL BONDS]

PLACEMENT AGENT AGREEMENT

_____ 1, 2020

City and County of San Francisco
San Francisco, California

The undersigned, _____ (the “Placement Agent”), offers to enter into the following agreement (this “Agreement”) with the City and County of San Francisco (the “City”), which, upon acceptance by the City, will be binding upon the City and the Placement Agent.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Placement Agent and City hereby agree as follows:

1. Appointment of Placement Agent; Placement of Bonds. (a) The City hereby appoints the Placement Agent to act as the exclusive placement agent for the City in connection with the private sale and issuance of its City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B (the “Bonds”), and the Placement Agent hereby accepts such appointment. As compensation for its services hereunder, the Placement Agent shall charge a fee equal to \$_____. At the closing of any such sale, the City shall pay or cause to be paid such fee to the Placement Agent by wire transfer or immediately available funds. The above fee does not include any services the Placement Agent may render in the future to the City with respect to any offering or placement of municipal securities other than the Bonds.

(b) The City will provide the purchaser of the Bonds with the opportunity to ask questions and receive answers. The City shall (i) allow the purchaser an opportunity to conduct its own independent examination of, and ask questions and receive answers concerning, the City, the Resolution, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and (ii) furnish the purchaser with all documents and information regarding the City, the Resolution, the Paying Agent, the Paying Agent Agreement, the Bonds, and the security therefor, and the transactions and documents related to or contemplated by the foregoing, and all matters related thereto, that the purchaser requests.

(c) The City understands that the Placement Agent will be acting as the agent of the City in the offering and sale of the Bonds and agrees that, in connection therewith, the Placement Agent will use its “best efforts” to place the Bonds. This Agreement shall not give rise to any expressed or implied commitment by the Placement Agent to purchase or place any of the Bonds.

(d) The City acknowledges and agrees that (i) arranging for buyers to purchase the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the City and the Placement Agent, (ii) in connection with such transaction, the Placement Agent is acting solely as a principal and not as an agent or a fiduciary of the City, (iii) the Placement Agent has not assumed (individually or collectively) a fiduciary responsibility in favor of the

City with respect to (A) the placement of the Bonds or the process leading thereto (whether or not the Placement Agent has advised or is currently advising the City on other matters), or (B) any other obligation to the City except the obligations expressly set forth in this Agreement, and (iv) the City has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the placement of the Bonds. The City agrees that it will not claim that the Placement Agent has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the City in connection with such transaction or the process leading thereto. The Placement Agent is not acting as a municipal advisor as defined in Section 15B of the Securities Exchange Act of 1934, as amended, in connection with the matters contemplated by this Agreement. The City acknowledges that it has previously provided the Placement Agent with an acknowledgement of receipt of the required disclosure of the Placement Agent's role under Rule G-17 of the Municipal Securities Rulemaking Board.

2. Covenants, Representations and Warranties of the City. The City represents, warrants and agrees as follows:

(a) the City is, and will be at the Closing Date, a chartered city and county duly organized and validly existing under its Charter and the Constitution of the State of California (the "State") with full power and authority to observe and perform the covenants and agreements set forth in this Agreement;

(b) by official action of the City, prior to or concurrently with the acceptance hereof, the City (i) has duly adopted a resolution authorizing and approving the execution and delivery of this Agreement, and the performance of its obligations contained herein, and (ii) such resolution is in full force and effect and has not been amended or supplemented as of the date hereof;

(c) the execution and delivery of this Agreement and compliance with the provisions on the City's part contained therein do not and will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, statute, indenture, mortgage, deed of trust, bond, note, resolution, agreement or other instrument to which the City is a party or by which the City is bound; and

(d) any certificate signed by an authorized officer of the City and delivered to the Placement Agent shall be deemed a representation and warranty by the City in connection with this Agreement to the Placement Agent as to the statements made therein for the purposes for which such statements are made.

3. Reliance. The City recognizes that, in providing services under this Agreement, the Placement Agent will rely upon and assume the accuracy and completeness of the financial, accounting, tax and other information discussed with or reviewed by the Placement Agent for such purpose, and the Placement Agent does not assume responsibility for the accuracy and completeness thereof. The Placement Agent will have no obligation to conduct any independent evaluation or appraisal of the assets or the liabilities of the City or any other party or to advise or opine on related solvency issues. Nothing in this Agreement is intended to confer upon any other person (including creditors, employees or other constituencies of the City) any rights or remedies hereunder or by reason hereof.

4. Termination. The Placement Agent's authorization to carry out its duties hereunder may be terminated by the City or the Placement Agent at any time with or without cause, effective upon receipt of written notice to that effect by the other party.

5. Notices. Any notice or other communication to be given to any of the parties to this Agreement may be given by delivering the same in writing to the City at: City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102; and to the Placement Agent at: _____, [ADDRESS].

6. Survival of Representations, Warranties and Agreements. This Agreement is made solely for the benefit of the City and the Placement Agent, and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the City contained in this Agreement shall remain operative and in full force and effect regardless of delivery of any payment for the Bonds.

7. Effectiveness. This Agreement shall become effective upon the execution of the acceptance hereof by a duly authorized signatory of the City, which acceptance hereof shall be indicated on the signature page hereof, and shall be valid and enforceable as of the time of such acceptance. This Agreement may be executed by facsimile transmission and in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

[_____]

By: _____
Authorized Representative

Accepted and Agreed:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: ___
S&P: ___
Fitch: ___
(See "Ratings" herein)

[In the opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2020B-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Co-Bond Counsel, interest on the 2020B-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Co-Bond Counsel is also of the opinion that interest on the 2020B-1 Bonds is exempt from State of California personal income taxes. See "TAX MATTERS." Bond Counsel further observes that interest on the 2020B-2 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. See "TAX MATTERS." Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.]



[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1

[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)

Dated: Date of Delivery

Due: June 15, as shown in the inside cover

The City and County of San Francisco General Obligation Bonds (Transportation & Road Improvement Bonds, 2014), Series 2020B-1 (the "2020B-1 Bonds") and the City and County of San Francisco General Obligation Bonds (Transportation & Road Improvement Bonds, 2014), Series 2020B-2 (Taxable) (the "2020B-2 Bonds," and together with the 2020B-1 Bonds, the "Bonds") are being issued under the Government Code of the State of California and the Charter of the City and County of San Francisco (the "City"). The issuance of the Bonds has been authorized by certain resolutions adopted by the Board of Supervisors of the City and duly approved by the Mayor of the City, as described under "THE BONDS – Authority for Issuance; Purposes." The proceeds of the Bonds will be used to finance certain public improvements as described herein, and to pay certain costs related to the issuance of the Bonds. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

The Bonds will be dated and bear interest from their date of delivery until paid in full at the rates shown in the maturity schedule on the inside cover hereof. Interest on the Bonds will be payable on June 15 and December 15 of each year, commencing December 15, 2020. Principal will be paid at maturity as shown on the inside cover. See "THE BONDS – Payment of Interest and Principal." The Bonds will be issued only in fully registered form without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of \$5,000 or any integral multiple thereof. Payments of principal and interest on the Bonds will be made by the City Treasurer, as paying agent, to DTC, which in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Form and Registration."

The Bonds will be subject to redemption prior to maturity, as described herein. See "THE BONDS – Redemption."

The Board of Supervisors has the power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property subject to taxation by the City (except certain property which is taxable at limited rates) for the payment of the Bonds and the interest thereon when due. See "SECURITY FOR THE BONDS."

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

BIDS FOR THE PURCHASE OF THE 2020B-1 BONDS AND THE 2020B-2 BONDS WILL BE RECEIVED BY THE CITY AT [__ :00] A.M. AND [__ :30] A.M. PACIFIC TIME, RESPECTIVELY, ON [_____] , 2020 AS PROVIDED IN THE OFFICIAL NOTICE OF SALE INVITING BIDS DATED [_____] , 2020, UNLESS POSTPONED AS SET FORTH IN SUCH OFFICIAL NOTICE OF SALE. See "SALE OF THE BONDS" herein.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

MATURITY SCHEDULE
(See Inside Cover)

The Bonds are offered when, as and if issued by the City and accepted by the initial purchasers, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Co-Disclosure Counsel to the City. It is expected that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about _____, 2020.

Dated: _____, 2020

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULE

(Base CUSIP[†] Number: _____)

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD IMPROVEMENT BONDS, 2014)
SERIES 2020B-1

Maturity Date (June 15)	Principal Amount*	Interest Rate	Yield/Price	CUSIP [†] Suffix
-	\$-	-%	-%	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)

Maturity Date (June 15)	Principal Amount*	Interest Rate	Yield/Price	CUSIP [†] Suffix
-	\$-	-%	-%	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. The City does not take any responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchaser or purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth herein, other than that provided by the City, has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

In connection with the offering of the Bonds, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The underwriters may offer and sell the Bonds to certain dealers and dealer banks at prices lower than the initial public offering prices stated on the inside cover hereof. Such initial public offering prices may be changed from time to time by the underwriters.

This Official Statement contains forecasts, projections, estimates and other forward-looking statements that are based on current expectations. The words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. Such risks and uncertainties include, among others, public health emergencies, such as the COVID-19 Emergency (as defined herein), changes in social and economic conditions, federal, state and local statutory and regulatory initiatives, litigation, population changes, seismic events and various other events, conditions and circumstances, many of which are beyond the control of the City. These forward-looking statements speak only as of the date of this Official Statement. The City disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the City with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)2 for the issuance and sale of municipal securities.

The City maintains a website. The information presented on such website is *not* incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.



CITY AND COUNTY OF SAN FRANCISCO

MAYOR

London N. Breed

BOARD OF SUPERVISORS

Norman Yee, *Board President, District 7*

Sandra Lee Fewer, *District 1*
Catherine Stefani, *District 2*
Aaron Peskin, *District 3*
Gordon Mar, *District 4*
Dean Preston, *District 5*

Matt Haney, *District 6*
Rafael Mandelman, *District 8*
Hillary Ronen, *District 9*
Shamann Walton, *District 10*
Ahsha Safai, *District 11*

CITY ATTORNEY

Dennis J. Herrera

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Naomi M. Kelly, *City Administrator*
Benjamin Rosenfield, *Controller*
Anna Van Degna, *Director, Controller's Office of Public Finance*

PROFESSIONAL SERVICES

Paying Agent and Registrar

[Treasurer of the City and County of San Francisco]

Co-Bond Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Curls Bartling P.C.
Oakland, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Co-Disclosure Counsel

Hawkins Delafield & Wood LLP
San Francisco, California

Stradling Yocca Carlson & Rauth,
a Professional Corporation
Newport Beach, California



TABLE OF CONTENTS

INTRODUCTION	1
THE CITY AND COUNTY OF SAN FRANCISCO.....	1
RECENT DEVELOPMENTS	3
General.....	4
Modifications to Budget Calendar	4
March Joint Report Update.....	5
May Update Report.....	5
Threat of Extended Recession	11
Impact of the State of California Budget on Local Finances	12
Impact of the Federal Government on Local Finances	12
THE BONDS	12
Authority for Issuance; Purposes	12
Form and Registration	13
Payment of Interest and Principal	13
Redemption.....	14
Defeasance.....	16
SOURCES AND USES OF FUNDS	17
Deposit and Investment of Bond Proceeds	17
DEBT SERVICE SCHEDULE.....	19
SECURITY FOR THE BONDS	20
General.....	20
Pledge	20
Statutory Lien on Taxes.....	20
Property Taxation	21
CERTAIN RISK FACTORS	23
Factors Affecting Property Tax Security for the Bonds.....	23
City Long-Term Financial Challenges.....	25
Seismic Risks.....	26
Climate Change, Risk of Sea Level Rise and Flooding Damage.....	27
Cybersecurity	29
Limitation on Remedies; Bankruptcy	30
State Law Limitations on Appropriations.....	31
Public Health Emergencies	31
Other Events	32
TAX MATTERS.....	33
OTHER LEGAL MATTERS	33
PROFESSIONALS INVOLVED IN THE OFFERING	34
ABSENCE OF LITIGATION	34
CONTINUING DISCLOSURE.....	34
RATINGS	34
SALE OF THE BONDS	35
MISCELLANEOUS	35

APPENDICES

- APPENDIX A – CITY AND COUNTY OF SAN FRANCISCO – ORGANIZATION AND FINANCES
- APPENDIX B – COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY AND COUNTY OF
SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2019
- APPENDIX C – CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE TREASURER –
INVESTMENT POLICY
- APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE
- APPENDIX E – DTC AND THE BOOK ENTRY ONLY SYSTEM
- APPENDIX F – PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL



OFFICIAL STATEMENT

**[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1**

**[\$Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)**

INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, is provided to furnish information in connection with the public offering by the City and County of San Francisco (the “City”) of its City and County of San Francisco General Obligation Bonds (Transportation & Road Improvement Bonds, 2014), Series 2020B-1 (the “2020B-1 Bonds”) and the City and County of San Francisco General Obligation Bonds (Transportation & Road Improvement Bonds, 2014), Series 2020B-2 (Taxable) (the “2020B-2 Bonds,” and together with the 2020B-1 Bonds, the “Bonds”). The Board of Supervisors of the City (the “Board of Supervisors”) at the time of fixing the general tax levy will fix, and in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid, an *ad valorem* tax upon the taxable property of the City, without limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds as they become due. See “SECURITY FOR THE BONDS.”

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the City with respect to the Bonds, the City has no obligation to update the information in this Official Statement. See “CONTINUING DISCLOSURE” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein.

Quotations from and summaries and explanations of the Bonds, the resolutions providing for the issuance and payment of the Bonds, and provisions of the constitution and statutes of the State of California (the “State”), the charter of the City (the “Charter”) and City ordinances, and other documents described herein, do not purport to be complete, and reference is made to said laws and documents for the complete provisions thereof. Copies of those documents and information concerning the Bonds are available from the City through the Controller’s Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102-4682. Reference is made herein to various other documents, reports, websites, etc., which were either prepared by parties other than the City, or were not prepared, reviewed and approved by the City with a view towards making an offering of public securities, and such materials are therefore not incorporated herein by such references nor deemed a part of this Official Statement.

THE CITY AND COUNTY OF SAN FRANCISCO

General. The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (the “Bay”). The City is located at the northern tip of the San Francisco Peninsula, bounded by the Pacific Ocean to the west, the Bay and the San Francisco-Oakland Bay Bridge to the east, the entrance to the Bay and the Golden Gate Bridge to the north, and San Mateo County to the south. Silicon Valley is about a 40-minute drive to the south, and the wine country is about an hour’s drive to the north. The City estimates the City’s population in fiscal year 2018-19 to be 887,463.

* Preliminary, subject to change.

The San Francisco Bay Area consists of the nine counties contiguous to the Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties (collectively, the “Bay Area”). The economy of the Bay Area includes a wide range of industries, supplying local needs as well as the needs of national and international markets. Major business sectors in the Bay Area include technology, retail, entertainment and the arts, conventions and tourism, service businesses, banking, professional and financial services, corporate headquarters, international and wholesale trade, multimedia and advertising and higher education. The California State Supreme Court is also based in San Francisco.

The COVID-19 Emergency (as defined herein) is a significant new development materially adversely affecting the City’s finances and outlook. Many aspects of the City’s future finances and operations and the local economy are expected to be materially adversely impacted by the COVID-19 Emergency. Accordingly, any historical information or budgets and projections described in this Official Statement, including Appendices A and B attached hereto, which predate the COVID-19 Emergency or do not include information regarding its impact, should be considered in light of a possible or probable negative impact from the COVID-19 Emergency. To date, City economic and tax revenue losses associated with the COVID-19 Emergency have been stark and immediate. Future impacts are expected to be significant to many aspects of the local economy and City operations and finances. These impacts involve many developing and unknown outcomes. On March 31, 2020, the City released the March Joint Report Update (as defined herein), which included preliminary updates of the City’s fiscal year 2019-20 budget and revised projections of the City’s budgets for fiscal years 2020-21 and 2021-22. On May 13, 2020, the City released the May Update (as defined herein), which updated the March Joint Report Update and included further analysis of the economic impacts to the City of the City’s Shelter-in-Place (as defined herein) order and the City’s response to the COVID-19 Emergency. See “RECENT DEVELOPMENTS” herein. This budget and projection information and all other-forward looking statements in this Official Statement are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. See “RISK FACTORS – Public Health Emergencies” herein. The City may post certain reports and other information relating to the COVID-19 Emergency when available on its investor information website located at <https://sfcontroller.org/continuing-secondary-market-disclosure>.

The City has historically been a major convention and tourist destination. According to the San Francisco Travel Association, a nonprofit membership organization, during the calendar year 2019, approximately 26.2 million tourists visited the City, with total spending estimated at \$10.2 billion, including spending from conventions, trade shows and group meetings. The COVID-19 Emergency has significantly adversely impacted tourism and convention activities in the City.

The City is also a leading center for financial activity in the State. The headquarters of the Twelfth Federal Reserve District and the Eleventh District Federal Home Loan Bank are located in the City.

The City benefits from a highly skilled, educated and professional labor force. The City estimates the per-capita personal income of the City for fiscal year 2018-19 to be \$130,961. The San Francisco Unified School District (“SFUSD”), which is a separate legal entity from the City, operates 14 transitional kindergarten schools, 64 elementary schools serving grades transitional kindergarten (“TK”)-5, 8 schools serving grades TK-8, 13 middle schools serving grades 6-8, 15 high schools serving grades 9-12, 12 early education schools, and 14 active charter schools authorized by SFUSD. Higher education institutions located in the City include the University of San Francisco, California State University – San Francisco, University of California – San Francisco (a medical school and health science campus), the University of California Hastings College of the Law, the University of the Pacific’s School of Dentistry, Golden Gate University, City College of San Francisco (a public community college), the Art Institute of California – San Francisco, the San Francisco Conservatory of Music, the California Culinary Academy, and the Academy of Art University.

San Francisco International Airport (“SFO”), located 14 miles south of downtown San Francisco in an unincorporated area of San Mateo County, is owned and operated by the City, and is the principal commercial service airport for the Bay Area and one of the nation’s principal gateways for Pacific Rim traffic. In fiscal year 2018-19, SFO serviced approximately 57 million passengers and handled 564,521 metric tons of cargo. The City is also served by the Bay Area Rapid Transit District (“BART,” an electric rail commuter service linking the City with the East Bay and the San Francisco Peninsula, including SFO), Caltrain (a conventional commuter rail line linking the City with the San Francisco Peninsula), and bus and ferry services between the City and residential areas to the north, east and south of the City. San Francisco Municipal Railway (“Muni”), operated by the San Francisco Municipal Transportation Agency (“SFMTA”), provides bus and streetcar service within the City. The Port of San Francisco (the “Port”), which administers 7.5 miles of Bay waterfront held in “public trust” by the Port on behalf of the people of the State, promotes a balance of maritime-related commerce, fishing, recreational, industrial and commercial activities, and natural resource protection.

Government. San Francisco is a city and county chartered pursuant to Article XI, Sections 3, 4, 5 and 6 of the Constitution of the State of California and is the only consolidated city and county in the State. Voters approved the City’s current Charter at the November 1995 election. The City is governed by a Board of Supervisors elected from 11 districts to serve 4-year terms, and a Mayor who serves as chief executive officer, elected citywide to a 4-year term. The City’s adopted budget for fiscal years 2019-20 and 2020-21 totaled \$12.3 billion and \$12.0 billion, respectively. The General Fund portion of each year’s adopted budget was \$6.1 billion in fiscal year 2019-20 and \$6.0 billion in fiscal year 2020-21, with the balance being allocated to all other funds, including enterprise fund departments, such as SFO, SFMTA, the Port Commission and the San Francisco Public Utilities Commission (“SFPUC”). The City’s budget for fiscal year 2019-20 and 2020-21 includes 37,907 and 38,122 budgeted and funded City positions, respectively. According to the Treasurer and Tax Collector, the fiscal year 2019-20 total net assessed valuation of taxable property in the City is approximately \$281.1 billion, which represented an increase of 8.4% over fiscal year 2018-19.

More detailed information about the City’s governance, organization and finances may be found in APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES” and in APPENDIX B – “COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2019.”

RECENT DEVELOPMENTS

[To be updated as information becomes available]

The following information regarding certain recent developments in the finances and operations of the City supplements and amends the information set forth in Appendix A as of the date of this Official Statement. **Certain of the information provided below regarding the recent and ongoing COVID-19 Emergency (as defined below) is expected to have material adverse impacts on the projections and budget information provided in APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES,” which information in certain cases was prepared and released by the City prior to the COVID-19 Emergency.** Investors are advised to carefully consider the information presented below, together with other information presented in this Official Statement, in order to make an informed investment decision. Certain of the information provided below, and elsewhere in this Official Statement, involves forward-looking statements, which are based on current expectations and are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. See “CERTAIN RISK FACTORS – Public Health Emergencies.”

The Resolutions provide that the Bonds are payable from and secured by a voter-approved dedicated property tax levy on all taxable property in the City. Under the Resolutions, the City is not obligated to pay the debt service from any other sources. This Official Statement, including Appendix A hereto, provide information on the City’s overall operations and finances with an emphasis on its

General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolutions and that should not be considered available to pay debt service on the Bonds. See “SECURITY FOR THE BONDS” herein.

General

On February 11, 2020 the World Health Organization (“WHO”) announced the official name for the outbreak of a new disease (“COVID-19”) caused by a strain of novel coronavirus, an upper respiratory tract illness which has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the City. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Mayor of the City, the Governor of the State and the President of the United States.

To date there have been over 2,000 confirmed cases of COVID-19 in the City, and health officials expect the number of confirmed cases to grow. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including the San Francisco Unified School District) throughout the United States. In addition, stock markets in the United States and globally have been volatile, with significant declines in market value.

Several counties in the Bay Area (including the City) announced shelter-in-place (“Shelter-in-Place”) emergency orders, which direct individuals to stay home, except for certain limited travel for the conduct of essential services. Most retail establishments (e.g., restaurants, bars and nightclubs, entertainment venues, gyms, etc.) were closed in response to the Shelter-in-Place order. The Governor of the State has announced a similar Shelter-in-Place emergency order (N-33-20) effective for the entire state. The Governor’s order states that it will remain in place “until further notice.” On April 27, 2020 Mayor London Breed announced that the Shelter-in-Place order would be extended through the end of May 2020. On May 14, 2020, Mayor Breed amended the Shelter-in-Place order and issued guidelines to allow retail businesses and associated manufacturers, warehouses and logistical businesses to operate storefront pickup operations.

The City has announced emergency relief measures for local businesses that will defer collection of certain tax revenues and increase City expenditures, with potential offsets from federal and State emergency funds. Existing and potential impacts to the City associated with the COVID-19 outbreak include, but are not limited to, increasing costs and challenges to the City’s public health system, reductions in tourism and disruption of the regional and local economy, including triggering an economic recession of unknown duration, widespread business closures and significantly higher levels of unemployment, with corresponding decreases in City revenues.

The adverse effects of the COVID-19 outbreak will likely also have an adverse impact on the City’s retirement system. See “May Update Report” below. While the City’s retirement system is structured for long term performance, it is likely that the current market value of the City’s retirement fund has been materially adversely affected given the recent volatility and deterioration in global stock market values. These declines in market value could result in future increases in required pension fund contributions.

Modifications to Budget Calendar

On March 31, 2020, Mayor Breed announced in a press release that due to the current COVID-19 pandemic, the City’s budget timeline will be delayed for two months. This delay will allow the City to focus on responding to the public health crisis and provide enough time for City budget staff to develop a plan to bring current year expenditures into alignment with projected lower revenues and prepare for the upcoming budget cycle. The additional time is intended to ensure the City’s response to the significant current year shortfall and upcoming budget deficits are thoughtful and responsible.

Mayor Breed also announced that she will reissue Budget Instructions to departments in May, and Departments will be instructed to submit new department proposals to aid the Mayor in developing her balanced budget in June and July. By June 1, 2020, the Mayor plans to introduce a balanced interim budget to the Board of Supervisors. The Mayor plans to introduce a two-year balanced budget to the Board of Supervisors by August 1, 2020 for fiscal years 2020-21 and 2021-22. Following the Budget and Finance Committee Phase and the full Board phase, the budget is planned to go to Mayor Breed for her approval and signature by October 1, 2020. Also, see “May Update Report” below.

March Joint Report Update

On March 31, 2020, the Mayor, Board of Supervisors Budget Analyst, and Controller released an update (the “March Joint Report Update”) to the City’s Five-Year Financial Plan (the “Plan” or the “January Joint Report”). The January Joint Report forecasts City expenditures and revenues for the next five fiscal years. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – CITY BUDGET – Five-Year Financial Plan.” The March Joint Report Update updated the previous projections in the January Joint Report with new information since January, notably the impacts on the City’s local tax revenues resulting from the COVID-19 public health emergency (the “COVID-19 Emergency”). Generally, the March Joint Report Update has been updated and superseded by the May Update described below.

May Update Report

On May 13, 2020, the City released the May Update. The May Update report summarizes current projections of the City’s General Fund revenue and expenditures for the five-year period from fiscal year 2019-20 through fiscal year 2023-24, and was prepared jointly by the Mayor’s Budget Office, the Board of Supervisors Budget & Legislative Analyst, and the Controller’s Office. A copy of the May Update may be found on the City’s investor information website located at <https://sfcontroller.org/continuing-secondary-market-disclosure>. Neither the copy of the May Update on the City’s investor relations website nor any other content on the City’s investor relations website is incorporated by reference herein.

The report’s assessment of the severity and duration of economic and financial losses have worsened and changed in some aspects since the March Joint Report Update. In the City’s upcoming budget cycle, the Mayor and Board of Supervisors will be required to close projected shortfalls totaling \$1.7 billion during the remaining months of the current fiscal year and the upcoming two-year budget period (through fiscal year 2021-22).

In addition to the projected shortfalls through fiscal year 2021-22, the May Update report projects annual shortfalls of \$1.0 billion in fiscal year 2022-23 and \$1.1 billion in fiscal year 2023-24, the last two fiscal years of the five-year forecast period:

**Cumulative Changes in General Fund Supported
Revenues and Expenditures
(\$ in millions)**

	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Current fiscal year	(246.2)				
Future fiscal years		(753.9)	(735.4)	(1,016.4)	(1,088.5)
Projected shortfalls	(246.2)	(753.9)	(735.4)	(1,016.4)	(1,088.5)
FY 2019-20 through FY 2021-22 total			(1,735.5)		

While the March Joint Report Update presented the impacts of both an extended and limited recession, the May Update report no longer includes a more rapid recovery underpinning a limited impact scenario. Further, numerous factors, known and unknown, could cause actual results to differ materially from the projections, including but not limited to a delayed economic and revenue recovery scenario, emergency expenditures being required for a longer duration and/or loss of expected federal or State aid.

Economic and Revenue Recovery Delayed. As mentioned above, the May Update projections assume a slower economic recovery begins later in 2020 and continues into subsequent fiscal years. To the extent that the recovery occurs later or more gradually than assumed in the May Update, tax revenue losses will exceed those projected in the May Update report. Deeper losses would occur if continued community exposure to COVID-19 requires a slower resumption of economic activity, or subsequent outbreaks require re-imposition of public health measures that had been lifted.

Property, business, hotel, and sales tax revenue account for \$3.6 billion of the City's General Fund revenues. More significant economic losses that drive either a deeper loss or slower recovery of these revenue sources than assumed in the May Update would worsen the projections significantly.

Emergency Expenditures Required for Longer Duration. The City's response to the public health emergency has been expansive, and the City projects emergency response expenditures to total approximately \$375 million during the current fiscal year alone. These costs include extensive procurement of protective equipment for medical staff and first responders, operation and augmentation of the City's public health system, new congregate and non-congregate housing alternatives for vulnerable residents, and economic and social support programs for those effected by both the public health and economic emergencies.

Given uncertainty regarding the duration of the public health emergency and nascent financial planning regarding the need to sustain response programs in upcoming fiscal years, these projections assume no additional General Fund cost for these programs beyond June 30, 2020. However, sustained emergency and public health responses will be required.

Reliance on Federal and State Support. The May Update notes that the City is reliant on federal and State revenues to support a variety of public health, social, and other government services. These funds account for approximately 20% of total General Fund revenues. The reliance on federal funds is heightened in the current emergency, as Federal Emergency Management Agency ("FEMA") and other federal grant programs are needed to offset the costs of the City's emergency response. The May Update projects that federal sources, including a significant allocation provided under the federal CARES Act for state and local governments, will offset the majority of emergency costs during the current fiscal year. However, absent additional allocations from the federal government, CARES Act funds will be largely exhausted in the current fiscal year. Similarly, the duration of reimbursements from FEMA are unknown and tied to the duration of the federal emergency. As these federal programs expire, it will significantly decrease non-City revenues available to offset future local emergency response costs.

Additionally, the City receives funding through the State for a number of human welfare, public health, and other programs. The public health emergency has significantly weakened the State's financial condition. On May 14, 2020, the Governor released a proposed State budget to bridge a projected \$54 billion shortfall for the current and upcoming fiscal year. See "Impact of the State of California Budget on Local Finances." To the extent that the State's budget challenge results in reductions in funding for local governments, it may increase General Fund shortfalls accordingly. Projections in the May Update report assume no loss of federal or State aid.

Other Key Assumptions. The May Update report includes projections of all General Fund expenditures and revenues for fiscal years 2019-20 through 2023-24 and assumes current service levels and adopted policies. The City is required to adopt and maintain balanced budgets.

The Mayor’s Office has indicated they intend to submit a plan to offset projected revenue losses in the current fiscal year (fiscal year 2019-20) in the coming weeks. The Board Budget and Appropriations Committee has scheduled a hearing in May to review this plan. In its projections of fund balance available to support future fiscal years, the May Update assumes that a plan to bridge the \$246 million projected fiscal year 2019-20 shortfall will be enacted in the current year.

Nine-Month Report for Fiscal Year 2019-20. The May Update includes the Controller’s nine-month update on fiscal year 2019-20 revenue and expenditures as required by Charter Section 3.105, with information and projections as of April 15, 2020 (“Nine Month Report”). The Nine Month Report shows a fiscal year 2019-20 mid-year shortfall of \$246.2 million, as shown in the table below.

FY 2019-20 Project General Fund Variances to Budget
(\$ in millions)

	FY 2018-19 Ending Fund Balance	504.7
	Appropriation in the FY 2019-20 Budget	(210.6)
A.	FY 2019-20 Starting Fund Balance	294.0
	Citywide Revenue Surplus / (Shortfall)	(436.0)
	Baseline Contributions	103.8
	Departmental Operations	123.7
	Approved Supplemental Appropriations	2.2
	Projected Use of General Reserve	(2.2)
B.	Current Year Revenues and Expenditures	(208.5)
	Deposit to Budget Stabilization Reserve	(66.8)
	Deposit to Budget Stabilization One-Time Reserve	66.8
	Deposit to Budget Savings Incentive Fund	-
C.	Withdrawals from / (Deposits) to Reserves	-
D.	FY 2019-20 Projected Ending Balance	85.5
E.	Previously Projected Available for Budget Years	331.7
F.	FY 2019-20 Mid-Year Shortfall	(246.2)

Citywide revenues are anticipated to be \$436.0 million below budget, a decline of \$542.8 million from the budget status update on revenues and expenditures through the first six months of the year issued by the Controller’s Office in February 2020 (the “Six Month Report”). Formula-driven voter-mandated baseline spending requirements are projected to be \$103.8 million below budget as a result of projected revenue declines.

The Controller’s Office projects a net departmental operating surplus of \$123.7 million. At the time of the Six-Month report, several departments anticipated requesting overtime supplemental appropriations in annual operating funds, as required by Administrative Code Section 3.17. This requirement is currently superseded by the Mayor’s Emergency Declaration.

Given a significant projected revenue shortfall and as permitted by the authorizing legislation, the Controller has suspended deposits to the Citywide Budget Savings Incentive Fund, and no deposits to other reserves are projected. The funded level of the City’s economic stabilization reserves remains at the target of 10% of General Fund revenue, absent appropriation of these reserves by policymakers. Due to revenue losses in the current year and high levels of excess ERAF revenues received in the prior fiscal year, the value of the

10% cap has fallen by \$66.8 million in the current year, which causes the \$66.8 million in excess of the cap to be shifted into the Budget Stabilization One-Time Reserve.

Based on the above assumptions and projections, the Nine-Month Report anticipates an ending available General Fund balance for fiscal year 2019-20 of \$85.5 million.

The budget outlook for fiscal years 2020-21 to 2023-24 described below assumes \$331.7 million in available fund balance is drawn down to reduce shortfalls in those years. This balance is based upon estimates of available balance as of the City’s January 2020 projection report for those years.

The difference between current and previous estimates of ending available fund balance for fiscal year 2019-20 totals \$246.2 million. The Mayor’s Office has stated they intend to implement a rebalancing plan to bridge this loss in May 2020. To the extent that this plan offsets this projected loss of fund balance, the ending balance for the current fiscal year will be restored to \$331.7 million, consistent with assumptions for subsequent fiscal year projections below.

FY 2020-21 – FY 2023-24 Budget Outlook. The table below describes the changes since the City’s January Joint Report:

**Summary Changes to Updated Projected Budgetary Surplus / (Shortfall),
cumulative, as compared to January 2020 Projection
(\$ in millions)**

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Sources - Revenue and Fund Balance	(739.2)	(534.2)	(479.2)	(419.1)
Uses - Baselines & Reserves	138.4	75.5	97.9	77.1
Uses - Salaries & Benefits	43.0	(37.8)	(76.6)	(87.0)
Uses - Citywide Operating Budget Costs	1.4	6.2	0.9	(0.9)
Uses - Departmental Costs	(2.1)	(20.9)	(28.4)	(28.0)
Total Cumulative Change	(558.6)	(511.2)	(485.3)	(457.9)

Change in Two Year Deficit (1,069.8)

Certain of the explanations provided in the May Update regarding changes to projected revenue sources and uses are summarized below.

SOURCES – Revenue and Fund Balance:

- *Use of Fund Balance.* The current projection is the same as the January projection, assuming the use of \$331.7 million of fund balance, as well as the entirety of the fund balance draw down reserve. To achieve this level of fund balance, the May Update notes that policymakers will need to eliminate the current year shortfall of \$246.2 million, as described above.
- *Citywide Revenue.* The current projection includes significant downward revisions of revenue. Changes to major sources of revenue are detailed below:
 - *Property Tax Revenue.* Changes in property tax revenues lag other recessionary revenue losses due to statutory deadlines. Current fiscal year taxable values reflect the lower of either the current market value of the property as of the January 1, 2019 lien date or the property’s base year value (when first acquired or new construction improvements completed) plus accumulated annual inflation (capped at 2% per year) since that base

year. Taxable values for fiscal 2020-21 were set as of the January 1, 2020 lien date. The first upcoming fiscal year that may reflect negative economic conditions is fiscal year 2021-22 with a lien date of January 1, 2021.

Over two-thirds of the fiscal 2019-20 secured taxable value of San Francisco real estate is comprised of either single or multi-unit residential properties. Due to Proposition 13 limitations on reassessments, the median taxable value of single-family dwellings of \$590,000 in San Francisco is well below recent median market sales prices above \$1 million, and most valuations will continue to increase with California Consumer Price Index (CPI). The revenue risk from declining residential property market values would stem largely from new construction and recently sold properties with taxable base year valuations set near their full market values. Given restrictions on travel and commerce and the move toward telecommuting, hotel and commercial retail property values appear to be at greatest risk of reduction, followed by office space.

Although there is little argument for reductions to values as of the January 1, 2020 lien date, there is a risk that legislators may approve changes (e.g. SB 1431) that would allow the COVID-19 public health emergency to be considered a misfortune and calamity for commercial properties such as hotels, retail, and office that could result in material losses of property tax revenue. Multi-unit residential buildings values would not be immune from downward revision if harmed by the emergency.

Fiscal year 2021-22 General Fund property tax revenues are projected to be \$1,819.0 million. This is the first fiscal year that COVID-19 is anticipated to substantially impact property tax revenues. Automatic inflationary increases to taxable values, usually assumed at the 2% Prop 13 limit, have been reduced to 1%, and hotel, retail, and office assessed values are assumed reduced by \$8.5 billion, reflecting declines of about 20%, 20%, and 7%, respectively. A 20% reduction in unsecured business property tax assessments is included in the projection, reflecting the possibility that many businesses will dissolve prior to the January 1, 2021 lien date.

Fiscal year 2022-23 and fiscal year 2023-24 General Fund property tax revenues are projected to be \$1,922 million and \$2,037 million, respectively, assuming California CPI will provide the Proposition 13 capped 2% growth in secured property taxable valuations along with 2% growth from changes in ownership that result taxable values set to higher market rates.

- Business Tax. The May Update assumes 6% growth in business tax revenue in 2021 as well as 3% growth in 2022 and 2% in 2023.
- Local Sales Tax and State Sales Tax Subventions. In fiscal year 2020-21, the May Update projection assumes a more moderate sales decrease from pre-COVID-19 levels in July to September to a 50% reduction for restaurants and bars and 25% for all other sectors, and a 25% reduction for restaurants and bars and 10% for all other sectors into December. Beyond fiscal 2020-21, consumer spending is expected to slowly recover, and sales tax is anticipated to rise to \$190.0 million by fiscal year 2023-24, which would still be 11.1% below the fiscal year 2018-19 peak.
- Hotel Room Tax. The May Update projection assumes a decline in revenue per available room (RevPAR) of 38% in the first quarter (January to March), and a 90% decrease into September 2020, 75% in the fourth quarter (October to December), 30% through June 2022, and 20% through the end of FY 2022-23. The hotel industry is anticipated to slowly recover; hotel tax across all funds is projected to be \$402.3 million in fiscal year

2023-24, still below the prior peak, with \$363.2 million in the General Fund, \$29.2 million (7.4%) less than that in fiscal year 2018-19.

- *Real Property Transfer Tax.* In fiscal year 2020-21, the May Update continues to assume dampened commercial real estate activity through the first half of the fiscal year, with monthly receipts of \$15 million, rising to \$21 million per month in the second half of the year. Transfer tax is assumed to return its long-term historical average of \$253.4 million by fiscal year 2021-22 and remain at that level through fiscal year 2023-24.
- *Department of Public Health Revenue.* In addition to the January assumptions, the current projection includes a new one-time reduction of public health revenues of \$80.2 million in fiscal year 2020-21, recovering in the following year. This amount mostly represents lost patient and Medi-Cal revenue due to the cancellation and deferral of elective medical visits as a result of the health emergency.

USES – Salaries and Benefits

- *Labor Agreements.* The May Update assumes contracts for Police and Firefighter unions remain closed through fiscal year 2020-21, and contracts for miscellaneous unions remain closed through fiscal year 2021-22. The May Update assumes the six-month delay of wage increases set to go into effect in July 2020 and December 2020, consistent with language in negotiated memorandums of understanding (MOUs) regarding current fiscal conditions.
- *Retirement Benefits – Employer Contribution Rates.* Changes in the assumed employer contribution rates for SFERS are a significant driver in the change in salary and benefits costs as compared to the January 2020 report. The projection reflects the employer contribution rate set by the Retirement Board in February 2020 for the upcoming fiscal year 2020-21, resulting in a savings of \$5.6 million compared to January. For the remaining years of the projection, the report assumes investment returns of -5.0% in the current year as a result of poor market performance due to the COVID-19 emergency, as opposed to the 7.4% rate of returns assumed in January. These losses result in projected increased year-over-year costs of \$26.9 million in fiscal year 2021-22 and an additional \$30.7 million in fiscal year 2022-23 versus the January projection.
- *Health Benefits for Active Employees and Retirees.* The update includes a number of changes to the cost of health benefits for active employees and retirees. In January 2020, the average health rate increases for active and retirees was approximately 6.0% across the projection period; in this update, average health rates are projected to increase to 6.7%. For active employees, health rates were increased modestly from the January report to account for projected increases in health care costs. For retirees, the update includes increased retiree health costs in fiscal year 2020-21 to reflect actual retiree health costs in the current fiscal year, and then assumes increased rates in the final three years of the projection. The May Update report also assumes the elimination of the so-called Cadillac Tax, which was repealed by Congress in December 2019, reducing expected costs of health care. Together, these changes result in an additional year-over-year increase of \$8.7 million in fiscal year 2020-21, \$2.1 million in fiscal year

USES – Departmental Costs

- These changes are primarily due to a projected increased General Fund subsidy for the Moscone Convention Center and increased cost for entitlements and other benefits, offset by some savings in the annualization of current year supplementals.

Emergency Expenditure and Revenue. The City's response to the COVID-19 public health emergency has been extensive, and has involved significant public health, emergency management, shelter and

temporary housing, and social and economic support programs. The May Update summarizes projection of these costs during the current fiscal year and provides a preliminary assessment of possible spending levels in fiscal year 2020-21.

City costs and encumbrances for the effort in the current fiscal year ending June 30, 2020 are projected to total \$372.2 million. These expenses are expected to be offset in part by projected FEMA reimbursements, local philanthropy, and other sources of approximately \$231.9 million. The remaining projected shortfall of \$140.8 million will likely be covered by one-time allocations available from the CARES Act, but largely deplete the value of those allocations available to support those expenditures in coming fiscal years.

City costs for fiscal year 2020-21, and potentially beyond, are largely unknown at this time, but are likely to be significant. The level of costs will depend on the intensity and duration of local health risks in the next phases of the COVID-19 emergency and the investment in strategies to mitigate this risk. For illustration, if current spending rates are sustained for the coming fiscal year, local costs remaining after FEMA reimbursement would total approximately \$470 million. If costs drop to 25% of current spending levels, the local share after FEMA reimbursement would total approximately \$85 million. Local costs pressures will rise if the duration of FEMA reimbursements, which is tied to the federally-declared national emergency, is shortened.

The table below summarizes projected expenditures and revenues related to the City’s emergency response efforts to mitigate, prepare for, and respond to the spread of COVID-19, and to provide immediate relief and assistance to San Francisco residents and workers. The figures represent projected expenditures and revenues for the current fiscal year ending on June 30, 2020. The City projects current year expenditures and encumbrances totaling \$372.7 million, offset by projected claims to FEMA, local philanthropic allocations to date, and some state or federal sources that have already been allocated for specific programs of \$231.9 million. The City projects that the remaining fiscal year 2019-20 shortfall of \$140.8 million can be covered in the current year by available one-time allocations of \$183.2 million from the CARES Act Coronavirus Relief Fund and the State’s Senate Bill 89. However, this will largely exhaust these CARES Act allocations, resulting in uncertainty as to funding for continued emergency response costs in FY 2020-21.

FY 2019-20 COVID-19 Response Expenditures & Revenues
(\$ in millions)

	Total Cost	FEMA & Other	Net Local
Expenditures			
Health system costs	177.7	132.5	45.2
Shelter and housing programs	91.6	46.2	45.4
Emergency operations and staffing	30.7	10.7	20.0
Economic and social relief programs	72.7	42.5	30.2
Subtotal, Expenditures	372.7	231.9	140.8
Other Federal & State Sources			
CARES Act - State & Local Governments			153.8
CARES Act - Other allocations			22.0
State Senate Bill 89 - Emergency homelessness funding			7.4
Subtotal, Other Federal & State Sources			183.2
Balance of CARES Act Funding for Response Costs in FY 2020-21			42.4

Threat of Extended Recession

Widespread shutdown of businesses and supply chain disruption in response to the COVID-19 pandemic is expected to have started a U.S. recession in March 2020. According to the California Employment

Development Department, the State's unemployment rate rose by 1.4 percentage points in March 2020 to 5.3 percent, which was the State's largest unemployment rate increase on record in a data series going back to 1976. In the "Great Recession" occurring nationally from December 2007 to June 2009 (according to the U.S. National Bureau of Economic Research), California real GDP growth slowed for five consecutive quarters from the third quarter of 2008 to the third quarter of 2009 and did not return to pre-recession level of output until three years later in the third quarter of 2012. The unemployment rate rose steadily from 4.9 percent in the fourth quarter of 2006 to peak at 12.3 percent in the fourth quarter of 2010 and did not return to the pre-recession level until the second quarter of 2017. More than a third of California jobs are in sectors that are immediately vulnerable to stay-at-home disruptions, and unemployment could peak at around 25 percent, or twice as high as in the Great Recession.

Impact of the State of California Budget on Local Finances

On May 14, 2020, the Governor submitted his fiscal year 2020-21 May Revision budget proposal to the Legislature which provides for closing a budget gap of more than \$54 billion brought on by the COVID-19 recession. The May Revision proposes to cancel new initiatives proposed in the Governor's original January budget, cancel and reduce spending included in the 2019 Budget Act, draw down reserves, borrow from special funds, temporarily increase revenues and make government more efficient. Due to the size of the challenge, the May Revision includes reductions in spending. The May Revision provides that certain significant cuts will only be triggered if the federal government does not pass an aid package that helps states and local governments.

The May Revision responds to the dramatic economic and revenue changes since January 2020, when the budget reflected a \$5.6 billion surplus and record reserve levels. In a release that accompanied the May Revision the Governor's Office noted that the rapid onset of the COVID-19 recession in California has resulted in more than 4 million unemployment claims being filed since mid-March, the unemployment rate is now projected to be 18 percent for the year, and there is a \$41 billion decline in revenues compared to January's forecast. With a higher demand for social safety net services increasing state costs, the \$54.3 billion deficit is more than three times the size of the record \$16 billion set aside in the state's Rainy Day Fund.

The City is reviewing the May Revision and has not yet determined what impacts the May Revision, if enacted, would have on the finances and operations of the City. It is likely that the State budget for fiscal year 2020-21 will continue to undergo significant revisions before being adopted in its final form. Further, as provided in the May Revision, the adopted budget will be significantly impacted by developing economic circumstances and whether the federal government provides additional funding to states and local governments.

Impact of the Federal Government on Local Finances

Under the CARES Act, the United States Treasury department will distribute \$150 billion to state and local governments within 30 days of enactment under a population-based formula. The statute limits the use of funds to COVID-19 expense reimbursement rather than to offset anticipated state tax revenue losses. The City has received its \$153.8 million allocation from this Coronavirus Relief Fund, which can be used to cover COVID-19-related medical, public health, economic support, and other emergency response costs. The federal government also provides significant funding for COVID-19 expenses through FEMA. See "May Update Report" above.

THE BONDS

Authority for Issuance; Purposes

The Bonds will be issued under Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the Government Code of the State and the Charter. The City authorized the issuance of the Bonds by Resolution No. 193-15

and Resolution No. [__-__], adopted by the Board of Supervisors of the City on June 2, 2015 and [____ _], 2020, respectively, and duly approved by the Mayor of the City on June 9, 2015 and [____ _], 2020, respectively (together, the “Resolutions”).

The Bonds will constitute the third series of bonds to be issued from an aggregate authorized amount of \$500,000,000 of City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), duly approved by more than two-thirds of the voters voting on Proposition A at an election held on November 4, 2014 (“Proposition A (2014)”), to provide funds for the purposes authorized in Proposition A (2014), which are summarized as follows: to construct, redesign and rebuild streets and sidewalks and to make infrastructure repairs and improvements that increase Muni service reliability, ease traffic congestion, reduce vehicle travel times, enhance pedestrian and bicycle safety, and improve disabled access. The City previously issued \$67,005,000 of the bonds authorized by Proposition A (2014) on July 14, 2015 and \$174,445,000 of the bonds authorized by Proposition A (2014) on April 3, 2018.

The Administrative Code of the City (the “Administrative Code”) and Proposition A (2014) provide that, to the extent permitted by law, 0.1% of the gross proceeds of all proposed bonds, including the Bonds, be deposited by the Controller and used to fund the costs of the City’s independent citizens’ general obligation bond oversight committee. The committee was created by the Administrative Code and its members are appointed by the Board of Supervisors of the City to inform the public concerning the expenditure of general obligation bond proceeds in accordance with the voter authorization. In addition, the Resolutions provide that to the extent permitted by law, one-fifth of one percent (0.2%) of the amount of gross proceeds of the Bonds deposited into the Project Subaccounts (as defined herein) will be applied to pay the City’s Office of the Controller audit fee. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Form and Registration

The Bonds will be issued in the principal amounts set forth on the inside cover hereof, in the denomination of \$5,000 each or any integral multiple thereof, and will be dated their date of delivery. The Bonds will be issued in fully registered form, without coupons. The Bonds will be initially registered in the name of Cede & Co. as registered owner and nominee for The Depository Trust Company (“DTC”), which is required to remit payments of principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See APPENDIX E – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Payment of Interest and Principal

Interest on the Bonds will be payable on each June 15 and December 15 to maturity or prior redemption, commencing December 15, 2020 at the interest rates shown on the inside cover hereof. Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The City Treasurer will act as paying agent and registrar with respect to the Bonds. The interest on the Bonds will be payable in lawful money of the United States to the Registered Owner whose name appears on the Bond registration books of the City Treasurer as the owner thereof as of the close of business on the last day of the month immediately preceding an interest payment date (the “Record Date”), whether or not such day is a business day. Each Bond authenticated on or before November 30, 2020 will bear interest from the date of delivery. Every other Bond will bear interest from the interest payment date next preceding its date of authentication unless it is authenticated as of a day during the period from the Record Date next preceding any interest payment date to the interest payment date, inclusive, in which event it will bear interest from such interest payment date; provided, that if, at the time of authentication of any Bond, interest is then in default on the Bonds, such Bond will bear interest at its stated rate from the interest payment date to which interest has previously been paid or made available for payment on the Bonds.

The Bonds will mature on the dates shown on the inside cover page hereof. The Bonds will be subject to redemption prior to maturity, as described below. See “– Redemption” below. The principal of the Bonds

will be payable in lawful money of the United States to the owner thereof upon the surrender thereof at maturity or earlier redemption at the office of the City Treasurer.

Redemption

Optional Redemption of the Bonds

The 2020B-1 Bonds maturing on or before June 15, 20__ will not be subject to optional redemption prior to their respective stated maturities. The 2020B-1 Bonds maturing on and after June 15, 20__ will be subject to optional redemption prior to their respective stated maturities, at the option of the City, from any source of available funds, as a whole or in part on any date on or after June 15, 20__, at the redemption price equal to the principal amount of the Bonds redeemed, together with accrued interest to the date fixed for redemption (the “Redemption Date”), without premium.

[The 2020B-2 Bonds will not be subject to optional redemption prior to maturity.]

Mandatory Redemption of Bonds*

The 2020B-1 Bonds maturing on June 15, 20__ will be subject to mandatory sinking fund redemption prior to their stated maturity date, by lot, on each June 15, as shown in the table below, at a redemption price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium.

Mandatory Sinking Fund Redemption Date (June 15)	Sinking Fund Payment Principal Amount
--	--

† Maturity

In lieu of any such mandatory redemption, the City may apply amounts on deposit in the 2020B-1 Bond Subaccount, as defined below (See “SOURCES AND USES – Deposit and Investment of Bond Proceeds”), created under the Resolutions to purchase the 2020B-1 Bonds subject to such redemption at public or private sale, as and when and at such prices not in excess of the principal amount thereof (including sales commission and other charges but excluding accrued interest), as the City may determine.

Selection of Bonds for Redemption

Whenever less than all of the outstanding Bonds are called for redemption on any one date, the City Treasurer will select the maturities of Bonds to be redeemed in the sole discretion of the City Treasurer, and whenever less than all the outstanding Bonds maturing on any one date are called for redemption on any date, the particular Bonds or portions thereof to be redeemed will be selected by lot, in any manner which the City Treasurer in its sole discretion deems fair. The Bonds may be redeemed in denominations of \$5,000 or any integral multiple thereof.

Notice of Redemption

The City Treasurer will mail, or cause to be mailed by its agent, including but not limited to an escrow

* Preliminary, subject to change.

agent, notice of any redemption of the Bonds, postage prepaid, to the respective registered owners thereof at the addresses appearing on the Bond registration books not less than 20 days and not more than 60 days prior to the Redemption Date.

Each notice of redemption will: (a) state the Redemption Date; (b) state the redemption price; (c) state the maturity dates of the Bonds called for redemption, and, if less than all of any such maturity is called for redemption, the distinctive numbers of the Bonds of such maturity to be redeemed, and in the case of a Bond redeemed in part only, the respective portions of the principal amount thereof to be redeemed; (d) state the CUSIP number, if any, of each Bond to be redeemed; (e) require that such Bonds be surrendered by the owners at the office of the City Treasurer or his or her agent; and (f) give notice that interest on such Bonds or portions of such Bonds to be redeemed will cease to accrue after the designated Redemption Date. Unless funds are on deposit in the redemption account (the "Redemption Account") for any Bonds called for redemption on the date the notice of redemption is given, redemption shall be conditioned on sufficient moneys to redeem such bonds being on deposit in the Redemption Account for the Bonds called for redemption on the Redemption Date, and if sufficient moneys to redeem the Bonds called for redemption are not on deposit in the Redemption Account for such Bonds on the Redemption Date, the Bonds called for redemption shall not be redeemed and shall remain outstanding for all purposes under the Resolutions and the redemption not occurring shall not constitute an event of default under the Resolutions. See "-- Conditional Notice; Right to Rescind Notice of Optional Redemption" below.

The actual receipt by the owner of any Bond of such notice of redemption will not be a condition precedent to redemption of such Bond, and failure to receive such notice, or any defect in such notice, will not affect the validity of the proceedings for the redemption of such Bond or the cessation of the accrual of interest on such Bond on the Redemption Date.

Effect of Notice of Redemption

When notice of optional redemption has been given as described above, the Bonds designated for redemption will become due and payable on the Redemption Date (subject to the conditions for notice of redemption, above, and any other conditions set forth in this section), and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, those Bonds will be redeemed and paid at said redemption price out of the Redemption Account. No interest will accrue on such Bonds called for redemption after the Redemption Date and the registered owners of such Bonds will look for payment of such Bonds only to the Redemption Account. Moneys held in the Redemption Account will be invested by the City Treasurer pursuant to the City's policies and guidelines for investment of moneys in the General Fund of the City. See APPENDIX C – "CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE TREASURER – INVESTMENT POLICY."

Conditional Notice; Right to Rescind Notice of Optional Redemption

Any notice of optional redemption may provide that such redemption is conditioned upon: (i) deposit of sufficient moneys to redeem the applicable Bonds called for redemption on the anticipated Redemption Date, or (ii) the occurrence of any other event specified in the notice of redemption. In the event that such conditional notice of optional redemption has been given and on the scheduled Redemption Date (i) sufficient moneys to redeem the Bonds have not been deposited or (ii) any other event specified in the notice of redemption did not occur, such Bonds for which notice of conditional optional redemption was given will not be redeemed and will remain outstanding for all purposes and the redemption not occurring will not constitute a default under the Resolutions.

In addition, the City may rescind any optional redemption and notice thereof for any reason on any date prior to any Redemption Date by causing written notice of the rescission to be given to the Registered Owner of all Bonds so called for redemption. Notice of such rescission of redemption will be given in the same manner notice of redemption was originally given. The actual receipt by the Registered Owner of any

Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice so mailed will not affect the validity of the rescission.

Defeasance

Payment of all or any portion of the Bonds may be provided for prior to such Bonds' respective stated maturities by irrevocably depositing with the City Treasurer (or any commercial bank or trust company designated by the City Treasurer to act as escrow agent with respect thereto): (a) an amount of cash equal to the principal amount of all of such Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case of Bonds which are to be redeemed prior to such Bonds' respective stated maturities and in respect of which notice of such redemption will have been given as described above or an irrevocable election to give such notice will have been made by the City, the amount to be deposited will be the principal amount thereof, all unpaid interest thereon to the Redemption Date, and premium, if any, due on such Redemption Date; or (b) Defeasance Securities (as defined below) not subject to call, except as described in the definition below, maturing and paying interest at such times and in such amounts, together with interest earnings and cash, if required, as will, without reinvestment, as certified by an independent certified public accountant, be fully sufficient to pay the principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be, and any premium due on the Bonds to be paid or redeemed, as such principal and interest come due; provided, that, in the case of the Bonds which are to be redeemed prior to maturity, irrevocable notice of such redemption will be given as described above or an irrevocable election to give such notice will have been made by the City; then, all obligations of the City with respect to said outstanding Bonds will cease and terminate, except only the obligation of the City to pay or cause to be paid from the funds deposited as described in this paragraph, to the owners of said Bonds all sums due with respect thereto, and the tax covenant obligations of the City with respect to such Bonds; provided, that the City will have received, if desirable, an opinion of nationally recognized bond counsel that provision for the payment of said Bonds has been made as required by the Resolutions.

As used in this section, the following terms have the meanings given below:

“Defeasance Securities” means any of the following which at the time are legal investments under the laws of the State of California for the moneys proposed to be invested therein: (1) United States Obligations (as defined below); and (2) Pre-refunded fixed interest rate municipal obligations meeting the following conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the trustee or paying agent has been given irrevocable instructions concerning their calling and redemption and the issuer has covenanted not to redeem such obligations other than as set forth in such instructions; (b) the municipal obligations are secured by cash or United States Obligations (as defined below); (c) the principal of and interest on the United States Obligations (plus any cash in the escrow fund or the applicable Redemption Account) are sufficient to meet the liabilities of the municipal obligations; (d) the United States Obligations serving as security for the municipal obligations are held by an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus sign or other modifier), at the time of original deposit to the escrow fund, by any two Rating Agencies (as defined below) not lower than the rating then maintained by the respective Rating Agency on such United States Obligations.

“United States Obligations” means (i) direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including without limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that have been stripped by request to the Federal Reserve Bank of New York in book-entry form, or (ii) any security issued by an agency or instrumentality of the United States of America that is selected by the Director of Public Finance that results in the escrow fund being rated by any two Rating Agencies (as defined below) at the time of the initial deposit to the escrow fund and upon any substitution or subsequent deposit to the escrow

fund, no lower than the rating then maintained by the respective Rating Agency on United States Obligations described in (i) herein.

“Rating Agencies” means Moody’s Investors Service, Inc., Fitch Ratings, and S&P Global Ratings, or any other nationally-recognized bond rating agency that is the successor to any of the foregoing rating agencies or that is otherwise recognized as a national rating agency after the date of adoption of the Resolutions.

SOURCES AND USES OF FUNDS

The following are the estimated sources and uses of funds in connection with the Bonds:

Sources	2020B-1	2020B-2	Total
Principal Amount of Bonds	\$-	\$-	\$-
[Net Original Issue Premium/Discount]	-	-	-
Total Sources of Funds	\$-	\$-	\$-
Uses			
Deposit to Project Subaccounts ⁽¹⁾	\$-	\$-	\$-
Deposit into Bond Subaccounts	-	-	-
Oversight Committee	-	-	-
Underwriter’s Discount	-	-	-
Costs of Issuance ⁽²⁾	-	-	-
Total Uses of Funds	\$-	\$-	\$-

⁽¹⁾ Of the total 2020B-1 Project Subaccount deposit, \$_____ will be used to pay project costs and \$_____ (representing 0.2% of the 2020B-1 Project Subaccount for project costs) will be used to pay the City’s Office of the Controller’s audit fee. Of the total 2020B-2 Project Subaccount deposit, \$_____ will be used to pay project costs and \$_____ (representing 0.2% of the 2020B-2 Project Subaccount for project costs) will be used to pay the City’s Office of the Controller’s audit fee.

⁽²⁾ Includes fees for services of rating agencies, Municipal Advisor, Co-Bond Counsel, Disclosure Counsel, costs to the City, printing costs, other miscellaneous costs associated with the issuance of the Bonds, and rounding amounts.

Deposit and Investment of Bond Proceeds

2020B-1 Bond Proceeds. Any bid net premium received upon the delivery of the 2020B-1 Bonds, and all taxes collected for payment of the 2020B-1 Bonds, will be deposited into a special subaccount established for the payment of the 2020B-1 Bonds. The subaccount was created by the Resolutions specifically for payment of principal of and interest on the 2020B-1 Bonds (the “2020B-1 Bond Subaccount”).

All remaining proceeds of the sale of the 2020B-1 Bonds are required to be deposited by the City Treasurer into a special subaccount within the project account created by the City to hold proceeds of the sale of all of the Proposition A (2014) bonds, which proceeds are required to be applied exclusively to the purposes approved by the voters in Proposition A (2014), and to pay costs of issuance of such bonds. See “THE BONDS – Authority for Issuance; Purposes.” The subaccount was created by the Resolutions specifically to hold the proceeds of the 2020B-1 Bonds (the “2020B-1 Project Subaccount”).

2020B-2 Bond Proceeds. Any bid net premium received upon the delivery of the 2020B-2 Bonds, and all taxes collected for payment of the 2020B-2 Bonds, will be deposited into a special subaccount established for the payment of the 2020B-2 Bonds. The subaccount was created by the Resolutions specifically for

payment of principal of and interest on the 2020B-2 Bonds (the “2020B-2 Bond Subaccount,” and together with the 2020B-1 Bond Subaccount, the “Bond Subaccounts”).

All remaining proceeds of the sale of the 2020B-2 Bonds are required to be deposited by the City Treasurer into a special subaccount within the project account created by the City to hold proceeds of the sale of all of the Proposition A (2014) bonds, which proceeds are required to be applied exclusively to the purposes approved by the voters in Proposition A (2014), and to pay costs of issuance of such bonds. See “THE BONDS – Authority for Issuance; Purposes.” The subaccount was created by the Resolutions specifically to hold the proceeds of the 2020B-2 Bonds (the “2020B-2 Project Subaccount,” and together with the 2020B-1 Project Subaccount, the “Project Subaccounts”).

Under the Resolutions, the Bond Subaccounts and the Project Subaccounts may each be invested in any investment of the City in which moneys in the General Fund of the City are invested. The City Treasurer may commingle any of the moneys held in any such account with other City moneys, or deposit amounts credited to such accounts into a separate fund or funds for investment purposes only. All interest earned on any such account will be retained in that account. See APPENDIX C – “CITY AND COUNTY OF SAN FRANCISCO, OFFICE OF THE TREASURER – INVESTMENT POLICY.”

A portion of the proceeds of the Bonds will be used to pay certain costs related to the issuance of the Bonds. One-tenth of one percent (0.1%) of the proceeds of each series of the Bonds are required to be appropriated to fund the Citizens’ General Obligation Bond Oversight Committee, created to oversee various general obligation bond programs of the City. In addition, the Resolutions provide that to the extent permitted by law, 0.2% of the amount of gross proceeds of the Bonds deposited into the Project Subaccounts (as defined herein) will be applied to pay the City’s Office of the Controller audit fee. See “THE BONDS – Authority for Issuance; Purposes” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

[Remainder of Page Intentionally Left Blank]

SECURITY FOR THE BONDS

General

For the purpose of paying the principal of and interest on the Bonds, the City at the time of fixing the general tax levy will continue to fix, and in the manner provided for such general tax levy, levy and collect taxes annually each year until all outstanding Bonds have been paid, or until there shall be a sum set apart for that purpose in the Treasury of the City sufficient to meet all sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay the annual interest on the 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 interest or principal. Said tax shall be in addition to all other taxes levied for City purposes, shall be collected at the time and in the same manner as other taxes of the City are collected, and shall be used only for the payment of the Bonds and the interest thereon. Under the framework of the constitutional provisions and statutes applicable to California general obligation bonds, including the Bonds, taxes levied to pay debt service on the Bonds may not be used for any other purpose and are not available to support general City operations. See “Property Taxation” below.

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the City. The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year, less any other lawfully available funds applied by the City for repayment of the Bonds. Fluctuations in the annual debt service on the Bonds, the assessed value of taxable property in the City, and the availability of such other funds in any year, may cause the annual property tax rate applicable to the Bonds to fluctuate. In general, if overall assessed values of taxable property in the City were to decline, then the City, in order to generate sufficient tax revenues to pay debt service on the Bonds and other general obligation bonds, would increase tax rates applicable to the Bonds and other general obligations bonds. See “Property Taxation” below.

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. See “Statutory Lien on Taxes” below.

Pursuant to the Resolutions, the City will pledge amounts in the Bond Account for the payment of the principal of and interest on the Bonds when and as the same become due. See “Pledge” below.

Under the Resolutions, the City is not obligated to pay the debt service from any sources other than as described above. This Official Statement, including Appendix A hereto, provides information on the City’s overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolutions and that should not be considered available to pay debt service on the Bonds.

Pledge

Pursuant to the Resolutions, the City will pledge amounts in the Bond Account for the payment of the principal of and interest on the Bonds when and as the same become due, including the principal of any term bonds required to be paid upon the mandatory sinking fund redemption thereof. In addition, the payment of such principal and interest will be secured by the statutory lien of California Government Code Section 53515, to the extent applicable to the amounts of *ad valorem* taxes on deposit in the Bond Fund. See “Statutory Lien on Taxes” below.

Statutory Lien on Taxes

Pursuant to Section 53515 of the California Government Code, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the

Bonds. Section 53515 of the California Government Code provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time such bonds are executed and delivered. Section 53515 of the California Government Code further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See “CERTAIN RISK FACTORS – Limitation on Remedies; Bankruptcy.”

Property Taxation

General. The City levies property taxes for general operating purposes as well as for the payment of voter-approved general obligation bonds. Taxes levied to pay debt service for general obligation bonds may only be applied for that purpose. As a county under State law, the City also levies property taxes on behalf of all local agencies with overlapping jurisdiction within the boundaries of the City. Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the City. At the start of fiscal year 2019-20, the total net assessed valuation of taxable property (net of homeowner’s exemption) within the City was approximately \$281.1 billion, which represents an increase in 8.4% over fiscal year 2018-19. For additional information on the property taxation system, assessed values and appeals to assessed values, see APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Property Taxation.”

Local property taxation is the responsibility of various City officers. The Assessor computes the value of locally assessed taxable property. After the assessed roll is closed on June 30th, the Controller of the City (the “Controller”) issues a Certificate of Assessed Valuation in August which certifies the taxable assessed value for that fiscal year. The Controller also compiles a schedule of tax rates including the 1.0% tax authorized by Article XIII A of the State Constitution (and mandated by statute), tax surcharges needed to repay voter-approved general obligation bonds, and tax surcharges imposed by overlapping jurisdictions that have been authorized to levy taxes on property located in the City. The Board of Supervisors approves the schedule of tax rates each year by ordinance adopted no later than the last working day of September. The Treasurer and Tax Collector prepare and mail tax bills to taxpayers and collect the taxes on behalf of the City and other overlapping taxing agencies that levy taxes on taxable property located in the City. The Treasurer holds and invests City tax funds, including taxes collected for payment of general obligation bonds, and is charged with the payment of principal and interest on such bonds when due.

Of the \$281.1 billion total net assessed valuation of taxable property within the City, \$264.1 billion (93.9%) represents secured valuations and \$17.0 billion (6.1%) represents unsecured valuations. Proposition 13 limits to 2% per year any increase in the assessed value of property, unless it is sold or the structure is improved. The total net assessed valuation of taxable property therefore does not generally reflect the current market value of taxable property within the City and is in the aggregate substantially less than current market value. For this same reason, the total net assessed valuation of taxable property lags behind changes in market value and may continue to increase even without an increase in aggregate market values of property.

Under Article XIII A of the State Constitution added by Proposition 13 in 1978, property must be reassessed to full cash value at the time of sale. Taxpayers can appeal the Assessor’s determination of their property’s assessed value, and the appeals may be retroactive and for multiple years. The State prescribes the assessment valuation methodologies and the adjudication process that counties must employ in connection with counties’ property assessments.

The City typically experiences increases in assessment appeals activity during economic downturns and decreases in assessment appeals as the economy rebounds. To mitigate the financial risk of potential assessment appeal refunds, the City funds appeal reserves for its share of estimated property tax revenues for each fiscal year.

In addition, appeals activity is reviewed each year and incorporated into the current and subsequent years' budget projections of property tax revenues. Historical information on refunds of prior years' property taxes from the discretionary General Fund appeals reserve fund are listed in Table A-7 of APPENDIX A attached hereto.

Tax Levy and Collection Process. Generally, property taxes levied by the City on real property become a lien on that property by operation of law. A tax levied on personal property does not automatically become a lien against real property without an affirmative act of the City taxing authority. Real property tax liens have priority over all other liens against the same property regardless of the time of their creation by virtue of express provision of law.

Property subject to *ad valorem* taxes is entered as secured or unsecured on the assessment roll maintained by the Assessor-Recorder. The secured roll is that part of the assessment roll containing State-assessed property and property (real or personal) on which liens are sufficient, in the opinion of the Assessor-Recorder, to secure payment of the taxes owed. Other property is placed on the "unsecured roll." The method of collecting delinquent taxes is substantially different for the two classifications of property.

The City has four ways of collecting unsecured personal property taxes: 1) pursuing civil action against the taxpayer; 2) filing a certificate in the Office of the Clerk of the Court specifying certain facts, including the date of mailing a copy thereof to the affected taxpayer, in order to obtain a judgment against the taxpayer; 3) filing a certificate of delinquency for recording in the Assessor-Recorder's Office in order to obtain a lien on certain property of the taxpayer; and 4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the taxpayer.

The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes. Proceeds of the sale are used to pay the costs of sale and the amount of delinquent taxes. A 10% penalty is added to delinquent taxes that have been levied on property on the secured roll. In addition, property on the secured roll with respect to which taxes are delinquent is declared "tax defaulted" and subject to eventual sale by the Treasurer and Tax Collector of the City. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month, which begins to accrue on such taxes beginning July 1 following the date on which the property becomes tax-defaulted. As discussed in APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Property Taxation – Tax Levy and Collection" the Board of Supervisors approved a resolution on May 5, 2020 setting the property tax deadline to May 15, 2020.

Teeter Plan. In October 1993, the Board of Supervisors of the City passed a resolution that adopted the Alternative Method of Tax Apportionment (the "Teeter Plan"). The Teeter Plan method authorizes the City Controller to allocate to the City's taxing agencies 100% of the secured property taxes billed but not yet collected. In return, as the delinquent property taxes and associated penalties and interest are collected, the City's General Fund retains such amounts. The City has funded payment of accrued and current delinquencies through authorized internal borrowing. The City also maintains a Tax Loss Reserve for the Teeter Plan. Information on this Reserve is as shown on Table A-8 in APPENDIX A attached hereto.

Taxation of Utility Property. A portion of the City's total net assessed valuation consists of utility property subject to assessment by the State Board of Equalization. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other State-assessed property values are allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City itself) according to statutory formulae generally based on the distribution of taxes in the prior year. The fiscal year 2019-20 valuation of property assessed by the State Board of Equalization is \$3.7 billion.

CERTAIN RISK FACTORS

The COVID-19 Emergency is a significant new development material adversely affecting the City's finances and outlook. See "RECENT DEVELOPMENTS" herein and "Public Health Emergencies" below.

The Resolutions provide that the Bonds are payable from and secured by a voter-approved dedicated property tax levy on all taxable property in the City. Under the Resolutions, the City is not obligated to pay the debt service from any other sources. This Official Statement, including Appendix A hereto, provide information on the City's overall operations and finances with an emphasis on its General Fund and therefore includes information on revenues and other funds that are not pledged to the Bonds under the Resolutions and that should not be considered available to pay debt service on the Bonds. See "SECURITY FOR THE BONDS" herein.

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year, less any other lawfully available funds applied by the City for repayment of the Bonds. Fluctuations in the annual debt service on the Bonds, the assessed value of taxable property in the City, and the availability of such other funds in any year, may cause the annual property tax rate applicable to the Bonds to fluctuate. Issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase.

Discussed below are certain factors that may affect the City's ability to levy and collect sufficient taxes to pay scheduled debt service on the Bonds each year. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES" for additional information on these factors.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the City's general obligation bonds. The net total assessed valuation of taxable property in the City in fiscal year 2019-20 is approximately \$281.1 billion. During economic downturns, declining market values of real estate, increased foreclosures, and increases in requests submitted to the Assessor and the Assessment Appeals Board for reductions in assessed value have generally caused a reduction in the assessed value of some properties in the City. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Property Taxation – Assessed Valuations, Tax Rates and Tax Delinquencies."

Natural and economic forces can affect the assessed value of taxable property in the City. The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate to extensive or total damage to taxable property. See "Seismic Risks" below. Other natural or man-made disasters, such as flood and sea level rise (see "Climate Change, Risk of Sea Level Rise and Flooding Damage" below), fire, toxic dumping, acts of terrorism or public health emergencies, such as the COVID-19 Emergency (see "Public Health Emergencies" below), could also cause a reduction in the assessed value of taxable property within the City. See "Other Events" below. Economic and market forces, such as a downturn in the Bay Area's economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single assessee, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. As of July 1, 2019, no single assessee owned more than 0.647% of

the total taxable assessed value in the City. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Property Taxation – Tax Levy and Collection.”

Property Tax Rates. One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per \$100 of assessed value (including the basic countywide 1% rate required by statute) is discussed further in APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Property Taxation – Assessed Valuations, Tax Rates and Tax Delinquencies.”

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. Issuance of general obligation bonds by the City is limited under Section 9.106 of the Charter to 3.00% of the assessed value of all taxable real and personal property located within the City’s boundaries. For purposes of this provision of the Charter, the City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City’s gross general obligation debt limit for fiscal year 2019-20 is approximately \$8.4 billion, based on a net total assessed valuation of approximately \$281.1 billion. As of May 15, 2020, the City had outstanding approximately \$2.4 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.85% of the net assessed valuation for fiscal year 2019-20. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds.”

Additional Debt; Authorized but Unissued Bonds. Issuance of additional authorized bonds can cause the overall property tax rate to increase. As of May 15, 2020, the City had voter approval to issue up to \$2.2 billion in additional aggregate principal amount of new bonds payable from *ad valorem* property taxes. See “RECENT DEVELOPMENTS” and APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – General Obligation Bonds.” In addition, the City expects that it will propose further bond measures to the voters from time to time to help meet its capital needs. The City’s most recent adopted 10-year capital plan identifies \$39.1 billion of capital needs for all City departments, including \$5.1 billion in projects for General Fund-supported departments. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Capital Financing and Bonds – Capital Plan.”

Limitations on Development. Construction and development in the City could be limited by governmental or legal limits on growth and/or challenges in the approval of certain residential and commercial projects. For example, San Francisco voters passed Proposition M in November 1986 which created an annual limit on the construction of new office space throughout the City (i.e., 950,000 square feet per year). Proposition M amended the Office Development Annual Limit Program (the “Annual Limit Program”) under the City’s Planning Code, which Annual Limit Program governs the approval of all development projects that contain more than 25,000 gross square feet of office space. The central provision of the Annual Limit Program is a “metering limit” designed to restrict the amount of office space authorized in a given year. No office project subject to the metering limit can be entitled without receiving an allocation under the Annual Limit Program. In doing so, the Annual Limit Program aims to ensure a manageable rate of new development and to guard against typical “boom and bust” cycles, among other goals.

In March 2020, voters of the City approved Proposition E, amending existing citywide limits on new office development. Proposition E links the amount of new office space that can be approved annually in San Francisco to the City’s performance on building new affordable housing. Proposition E allows projects that provide affordable housing and space for community arts or local retail, particularly in the Central South of Market (SoMa) neighborhood, to proceed sooner by borrowing from future allocations. Proposition E also changes the City’s criteria for approving new office development.

As described above, the City currently limits the total amount of new office construction that can be approved each year to 950,000 square feet, pursuant to Proposition M. Of this, 75,000 square feet is reserved

for projects between 25,000 and 50,000 square feet (called the “small cap”), while 875,000 square feet is reserved for office buildings greater than 50,000 square feet (called the “large cap”). Any office development less than 25,000 square feet is exempt from the cap. If the City’s Planning Commission does not allocate the full cap amount in one year, the remaining square footage accrues to future years. Proposition E links the amount of office construction allowed in the large cap category to the amount of affordable housing that began construction in the prior calendar year. More specifically, the 875,000-square-foot large cap would be reduced by the same percentage that the City is falling short on meeting its affordable housing goals. For example, if the City produces only 50% of its affordable housing goal one year, then the City can only approve 50% of the 875,000 square feet in the large cap category the following year.

Proposition E also limits the amount of large cap office space that may be allocated in the Central SoMa neighborhood to 6 million square feet until at least 15,000 new housing units are produced in the larger SoMa area.

City Long-Term Financial Challenges

The following discussion highlights certain long-term challenges facing the City and is not meant to be an exhaustive discussion of challenges facing the City (see, for example, “Seismic Risks” and “Climate Change, Risk of Sea Level Rise and Flooding Damage” below). Notwithstanding the City’s strong economic and financial performance during the recent recovery and despite significant City initiatives to improve public transportation systems, expand access to healthcare and modernize parks and libraries, the City faces several long-term financial challenges and risks described below. **In particular, a new, significant challenge faced by the City is the COVID-19 Emergency. See “RECENT DEVELOPMENTS” herein and “Public Health Emergencies” below.**

Significant capital investments are proposed in the City’s adopted 10-year capital plan. The City’s most recent adopted 10-year capital plan sets forth \$39.1 billion of capital needs for all City departments. However, identified funding resources are below those necessary to maintain and enhance the City’s physical infrastructure. As a result, over \$4.9 billion in capital needs are deferred from the capital plan’s 10-year horizon. More than half of these unfunded needs relate to the City’s transportation and waterfront infrastructure, where capital investment has lagged for decades.

In addition, the City faces long-term challenges with respect to the management of pension and post-employment retirement obligations. The City has taken major steps to address long-term unfunded liabilities for employee pension and other post-employment benefits, including retiree health obligations, yet significant liabilities remain. In recent years, the City and voters have adopted changes that should mitigate these unfunded liabilities over time, including adoption of lower-cost benefit tiers, increases to employee and employer contribution requirements, and establishment of a trust fund to set-aside funding for future retiree health costs. The financial benefit from these changes will phase in over time, however, leaving ongoing financial challenges for the City in the shorter term. Further, the size of these liabilities is based on a number of assumptions, including but not limited to assumed investment returns and actuarial assumptions. It is possible that actual results will differ materially from current assumptions, and such changes in investment returns or other actuarial assumptions could increase budgetary pressures on the City.

Further, while the City has adopted a number of measures to better position its operating budget for future economic downturns, these measures may not be sufficient. Economic stabilization reserves have grown significantly during the last five fiscal years. The maximum combined value of the City’s Rainy Day Reserve and Budget Stabilization Reserve is 10% of General Fund revenues. Under the City’s current policy, once the 10% threshold is reached, excess amounts are deposited into a non-recurring expenditure reserve that may be appropriated for capital expenditures, prepayment of future debts or liabilities, or other non-recurring expenditures. Notwithstanding the foregoing, the City expects that meeting the 10% adopted target level of reserves will not eliminate the need to cut expenditures in a recession to balance the City’s budget. See

APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO – ORGANIZATION AND FINANCES – City Budget.”

There is no assurance that other challenges not discussed in this Official Statement may become material to investors in the future. For more information, see APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES” and in APPENDIX B – “COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2019.”

Seismic Risks

General. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes within about three miles of the City’s border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, as well as a number of other significant faults in the region. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

California Earthquake Probabilities Study. In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled The HayWired Earthquake Scenario, which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than \$82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Eighty percent of shaking damage is expected to be caused by the magnitude 7.0 mainshock, with the rest of the damage resulting from aftershocks occurring over a 2-year period thereafter. Such earthquakes could be very destructive. In addition to the potential damage to City-owned buildings and facilities (on which the City does not generally carry earthquake insurance), due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City’s economy, tax receipts, and residential and business real property values.

Earthquake Safety Implementation Plan (ESIP). ESIP began in early 2012, evolving out of the key recommendations of the Community Action Plan for Seismic Safety (CAPSS), a 10-year-long study evaluating the seismic vulnerabilities the City faces. The CAPSS Study prepared by the Applied Technology Council looked at the impact to all of San Francisco’s buildings and recommended a 30-year plan for action. As a result of this plan, the City has mandated the retrofit of nearly 5,000 soft-story buildings housing over 111,000 residents by September 2020. Future tasks will address the seismic vulnerability of older nonductile concrete buildings, which are at high risk of severe damage or collapse in an earthquake.

Vulnerability Study of the Northern Waterfront Seawall. In early 2016, the Port Commission of the City commissioned an earthquake vulnerability study of the Northern Waterfront Seawall. The three-mile Seawall was constructed over 100 years ago and sits on reclaimed land, rendering it vulnerable to seismic risk. The Seawall provides flood and wave protection to downtown San Francisco, and stabilizes hundreds of acres of filled land. Preliminary findings of the study indicate that a strong earthquake may cause most of the Seawall to settle and move outward toward the Bay, which would significantly increase earthquake damage

and disruption along the waterfront. The Port Commission estimates that seismic retrofitting of the Seawall could cost as much as \$3 billion, with another \$2 billion or more needed to prepare the Seawall for rising sea levels. The study estimates that approximately \$1.6 billion in Port assets and \$2.1 billion of rents, business income, and wages are at risk from major damage to the Seawall. See “Climate Change, Risk of Sea Level Rise and Flooding Damage” below.

Tall Buildings Safety Strategy Report and Executive Directive. The City commissioned a first in the nation “Tall Buildings Study” by the Applied Technology Council to consider the impact of earthquakes on buildings taller than 240 feet. The final report following the study, released in January 2019, evaluates best practices for geotechnical engineering, seismic risks, standards for post-earthquake structural evaluations, barriers to re-occupancy, and costs and benefits of higher performance goals for new construction. The study estimates that for a tall building designed to current seismic standards, it might take two to six months to mobilize for and repair damage from a major earthquake, depending on the building location, geologic conditions, and the structural and foundation systems. The report identifies and summarizes sixteen recommendations for reducing seismic risk prior to earthquakes for new and existing buildings, reducing seismic risk following earthquakes, and improving the City’s understanding of its tall building seismic risk.

On January 24, 2019, Mayor London N. Breed issued an executive directive instructing City departments to work with community stakeholders, develop regulations to address geotechnical and engineering issues, clarify emergency response and safety inspection roles, and establish a Disaster Recovery Task Force for citywide recovery planning, including a comprehensive recovery plan for the financial district and surrounding neighborhoods by the end of the year. All of these tasks are currently underway. In November 2019, an exercise was conducted to test post-earthquake building safety inspection protocol and logistics. San Francisco was the first jurisdiction to test this Statewide program. The City’s Disaster Recovery Taskforce had its kickoff meeting in February 2020 to evaluate plans for development of a Disaster Recovery Framework and Downtown Resilience Plan, following several months of groundwork by a consultant team. Partnering with the Structural Engineers Association of Northern California (SEAONC), geotechnical regulations for tall buildings are being drafted and expected to be delivered to the City for adoption in June 2020.

The City obtains commercial insurance only in certain limited circumstances, including when required by bond or lease financing transactions and for other limited purposes. The City does not maintain commercial earthquake coverage, with certain minor exceptions. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Litigation and Risk Management.”

Climate Change, Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The *Fourth National Climate Assessment*, published by the U.S. Global Change Research Program in November 2018 (NCA4), finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. NCA4 states that rising temperatures, sea level rise, and changes in extreme events are expected to increasingly disrupt and damage critical infrastructure and property and regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. NCA4 states that the continued increase in the frequency and extent of high-tide flooding due to sea level rise threatens coastal public infrastructure. NCA4 also states that expected increases in the severity and frequency of heavy precipitation events will affect inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines.

Sea levels will continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the ocean. Between 1854 and 2016, sea level rose about nine inches according to the tidal gauge at Fort Point, a location underneath the Golden Gate Bridge. Weather and tidal patterns, including 100-year or more storms and king tides, may exacerbate the effects of climate related sea level rise. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost.

Adapting to sea level rise is a key component of the City's policies. The City and its enterprise departments have been preparing for future sea level rise for many years and have issued a number of public reports. For example, in March 2016, the City released a report entitled "Sea Level Rise Action Plan," identifying geographic zones at risk of sea level rise and providing a framework for adaptation strategies to confront these risks. That study shows an upper range of end-of-century projections for permanent sea level rise, including the effects of temporary flooding due to a 100-year storm, of up to 108 inches above the 2015 average high tide. To implement this Plan, the Mayor's Sea Level Rise Coordinating Committee, co-chaired by the Planning Department and Office of Resilience and Capital Planning, joined the Port, the Public Utilities Commission and other public agencies in moving several initiatives forward. This includes a Citywide Sea Level Rise Vulnerability and Consequences Assessment to identify and evaluate sea level rise impacts across the city and in various neighborhoods that was released in February 2020.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resource Agency, the Governor's Office of Planning and Research, and the California Energy Commission) published a report, that was formally adopted in March 2018, entitled "Rising Seas in California: An Update on Sea Level Rise Science" (the "Sea Level Rise Report") to provide a new synthesis of the state of science regarding sea level rise. The Sea Level Rise Report provides the basis for State guidance to state and local agencies for incorporating sea level rise into design, planning, permitting, construction, investment and other decisions. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. The City has incorporated the projections from the 2018 report into its Guidance for Incorporating Sea Level Rise Guidance into Capital Planning. The Guidance requires that City projects over \$5 million consider mitigation and/or adaptation measures.

In March 2020, a consortium of State and local agencies, led by the Bay Area Conservation and Development Commission, released a detailed study entitled, "Adapting to Rising Tides Bay Area: Regional Sea Level Rise Vulnerability and Adaptation Study," on how sea level rise could alter the Bay Area. The study states that a 48-inch increase in the bay's water level in coming decades could cause more than 100,000 Bay Area jobs to be relocated, nearly 30,000 lower-income residents to be displaced, and 68,000 acres of ecologically valuable shoreline habitat to be lost. The study further argues that without a far-sighted, nine-county response, the region's economic and transportation systems could be undermined along with the environment. Runways at SFO could largely be under water.

The City has already incorporated site specific adaption plans in the conditions of approval for certain large waterfront development projects, such as the Candlestick/Hunters Point Shipyard, Treasure Island, Pier 70 and Mission Rock projects. Also, the City has started the process of planning to fortify the Port's seawall from sea level rise, including an initial investment of about \$8 million during fiscal year 2017-18 and consideration of financing options. The City expects short term upgrades to cost over \$500 million and long term upgrades to cost more than \$5 billion.

Portions of the San Francisco Bay Area, including the City, are built on fill that was placed over saturated silty clay known as “Bay Mud.” This Bay Mud is soft and compressible, and the consolidation of the Bay Mud under the weight of the existing fill is ongoing. A report issued in March 2018 by researchers at UC Berkeley and the University of Arizona suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claims that the risk of subsidence is more significant for certain parts of the City built on fill.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the City’s control. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Bonds. While the effects of climate change may be mitigated by the City’s past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources.

In September 2017, the City filed a lawsuit against the five largest investor-owned oil companies seeking to have the companies pay into an equitable abatement fund to help fund investment in sea level rise adaptation infrastructure. In July 2018, the United States District Court, Northern District of California denied the plaintiffs’ motion for remand to state court, and then dismissed the lawsuit. The City appealed these decisions to the United States Court of Appeals for the Ninth Circuit, which is pending. While the City believes that its claims are meritorious, the City can give no assurance regarding whether it will be successful and obtain the requested relief from the courts, or contributions to the abatement fund from the defendant oil companies.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the City has been the subject of cybersecurity incidents that have resulted in or could have resulted in adverse consequences to the City’s Systems Technology and that required a response action to mitigate the consequences. For example, in November 2016, the San Francisco Metropolitan Transportation Agency (the “SFMTA”) was subject to a ransomware attack which disrupted some of the SFMTA’s internal computer systems. Although the attack neither interrupted Muni train services nor compromised customer privacy or transaction information, SFMTA took the precaution of turning off the ticket machines and fare gates in the Muni Metro subway stations from Friday, November 25 until the morning of Sunday, November 27.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. In November 2016, the City adopted a City-wide Cyber Security Policy (“Cyber Policy”) to support, maintain, and secure critical infrastructure and data systems. The objectives of the Cyber Policy include the protection of critical infrastructure and information, manage risk, improve cyber security event detection and remediation, and facilitate cyber awareness across all City departments. The City’s Department of Technology has established a cybersecurity

team to work across all City departments to implement the Cyber Policy. The City's Cyber Policy is reviewed periodically.

The City has also appointed a City Chief Information Security Officer ("CCISO"), who is directly responsible for understanding the business and related cybersecurity needs of the City's 54 departments. The CCISO is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and aligns with and supports the risk posture of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the City's Systems Technology and cause material disruption to the City's operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

Limitation on Remedies; Bankruptcy

General. The rights of the owners of the Bonds are subject to limitations on legal remedies against the City, including applicable bankruptcy or similar laws affecting the enforcement of creditors' rights generally, now or hereafter in effect. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy proceedings or otherwise, and consequently may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the City were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the City (including *ad valorem* tax revenues) or to enforce any obligation of the City, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the City may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, in such a proceeding, as part of such a plan, the City may be able to eliminate the obligation of the City to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any City bankruptcy proceeding, the fact of a City bankruptcy proceeding, could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if the City were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of the language of Chapter 9, the City is a municipality. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the City's general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the City for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016, as part of Senate Bill 222), the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes levied for the Bonds. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the

local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See “SECURITY FOR THE BONDS.” Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the City, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed (unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code).

Special Revenues. If the tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The City has specifically pledged the taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where the applicable bond proposition is approved by at least two-thirds of the votes cast. State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the City is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the City before the remaining revenues are paid to the owners of the Bonds.

Possession of Revenues; Remedies. If the City goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the City does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

State Law Limitations on Appropriations

Article XIII B of the State Constitution limits the amount that local governments can appropriate annually (the “Gann Limit”). According to the City Controller, the City may exceed the Gann Limit in fiscal years following fiscal year 2020-21, depending on the timing and outcome of litigation regarding three legally-contested tax measures approved by voters in 2018. Should the City exceed the Gann Limit, the City would be required to seek voter approval to exceed such limit, shift spending to capital or other exempt expenditure types, or issue tax rebates. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – BUDGETARY RISKS – Impact of Recent Voter-Initiated and Approved Revenue Measures on Local Finances” and “– CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND EXPENDITURES – Article XIII B of the California Constitution.”

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020 the WHO announced the official name for the outbreak of

COVID-19, an upper respiratory tract illness first identified in Wuhan, China. COVID-19 has since spread across the globe. The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the City. See “RECENT DEVELOPMENTS” above. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Mayor of the City, the Governor of the State and the President of the United States.

The COVID-19 outbreak is ongoing, and its duration and severity and economic effects are uncertain in many respects. Uncertain too are the actions that may be taken by Federal and State governmental authorities to contain or mitigate the effects of the outbreak. The ultimate impact of COVID-19 on the City’s operations and finances is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. The City has undertaken modifications to its standard budget approval process calendar and has been and plans to issue periodic updates on the Controller’s website. Certain reports providing preliminary information regarding the impact of the COVID-19 Emergency are described herein under “RECENT DEVELOPMENTS” above. **The COVID-19 outbreak is expected to have material adverse impacts on the projections and budget information provided in APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES.”** Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the City’s operations and finances.

Other Events

Seismic events, wildfires, tsunamis, and other natural or man-made events may adversely impact persons and property within San Francisco, and damage City infrastructure and adversely impact the City’s ability to provide municipal services. For example, in August 2013, a massive wildfire in Tuolumne County and the Stanislaus National Forest burned over 257,135 acres (the “Rim Fire”), which area included portions of the City’s Hetch Hetchy Project. The Hetch Hetchy Project is comprised of dams (including O’Shaughnessy Dam), reservoirs (including Hetch Hetchy Reservoir which supplies 85% of San Francisco’s drinking water), hydroelectric generation and transmission facilities and water transmission facilities. SFPUC is currently conducting an overall conditions assessment of all dams in its system. Hetch Hetchy facilities affected by the Rim Fire included two power generating stations and the southern edge of the Hetch Hetchy Reservoir. There was no impact to drinking water quality. The City’s hydroelectric power generation system was interrupted by the fire, forcing the San Francisco Public Utilities Commission to spend approximately \$1.6 million buying power on the open market and using existing banked energy with PG&E. The Rim Fire inflicted approximately \$40 million in damage to parts of the City’s water and power infrastructure located in the region. Certain portions of the Hetch Hetchy Project such as Mountain Tunnel, an 18.9-mile water conveyance facility, are old and deteriorating, and outages at critical points of the project could disrupt water delivery to significant portions of the region and/or cause significant costs and liabilities to the City. Further, many areas of California suffered from wildfires in recent years, including the Kincade Fire in late 2019 that burned approximately 78,000 acres in Sonoma County, California and the Camp Fire in late 2018 that burned over 153,300 acres in Butte County, California.

In September 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, with catastrophic results. PG&E owns, operates and maintains numerous gas transmission and distribution pipelines throughout the City.

With certain exceptions, the City believes that it is more economical to manage its risks internally and administer, adjust, settle, defend, and pay claims from budgeted resources (i.e., “self-insurance”). The City obtains commercial insurance in certain circumstances, including when required by bond or lease financing transactions and for other limited purposes. The City does not maintain commercial earthquake coverage, with certain minor exceptions. See APPENDIX A – “CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – Litigation and Risk Management.”

TAX MATTERS

[To come]

OTHER LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax status of the interest on the Bonds (see "TAX MATTERS" herein) are subject to the legal opinions of Orrick Herrington & Sutcliffe LLP, San Francisco, California, and Curls Bartling P.C., California, Co-Bond Counsel to the City. The signed legal opinions of Co-Bond Counsel, dated and premised on facts existing and law in effect as of the date of original delivery of the Bonds, will be delivered to the initial purchaser of the Bonds at the time of original delivery of the Bonds.

The proposed form of the legal opinion of Co-Bond Counsel is set forth in APPENDIX F hereto. The legal opinions to be delivered may vary that text if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date, and subsequent distributions of it by recirculation of this Official Statement or otherwise will create no implication that Co-Bond Counsel have reviewed or express any opinion concerning any of the matters referred to in the opinion subsequent to its date. In rendering their opinions, Co-Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings for the Bonds, which Co-Bond Counsel will not have independently verified.

Co-Bond Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the City by the City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Co-Disclosure Counsel.

Co-Disclosure Counsel have served as co-disclosure counsel to the City and in such capacity have advised the City with respect to applicable securities laws and participated with responsible City officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Co-Disclosure Counsel are not responsible for the accuracy or completeness of the statements or information presented in this Official Statement and have not undertaken to independently verify any of such statements or information. Rather, the City is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon the delivery of the Bonds, Co-Disclosure Counsel will each deliver a letter to the City which advises the City, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to attention of such firm which caused them to believe that this Official Statement as of its date and as of the date of delivery of the Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No purchaser or holder of the Bonds, or other person or party other than the City, will be entitled to or may rely on such letter or Co-Disclosure Counsel's having acted in the role of disclosure counsel to the City.

The legal opinions and other letters of counsel to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

PROFESSIONALS INVOLVED IN THE OFFERING

Fieldman, Rolapp & Associates, Inc, Irvine, California served as Municipal Advisor to the City with respect to the sale of the Bonds. The Municipal Advisor has assisted the City in the City's review and preparation of this Official Statement and in other matters relating to the planning, structuring, and sale of the Bonds. The Municipal Advisor has not independently verified any of the data contained herein nor conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor, Co-Bond Counsel and Co-Disclosure Counsel will all receive compensation from the City for services rendered in connection with the Bonds contingent upon the sale and delivery of the Bonds. [The City Treasurer will act as paying agent and registrar with respect to the Bonds.]

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, the ability of the City to levy the *ad valorem* tax required to pay debt service on the Bonds, the corporate existence of the City, or the entitlement to their respective offices of the officers of the City who will execute and deliver the Bonds and other documents and certificates in connection therewith.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City (the "Annual Report") not later than 270 days after the end of the City's fiscal year (which currently ends on June 30), commencing with the report for fiscal year 2019-20, which is due not later than March 27, 2021, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the City with the Electronic Municipal Market Access system ("EMMA") maintained by the Municipal Securities Rulemaking Board. The notices of enumerated events will be filed by the City with EMMA. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the purchasers in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

On March 6, 2018, Moody's Investors Service, Inc. ("Moody's") upgraded certain of the City and County of San Francisco Finance Corporation lease-backed obligations to "Aa1" from "Aa2." The City timely filed notice of the upgrade with EMMA, but inadvertently did not link the notice to all relevant CUSIP numbers. The City has taken action to link such information to the applicable CUSIP numbers.

The City may, from time to time, but is not obligated to, post its Comprehensive Annual Financial Report and other financial information on the City's investor information website located at <https://sfcontroller.org/continuing-secondary-market-disclosure>.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P"), and Fitch Ratings ("Fitch"), have assigned municipal bond ratings of "[__]," "[__]," and "[__]," respectively, to the Bonds. Certain information not included in this Official Statement was supplied by the City to the rating agencies to be considered in evaluating the Bonds. The ratings reflect only the views of each rating agency, and any explanation of the significance of any rating may be obtained only from the respective credit rating agencies: Moody's, at www.moody.com; S&P, at www.spglobal.com; and Fitch, at www.fitchratings.com. The information presented on the website of each rating agency is not incorporated by reference as part of this Official Statement. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. No assurance can be given that any rating issued by a

rating agency will be retained for any given period of time or that the same will not be revised or withdrawn entirely by such rating agency, if in its judgment circumstances so warrant. Any such revision or withdrawal of the ratings obtained may have an adverse effect on the market price or marketability of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

SALE OF THE BONDS

The Bonds are scheduled to be sold at competitive bid on [_____] , 2020, as provided in the Official Notice of Sale, dated [_____] , 2020 (the "Official Notice of Sale"). The Official Notice of Sale provides that all Bonds would be purchased if any were purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Official Notice of Sale, the approval of certain legal matters by Co-Bond Counsel and certain other conditions. The purchaser will represent to the City that the Bonds have been reoffered to the public at the price or yield to be stated on the inside cover page hereof.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement contains forecasts, projections, estimates and other forward-looking statements that are based on current expectations. The words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," "assumes" and analogous expressions are intended to identify forward-looking statements. Such forecasts, projections and estimates are not intended as representations of fact or guarantees of results. Any such forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results or performance to differ materially from those that have been forecast, estimated or projected. This Official Statement is not to be construed as a contract or agreement between the City and the initial purchaser or owners and beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized by the Board of Supervisors of the City.

CITY AND COUNTY OF SAN FRANCISCO

By: _____
Benjamin Rosenfield
Controller

APPENDIX A
CITY AND COUNTY OF SAN FRANCISCO
ORGANIZATION AND FINANCES

APPENDIX B

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE CITY AND COUNTY OF SAN FRANCISCO
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

APPENDIX C

**CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE TREASURER
INVESTMENT POLICY**

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-1

[\$[Par Amount]*
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014)
SERIES 2020B-2 (TAXABLE)

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco (the “City”) in connection with the issuance of the bonds captioned above (the “Bonds”). The Bonds will be issued under the Government Code of the State and the Charter. The City authorized the issuance of the Bonds by Resolution No. 193-15 and Resolution No. __-__, adopted by the Board of Supervisors of the City on June 2, 2015 and _____, 2020, respectively, and duly approved by the Mayor of the City on June 9, 2015 and _____, 2020, respectively (together, the “Resolutions”). The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the City, acting in its capacity as Dissemination Agent under this Disclosure Certificate, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

* Preliminary, subject to change.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters or purchasers of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the City’s fiscal year (which is June 30), commencing with the report for the 2019-20 Fiscal Year (which is due not later than March 27, 2021), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the City, the City shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to said date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the City are not available by the date required above for the filing of the Annual Report, the City shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the City’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send, in a timely manner, a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

- (a) the audited general purpose financial statements of the City prepared in accordance with generally accepted accounting principles applicable to governmental entities;
- (b) a summary of budgeted general fund revenues and appropriations;
- (c) a summary of the assessed valuation of taxable property in the City;
- (d) a summary of the *ad valorem* property tax levy and delinquency rate;
- (e) a schedule of aggregate annual debt service on tax-supported indebtedness of the City; and
- (f) summary of outstanding and authorized but unissued general obligation tax-supported indebtedness of the City.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by

reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bondholders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee;
18. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.

(c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(e) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolutions.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the City Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the City Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In

addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the City to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the City and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [_____] __, 2020

CITY AND COUNTY OF SAN FRANCISCO

Benjamin Rosenfield
Controller

Approved as to form:

DENNIS J. HERRERA
CITY ATTORNEY

By: _____
Deputy City Attorney

EXHIBIT A

FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of City: CITY AND COUNTY OF SAN FRANCISCO

Name of Bond Issue: CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS (TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014), SERIES 2020B-1
GENERAL OBLIGATION BONDS (TRANSPORTATION & ROAD
IMPROVEMENT BONDS, 2014), SERIES 2020B-2 (TAXABLE)

Date of Issuance: [_____] __, 2020

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City and County of San Francisco, dated [_____] __, 2020. The City anticipates that the Annual Report will be filed by _____.

Dated: _____

CITY AND COUNTY OF SAN FRANCISCO

By: _____ [to be signed only if filed]
Title: _____

APPENDIX E

DTC AND THE BOOK ENTRY ONLY SYSTEM

The information in numbered paragraphs 1-10 of this Appendix E, concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, “Securities” means the Bonds, “Issuer” means the City, and “Agent” means the Paying Agent.

1. The Depository Trust Company (“DTC”) will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book- entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC is rated “AA+” by Standard & Poor’s. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The information presented on each website is *not* incorporated by reference as part of this Official Statement.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MALI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

APPENDIX F

PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL

[To be provided by Co-Bond Counsel]



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller
Todd Rydstrom
Deputy Controller
Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Director of the Office of Public Finance
Vishal Trivedi, Office of Public Finance

DATE: Tuesday, June 2, 2020

SUBJECT: Resolution Authorizing the Sale of General Obligation Bonds (Transportation and Road Improvement, 2014) Series 2020B – \$140,000,000

We respectfully request that the Board of Supervisors (the “Board”) consider for review and adoption the resolution approving the sale of general obligation bonds (the “Bonds”) for the 2014 Transportation and Road Improvement program in the amount of \$140,000,000.

In connection with this request, legislation approving the sale of these bonds, as well as a supplemental appropriation ordinance to appropriate the bond proceeds and related supporting documents are expected to be introduced at the Board of Supervisors meeting on Tuesday June 2, 2020. We respectfully request that these items be heard at the scheduled June 24, 2020 meeting of the Budget and Finance Committee.

Background:

On November 4, 2014, a two-thirds majority of voters of the City & County of San Francisco (the “City”) approved Proposition A (“2014 Proposition A”), a San Francisco Transportation and Road Improvement General Obligation Bond. 2014 Proposition A authorizes the City to issue \$500,000,000 in general obligation bonds to implement many of the infrastructure repairs and improvements identified by the late Mayor Ed Lee’s Transportation 2030 Task Force. The projects to be funded through the proposed bond sale include: (i) pedestrian safety improvements, (ii) BART station entrance canopies, (iii) accessibility improvements, (iv) traffic signal improvements, (v) Muni Forward Rapid Network improvements, (vi) Caltrain electrification, streetscape and other transit corridor improvements (the “Project”). Of the total 2014 Proposition A authorization, \$241,450,000 has been issued to date, leaving \$258,550,000 remaining from the 2014 Proposition A bond program.

Financing Parameters:

The proposed resolution will authorize the issuance of the Bonds for the purposes allowed under the 2014 Proposition A. The supplemental appropriation ordinance approves the appropriation of proceeds from the sale. Table 1 below outlines the not-to-exceed sources and uses for the Bonds, based on an estimate provided by Fieldman Rolapp & Associates, Inc., a municipal advisory firm registered with the Municipal Securities Rulemaking Board (MSRB). The information below is intended to advise the Board of Supervisors regarding the proposed financing in accordance with Section 5852.1 of the California Government Code.

Table 1: Estimated Sources and Uses from the Bonds

Estimated Sources:	
Par Amount	\$136,090,000
Total Estimated Sources:	\$136,090,000
Estimated Uses:	
Project Fund Deposits:	
Project Fund	\$134,300,000
CSA Audit Fee	\$268,600
Total Project Fund Deposits:	\$134,568,600
Cost of Issuance	\$704,860
Underwriter's Discount	\$680,450
CGOBOC Fee	\$136,090
Total Delivery Expense:	\$1,521,400
Total Estimated Uses:	\$136,090,000
<i>Reserve for Market Uncertainty</i>	<i>\$3,910,000</i>
Maximum Not to Exceed Amount:	\$140,000,000

Source: Fieldman Rolapp & Associates, Inc.

Based upon an estimated market interest rate of 3.75%, the Office of Public Finance projects an average annual debt service cost of approximately \$9,725,000. The total debt service over the 20-year life of the Bonds is projected to be approximately \$193,300,000. Of this, \$136,090,000 represents the estimated par and the remainder represents estimated interest.

Project Description:

19th Avenue Project - The goal of this project is to improve pedestrian safety, transit reliability, and travel times through bus stop optimization, pedestrian and transit bulbs, and other enhancements along the 19th Street corridor.

22 Fillmore Project - This Muni Forward project will upgrade transit reliability, reduce travel times, and enhance safety and accessibility along the Fillmore corridor by creating transit bulbs, dedicated transit lanes,

3 | Resolution Authorizing Sale of General Obligation Bonds (Transportation and Road Improvement)

expansion of the overhead wire system, updated bus shelters, streetscape improvements, and extension of bicycle routes.

L Taraval Improvement Project - The L Taraval project will rehabilitate the Taraval corridor to replace infrastructure such as worn rails, overhead wires and poles, and create pedestrian safety enhancements such as high visibility crosswalks, boarding islands, and increased accessibility.

Western Addition Area Traffic Signal Upgrades - This project will build pedestrian countdown signals and/or signal visibility improvements at 24 intersections and create pedestrian-activated flashing beacons at 9 intersections in the Western Addition Area.

Safer Taylor Street - The Taylor Street project will help bring to life a new vision for Taylor Street to help meet the City's Vision Zero traffic fatality goals. The project will upgrade signals and improve pedestrian safety, widen sidewalks on Taylor from Turk to Ellis and reduce the number of travel lanes between Market Street and Sutter Street to improve transportation safety and livability along the corridor.

BART Canopies – Some of the bond funding from this issuance will go toward the City's contribution to the BART Canopies project, to help renovate escalators and build structures to cover entrances to BART stations which will protect people and equipment from weather, show train arrival times, and add security features such as lighting and cameras.

Caltrain Electrification – Funds from this issuance will also help to fulfill the City's contribution to the Caltrain electrification project, which will fund electrification at the northern terminal of the Caltrain Corridor, starting at San Francisco 4th and King Caltrain Station.

More detailed descriptions of the Projects financed with proceeds of the Bonds are included in the Bond Reports prepared by the Municipal Transportation Agency. In addition, a portion of the Bond proceeds will be used to pay certain expenses incurred in connection with the issuance and delivery of the Bonds, and the periodic oversight and review of the Projects by City Services Auditor ("CSA Audit") the Citizens' General Obligation Bond Oversight Committee ("CGOBOC").

Property Tax Impact:

Payment of annual debt service on the Bonds will be funded by an increase in the annual property tax rate, which is estimated to average \$0.00346 per \$100 of assessed value or \$3.46 per \$100,000 of assessed value over the anticipated 20-year term of the Bonds. The owner of a residence with an assessed value of \$600,000, assuming a homeowner's exemption of \$7,000, would pay average additional property taxes to the City of approximately \$20.52 per year if the anticipated \$136,090,000 of Bonds are sold.

Debt Limit:

The City Charter imposes a limit on the amount of general obligation bonds the City can have outstanding at any given time. That limit is 3.00% of the assessed value of property in the City. For purposes of this provision of the Charter, the City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City's general obligation debt limit for fiscal year 2019-20 is approximately \$8.43 billion, based on a net assessed valuation of approximately \$281.1 billion. As of June 2, 2020, the City had outstanding approximately \$2.40 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.85% of the net assessed valuation for fiscal year 2019-20. If

all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.63% of the net assessed value of property in the City. If the Board of Supervisors approves the issuance of the Bonds, the debt ratio would increase by approximately 0.05% to 0.90%— within the 3.00% legal debt limit.

Capital Plan:

The Capital Planning Committee approved a financial constraint regarding the City's planned use of general obligation bonds such that debt service on approved and issued general obligation bonds would not increase property owners' long-term property tax rates above fiscal year 2006 levels. The fiscal year 2006 property tax rate for the general obligation bond fund was \$0.1201 per \$100 of assessed value. If the Board of Supervisors approves the issuance of the Bonds, the property tax rate for general obligation bonds for fiscal year 2019-20 would be maintained at or below the fiscal year 2006 rate and within the Capital Planning Committee's approved financial constraint.

Additional Information:

The resolution and the appropriation ordinance are expected to be introduced at the Board of Supervisors meeting on Tuesday, June 2, 2020. The forms of the related financing documents—including the Bond Purchase Agreement, Preliminary Official Statement, Appendix A, the Continuing Disclosure Certificate and other related documents, as further described below—will be submitted to the Board at that time.

Official Notice of Sale: Should the bonds be issued through a competitive bid process, the Official Notice of Sale announces the date and time for bids to be submitted, including the terms relating to sale of the Bonds; form of bids, and delivery of bids; and closing procedures and documents.

Exhibit A to the Official Notice of Sale is the form of the official bid for the purchase of the Bonds. Pursuant to the Resolutions, in a competitive sale the Controller is authorized to award the Bonds to the bidder whose bid represents the lowest true interest cost to the City in accordance with the procedures described in the Official Notice of Sale.

Notice of Intention to Sell: The Notice of Intention to Sell provides legal notice to prospective bidders of the City's intention to sell the 2020B Bonds. Such Notice of Intention to Sell would be published once in "The Bond Buyer" or another financial publication generally circulated throughout the State of California.

Bond Purchase Agreement: The City is considering whether a competitive sale of the Bonds is likely to produce the lowest cost of capital given current market disruptions. If market conditions should advise a negotiated sale with an underwriter, the attached Purchase Contract details the terms, covenants, and conditions for the sale of the Bonds, as well as agreements regarding expenses, closing and disclosure documents.

Placement Agent Agreement: If market conditions advise for a direct placement of the bonds, a Placement Agent Agreement will set the terms, covenants, and conditions for the placement of the Bonds through selected Placement Agent, as well as compensation for such service.

Paying Agent Agreement: The City Treasurer would typically be expected to act as Registrar and Paying Agent for the Bonds, but if due to the current pandemic or other extraordinary circumstances it is necessary to select an external Paying Agent in order to close the transaction, the Paying Agent Agreement provides the terms, covenants, and conditions.

Official Statement: The Official Statement provides information for prospective bidders and/or investors in connection with a public offering by the City of the Bonds. The Official Statement describes the Bonds, including sources and uses of funds; security for the Bonds; risk factors; and tax and other legal matters, among other information. The Official Statement also includes the City’s Appendix A, the most recent Comprehensive Annual Financial Report of the City, the City’s Investment Policy, and other forms of legal documents for the benefit of investors, holders and owners of the Bonds.

A *Preliminary Official Statement* is distributed to prospective bidders and/or investors prior to the sale of the Bonds and within seven days of the public offering the *Final Official Statement* (adding certain sale results including the offering prices, interest rates, selling compensation, principal amounts, and aggregate principal amounts) is distributed to the market within 10 days of the bond sale.

The Board of Supervisors and the Mayor, in adopting and approving the Resolution, approve and authorize the use and distribution of the Official Statement with respect to the Bonds. For purposes of the Securities and Exchange Act of 1934, the Controller typically certifies, on behalf of the City, that the Preliminary and Final Official Statements are final as of their dates.

Appendix A: The City prepares the Appendix A: “City and County of San Francisco—Organization and Finances” (the “Appendix A”) for inclusion in the Official Statement. Appendix A describes the City’s government and organization, the budget, property taxation, other City tax revenues and other revenue sources, general fund programs and expenditures, employment costs and post-retirement obligations, investment of City funds, capital financing and bonds, constitutional and statutory limitations on taxes and expenditures, and litigation and risk management. Pursuant to the Resolution, City staff will revise the Official Statement, including Appendix A, as necessary, to provide current information.

Continuing Disclosure Certificate: The City covenants to provide certain financial information and operating data relating to the City (the “Annual Report”) not later than 270 days after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of material events. These covenants have been made in order to assist initial purchasers of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Projected Financing Timeline*:

<u>Milestones:</u>	<u>Dates*:</u>
Capital Planning Committee	March 9
Board of Supervisors Introduction	June 2
Budget & Finance Committee Hearing	June 24
Board Consideration of Resolution and 1 st Reading of Appropriation Ordinance	June 30
Board 2 nd Reading of Appropriation Ordinance	July 7
Bond Sale & Closing	Summer 2020

**Please note that dates are preliminary and may change.*

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna at 415-554-5956 (anna.vandegna@sfgov.org), Vishal Trivedi at 415-554-4862 (vishal.trivedi@sfgov.org) or Luke Brewer at 415-554-7693 (luke.brewer@sfgov.org) if you have any questions.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 14-041

WHEREAS, The Strategic Plan requires that the SFMTA, in the context of the "Transit First" policy, make transit and other non-personal vehicle-oriented transportation modes the preferred means of travel; and

WHEREAS, The Transit Effectiveness Project (TEP) is a major SFMTA initiative to improve Muni and help meet the Strategic Plan's mode shift goals; and

WHEREAS, The goals of the TEP are to improve Muni travel speed, reliability and safety, make Muni a more attractive transportation mode, improve cost-effectiveness of Muni operations and assist in implementing the City's Transit First policy; and

WHEREAS, The SFMTA applied to the Planning Department for environmental review of the TEP under the California Environmental Quality Act, Public Resources Code Sections 21000 *et seq.*, (CEQA), on June 25, 2011, and the Planning Department determined that an Environmental Impact Report (EIR) was required and provided public notice of that determination by publication in a newspaper of general circulation on November 9, 2011; and

WHEREAS, On July 10, 2013, the Planning Department published the Transit Effectiveness Project Draft Environmental Impact Report (DEIR) and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice; and

WHEREAS, Notices of availability of the DEIR and of the date and time of the public hearing were posted at the San Francisco County Clerk's Office, on transit vehicles, and on the Planning Department's web site on July 10, 2013, and copies were provided to all public libraries within San Francisco; and

WHEREAS, On July 10, 2013, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, and to government agencies, the latter both directly and through the State Clearinghouse; and

WHEREAS, The Planning Commission held a duly advertised public hearing on the DEIR on August 15, 2013 and received public comment on the DEIR; the period for acceptance of written comments ended on September 17, 2013; and

PAGE 2.

WHEREAS, The Planning Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 67 day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Responses to Comments document, published on March 13, 2014; and

WHEREAS, The Planning Department prepared a Final Environmental Impact Report (FEIR), consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, the Responses to Comments document, and the Supplemental Service Variants Memorandum dated March 13, 2014, all as required by law; and

WHEREAS, Environmental review files have been made available for review by the SFMTA Board and the public. (Planning Department File No. 2011.0558E.) These files are available for public review at the Planning Department at 1650 Mission Street, Suite 400, and are part of the record before the SFMTA Board; and

WHEREAS, On March 27, 2014, the Planning Commission reviewed and considered the FEIR and found that its contents and the procedures through which the FEIR was prepared, publicized, and reviewed complied with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code; and

WHEREAS, The Planning Commission found that the FEIR reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Responses to Comments document, the Supplemental Service Variants Memorandum, and all relevant errata contain no significant revisions to the DEIR, and certified the completion of the FEIR in compliance with CEQA and the CEQA Guidelines; and

WHEREAS, The Planning Commission's CEQA certification motion is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by this reference; now, therefore be it

RESOLVED, That the SFMTA Board of Directors approves the Service Policy Framework as identified in the FEIR and incorporated herein by this reference; and be it further

RESOLVED, That the SFMTA Board of Directors approves the Transit Preferential Streets "Toolkit" as identified in the FEIR and incorporated herein by this reference; and be it further

RESOLVED, That the SFMTA Board of Directors approves at a programmatic and conceptual level the Service Improvements, Service-Related Capital Improvements and both the Moderate and Expanded Travel Time Reduction Proposals Alternatives identified in the FEIR and incorporated herein by this reference; and be it further

PAGE 3.

RESOLVED, That, in taking this approval action, the SFMTA Board of Directors adopts CEQA Findings, which include rejecting alternatives identified in the FEIR as infeasible and adopting a statement of overriding considerations, attached to this Resolution as Enclosure A and incorporated herein by this reference; and be it further

RESOLVED, That the SFMTA Board of Directors adopts the Mitigation Monitoring and Reporting Program (MMRP) attached to this Resolution as Enclosure B; and be it further

RESOLVED, That the SFMTA Board authorizes the Director of Transportation to direct staff to continue with obtaining otherwise necessary approvals and to carry out the actions to implement the Project.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors and the Parking Authority Commission at their meeting of March 28, 2014.

R. Bowmer

Secretary, Municipal Transportation Agency
Board and Parking Authority Commission

ENCLOSURE A

**TRANSIT EFFECTIVENESS PROJECT,
INCLUDING THE SERVICE POLICY FRAMEWORK,
CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS:
FINDINGS OF FACT, EVALUATION OF MITIGATION MEASURES AND
ALTERNATIVES, AND STATEMENT OF OVERRIDING CONSIDERATIONS
SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS**

In determining to approve the Transit Effectiveness Project (the "Project") described in Section I, Project Description below, the San Francisco Municipal Transportation Agency Board of Directors (the "SFMTA Board") makes and adopts the following findings of fact and decisions regarding significant impacts, mitigation measures, and alternatives, and adopts the statement of overriding considerations, based on substantial evidence in the whole record of this proceeding and under the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq. ("CEQA"), particularly Sections 21081 and 21081.5, the Guidelines for Implementation of CEQA ("CEQA Guidelines"), 14 California Code of Regulations Sections 15000 et seq., particularly Sections 15091 through 15093, and Chapter 31 of the San Francisco Administrative Code. These findings comprise **ENCLOSURE A** to the associated Board of Directors Resolution.

This document is organized as follows:

Section I provides a description of the Project proposed for adoption, the environmental review process for the Project, the approval actions to be taken and the location of records;

Section II identifies the impacts found not to be significant that do not require mitigation;

Section III identifies potentially significant impacts that can be avoided or reduced to less-than-significant levels through mitigation and describes the disposition of the mitigation measures;

Section IV identifies significant impacts that cannot be avoided or reduced to less-than-significant levels and describes any applicable mitigation measures as well as the disposition of the mitigation measures;

Section V evaluates the different Project alternatives and sets forth the economic, legal, social, technological, and other considerations, and incorporates by reference the reasons set forth in Section VI, that support approval of the Project and the rejection of the alternatives, or elements thereof, analyzed as infeasible; and

Section VI presents a statement of overriding considerations setting forth specific reasons in support of the Board's actions to approve the Project despite its significant and unavoidable

environmental impacts and its rejection of the alternatives not incorporated into the Project as infeasible.

The Mitigation Monitoring and Reporting Program ("MMRP") containing the mitigation measures from the Final Environmental Impact Report ("FEIR") that have been proposed for adoption is attached with these findings as **Attachment B** to the associated Board of Directors Resolution. The MMRP is required by CEQA Section 21081.6 and CEQA Guidelines Section 15091. The MMRP provides a table setting forth each mitigation measure listed in the FEIR for the Project that is required to reduce or avoid a significant adverse impact and that is made a condition of approval. The MMRP also specifies the agency responsible for implementation of each measure and establishes monitoring actions and a monitoring schedule. The full text of the mitigation measures is set forth in the MMRP.

These findings are based upon substantial evidence in the entire record before the SFMTA Board. The references set forth in these findings to certain pages or sections of the Draft Environmental Impact Report ("DEIR" or "DEIR") or the Responses to Comments document ("RTC") are for ease of reference and are not intended to provide an exhaustive list of the evidence relied upon for these findings. The DEIR and the Responses to Comments document, together with the Supplemental Service Variants Memorandum dated March 13, 2014 and Errata dated March 27, 2014, comprise the FEIR.

I. APPROVAL OF THE PROJECT

A. Project Description

The Transit Effectiveness Project (TEP) is comprised of a Service Policy Framework, Service Improvements and Service Variants, Service-related Capital Improvements, and Travel Time Reduction Proposals ("TTRPs"), including the Transit Preferential Streets Toolkit. The TEP includes locations throughout the 49-square-mile City and County of San Francisco and is a program comprised of a group of varied projects and proposals. The TEP components will be implemented on public land and within the public right-of-way throughout the City, on property largely under the jurisdiction of the San Francisco Public Works Department and the SFMTA.

The proposals that comprise the TEP vary in the level of detail provided, from highly specific redesigns, including capital improvements, along certain transportation corridors to more conceptual policy recommendations. Accordingly, and pursuant to CEQA Guidelines Sections 15161 and 15168, the FEIR analyzed portions of the TEP at a "project-level" where the amount and type of information available for those components lent itself to a detailed and specific analysis of all potential environmental impacts, and other portions were analyzed at a "program-level" (a more conceptual level) when the details about and current level of design for a

component did not allow for a project-level analysis. In particular, the Service Policy Framework, 5 of the 12 Service-related Capital Improvements, and 6 of the 17 Travel Time Reduction Proposals (TTRPs) were analyzed at a program level.

The description provided here summarizes the project description provided in the FEIR, which, as noted above, is comprised of the DEIR, the RTC, and the Supplemental Service Variant Memorandum. Please see Chapter 2 of the FEIR for a more detailed description of the TEP project.

1. The Service Policy Framework

The Service Policy Framework sets forth transit service delivery objectives that support the SFMTA Strategic Plan goals, and identifies a variety of actions to implement these objectives. The Service Policy Framework will guide how investments are made to the Muni system and is intended to improve system reliability and reduce transit travel time as well as improve customer service. These objectives include the effective allocation of transit resources, the efficient delivery of service, the improvement of service reliability and reduction in transit travel time, and an improvement in customer service. Most importantly, the Policy Framework would organize Muni transit service into four distinct transit categories:

- **Rapid Network:** These heavily used bus and rail lines form the backbone of the Muni system. With vehicles arriving frequently and transit priority enhancements along the routes, the Rapid network delivers speed and reliability whether customers are heading across town, or simply traveling a few blocks.
- **Local Network:** Also known as "Grid" routes, these long routes combine with the Rapid network to form an expansive core system that lets customers get to their destinations with no more than a short walk, or a seamless transfer.
- **Community Connectors:** Also known as "Circulators", these lightly used bus routes predominantly circulate through San Francisco's hillside residential neighborhoods, filling in gaps in coverage and connecting customers to the core network.
- **Specialized Services:** These routes augment existing service during specific times of day to serve a specific need, or serve travel demand related to special events. They include express service, owl service, and special event trips to serve sporting events, large festivals and other San Francisco activities.

2. Service Improvements and Service Variants

The Service Improvements and Service Variants include creation of new transit routes, changes in the alignment of some existing routes, elimination of underused routes or route segments, changes to headways and hours of service, changes to the day of the week for service, and

changes to the mix of local/limited/express service on several routes. The Service Improvements were developed based on a comprehensive evaluation of the overall transit network and public input from community meetings. Specifically, these proposals include:

- Increasing frequency of transit service along heavily used corridors;
- Creating new routes;
- Changing existing route alignments;
- Eliminating underutilized routes or route segments;
- Introducing larger buses on crowded routes;
- Changing the mix of local/limited/express service;
- Expanding limited services.

In addition, the SFMTA included a number of possible variants to these service changes (including recent service variants developed as part of the public outreach process and summarized in the Supplemental Service Variants Memorandum of March 13, 2014) that are proposed as part of the project to allow for flexibility in the phasing and implementation of the Service Improvements. Proposed Service Variants mostly include modifications to portions of some routes or change the type of vehicle used on some routes. In addition, many of the service variants work in concert to improve service along a particular corridor or neighborhood.

3. Service-Related Capital Improvements

Some of the Service Improvements will be supported by Service-related Capital Improvements. The Service-related Capital Improvements include the following: a) Transfer and Terminal Point Improvements, which include installation of overhead wiring and poles; installation of new switches, bypass rails, and/or transit bulbs; expansion of transit zones; and modification of sidewalks at stops to accommodate substantial passenger interchanges and/or to provide for transit vehicle layovers; b) Overhead Wire Expansion capital improvements to support service route changes for electric trolley routes and provide bypass wires to allow trolley coaches to pass one another on existing routes; c) Systemwide Capital Infrastructure projects, such as installation of new accessible platforms to improve system accessibility across the light rail network.

4. Travel Time Reduction Proposals (TTRPs), Using the Transit Preferential Streets (TPS) Toolkit

The Travel Time Reduction Proposals (TTRPs) will implement roadway and transit stop changes to reduce transit delay on the most heavily used routes that make up the backbone of the Muni system, which is referred to as the Rapid Network. The SFMTA has identified a set of 18 standard roadway and traffic engineering elements that can be used to reduce transit travel time

along a transit corridor. Collectively, these tools or elements are called the Transit Preferential Streets Toolkit ("TPS Toolkit"). The TPS Toolkit elements will be applied to 17 Rapid Network transit corridors to improve operation of the Muni system. These elements include:

- **Transit Stop Changes:** removing or consolidating transit stops; moving stop locations at intersections; adding transit bulbs; adding transit boarding islands; increasing transit stop lengths; converting flag stops to transit zones;
- **Land Modifications:** establishing transit-only lanes; establishing transit queue jump/bypass lanes; establishing dedicated turn lanes; widening travel lanes through lane reductions;
- **Parking and Turn Restrictions:** implement turning restrictions; widening travel lanes through parking restrictions; installing traffic signals at uncontrolled and two-way stop-controlled intersections; installing traffic signals at all-way stop-controlled intersections; replacing all-way stop-controls with traffic calming measures at intersections;
- **Pedestrian Improvements:** installing pedestrian refuge islands; installing pedestrian bulbs; and widening sidewalks.

The TEP proposes to apply the TPS Toolkit to 17 Rapid Network corridors throughout the City. Using the TPS Toolkit, the SFMTA has developed specific corridor designs for 11 of the 17 proposed TTRP corridors. These corridor designs were thus analyzed at a project-level in the FEIR. Project variants were also included as part of these project-level TTRPs. Three of the TTRPs (TTRP.14, TTRP.22 and TTRP.30_1) include variants with different designs on one or more segments of the route. TTRP routes with no design variants at the project level include TTRP.5, TTRP.8x, TTRP.28_1, TTRP.J, TTRP.N, TTRP.9, TTRP.71 and TTRP.L. The SFMTA developed conceptual planning for the remaining 6 TTRP corridors, for which specific corridor designs will be developed at a later stage of the project. These corridor designs were thus analyzed at a programmatic level in the FEIR.

For each of the project-level TTRPs, the SFMTA developed two specific corridor designs comprised of TPS Toolkit elements: a moderate option, referred to as the "TTRP Moderate Alternative;" and an expanded option, referred to as the "TTRP Expanded Alternative." This was done because, although the TEP program was examined in one environmental document in order to understand the full scope of its potential cumulative environmental impacts, the TEP is actually a collection of projects and proposals, which, while related, may be implemented at various times and, in many cases, independently of each other. Thus, these alternatives bracket a range of feasible options that accomplish the SFMTA's objectives for the TEP and describe and analyze the scope of potential physical environmental impacts that would result from implementing a combination of elements from both alternatives. These two alternatives are described and analyzed at an equal level of detail in the FEIR.

Under either alternative, the Service Policy Framework, the Service Improvements, Service Variants, the Service-related Capital Improvements, and the TPS Toolkit as applied to the program-level TTRP corridors would be implemented. The difference between the two alternative projects is that under the TTRP Moderate Alternative, these elements would be implemented in combination with a "moderate" number of TPS Toolkit elements along certain Rapid Network corridors, and, under the TTRP Expanded Alternative, these elements would be implemented in combination with an "expanded" number of TPS Toolkit elements along the same Rapid Network corridors.

Please note that when the DEIR was published, the SFMTA had developed project-level details for only 8 of the 17 TTRP corridors. Subsequently, SFMTA staff developed project-level details for three more of the TTRPs, using the TPS Toolkit. With this additional detail, the TTRP.L, TTRP.9, and TTRP.71_1 Moderate and Expanded Alternatives were analyzed at a project level of detail in the RTC document. These three TTRPs would have the same significant and less-than-significant impacts as the eight project-level TTRPs analyzed in the DEIR and the same mitigation measures would be applicable. Chapter 2 of the RTC document, Project Description Revisions, provides a detailed description of the three additional project-level TTRPs and a summary of their significant and less-than-significant impacts. Chapter 5 of the RTC document, DEIR Revisions, presents the results of the impact analyses of the new three project-level TTRPs as integrated into EIR Chapter 4, Environmental Setting, Impacts, and Mitigation Measures and Chapter 6, Alternatives. Thus, 11 of the 17 TTRPs are analyzed at the project-level in the FEIR. In addition, the descriptions and analyses of TTRP.N and TTRP.5 Moderate and Expanded Alternatives were updated in the FEIR based on minor design modifications to these two project components that occurred after the DEIR was published.

B. Project Objectives

The FEIR discusses several Project objectives identified by the SFMTA as Project Sponsor. The objectives are:

- To improve, to the greatest extent possible, transit speed, reliability and safety by redesigning routes; to reduce travel time along high-ridership corridors by optimizing transit stop locations, implementing traffic engineering changes, and constructing capital infrastructure projects; and to improve safety for pedestrians, bicyclists, and riders at intersections by introducing infrastructure changes (e.g. pedestrian bulbs, transit bulbs, etc.) that lead to safer transit operation.
- To make Muni a more attractive transportation mode and increase transit ridership through both attracting new riders and increasing use by current riders by: serving major origin-destination patterns, such as between regional transit connections and major employment sites; providing direct and efficient service through reduction or elimination

of circuitous route segments; reducing crowding through shifting resources to improve customer comfort and decreasing pass-ups; and redesigning routes to maximize ridership.

- To improve the cost-effectiveness and productivity of transit operations by improving network efficiency and reducing system redundancy by implementing service modifications that include route restructuring, frequency improvements, vehicle-type changes, and hours of service adjustments.
- To implement more fully the City's Transit First Policy by providing clear direction for managing transportation in San Francisco with the goals of providing service to all residents within a quarter mile of 95 percent of the Muni service area and prioritizing transit operations in high-ridership corridors over automobile delay and on-street parking.

C. Environmental Review

The San Francisco Planning Department, as lead agency, prepared a Notice of Preparation ("NOP") and Notice of Public Scoping Meetings on November 9, 2011, and held two Public Scoping Meetings on December 6 and 7, 2011.

The NOP was distributed to the State Clearinghouse and mailed to local, state, and federal agencies and to other interested parties on November 9, 2011, initiating a 30-day public comment period extending through December 9, 2011. A copy of the NOP is available in Appendix 1 in Volume 2 of the EIR. The Public Scoping Meetings were held at the SFMTA offices, One South Van Ness Avenue, in San Francisco. The purpose of the meetings was to present information about the proposed Project to the public and receive public input regarding the scope of the EIR analyses. Attendees were provided an opportunity to voice comments on concerns regarding the project; translators were available for Chinese- and Spanish-speaking attendees if needed.

Oral comments were provided by 21 individuals at the Public Scoping Meetings. During the public review period, 29 public agencies and/or other interested parties submitted comment letters to the Planning Department. Comments raised the following concerns related to physical environmental effects: aesthetics of various transit facilities, including overhead wires; the potential for impacts on archeological resources; air quality impacts related to potential increases in use of private passenger vehicles; the effects on traffic flow and potential for diversions due to new transit and pedestrian bulbs; locations of and distance between transit stops; the potential for shifts in travel modes; concern about loss of parking and loading; pedestrian safety concerns; the environmental review process; suggested use of different

approaches to the transportation impact analysis such as providing estimates of time saved; and requested variations on some service improvements.

The San Francisco Planning Department published an Initial Study on January 23, 2013. The Initial Study was distributed to the State Clearinghouse and mailed to local, state, and federal agencies and to other interested parties on January 23, 2013, initiating a 30-day public comment period extending from January 24, 2013 through February 22, 2013. A copy of the Initial Study is available in Appendix 2 in Volume 2 of the EIR.

The San Francisco Planning Department then prepared a DEIR, which describes both of the Project Alternatives; presents the environmental setting; identifies potential impacts at a program-level or a project-level of detail for both Alternatives; presents mitigation measures for impacts found to be significant or potentially significant; and summarizes the Project Alternatives and their impacts, and compares their impacts and those of the No Project Alternative. In assessing construction and operational impacts of the Project, the DEIR also considers the contribution of the Project impacts to cumulative impacts associated with the Project in combination with other past, present, and reasonably foreseeable future actions with potential for impacts on the same resources.

Each environmental issue presented in the DEIR is analyzed with respect to significance criteria that are based on the San Francisco Planning Department Environmental Planning Division ("EP") guidance regarding the environmental effects to be considered significant. EP guidance is, in turn, based on CEQA Guidelines Appendix G, with some modifications.

The Department published the DEIR on July 10, 2013. The DEIR was circulated to local, state, and federal agencies and to interested organizations and individuals for review and comment beginning on July 11, 2013 for a 67-day public review period, which ended on September 17, 2013. The San Francisco Planning Commission held a duly noticed public hearing to solicit testimony on the DEIR on August 15, 2013. The Planning Department also received written comments on the DEIR, sent through mail, hand-delivered, or by email.

The San Francisco Planning Department then prepared the Responses to Comments document ("RTC"). This document, which provides written response to each comment received on the DEIR that raises environmental issues, was published on March 12, 2014, and includes copies of all of the comments received on the DEIR and responses to those comments. The RTC provided additional updated information and clarification on issues raised by commenters, as well as Planning Department DEIR text changes. The text changes included more detailed analyses, at a project level, for three transit Travel Time Reduction Proposal (TTRPs) for both the Moderate and Expanded Alternatives that had previously been analyzed in the DEIR at a

program level: the TTRP.L (L Taraval), TTRP.9 (9/9L San Bruno), and TTRP.71_1 (71 Haight-Noriega).

On March 13, 2013, the Planning Department published a Supplemental Service Variants Memorandum, which described and analyzed additional service variants developed as part of the SFMTA's public outreach process. The Planning Department concluded that these additional service variants would have the same environmental impacts and require the same mitigation measures as the service variants already described and analyzed in the DEIR, and thus, no additional environmental review was required nor was recirculation of the DEIR required.

The Planning Commission reviewed and considered the FEIR, which is comprised of the DEIR, the RTC document and the Supplemental Service Variants Memorandum, Errata dated March 27, 2014, and all of the supporting information. In certifying the FEIR, the Planning Commission determined that it does not add significant new information to the DEIR that would require recirculation under CEQA because the FEIR contains no information revealing (1) any new significant environmental impact that would result from the project or from a new mitigation measure proposed to be implemented, (2) any substantial increase in the severity of a previously identified environmental impact, (3) any feasible project alternative or mitigation measure considerably different from others previously analyzed that would clearly lessen the environmental impacts of the project, but that was rejected by the project's proponents, or (4) that the DEIR was so fundamentally and basically inadequate and conclusory in nature that meaningful public review and comment were precluded. This SFMTA Board concurs in this determination.

D. Approval Actions

1. Planning Commission Action

On March 27, 2014 the Planning Commission certified the FEIR.

2. San Francisco Municipal Transportation Agency Board of Directors Actions

- Approval of the Transit Effectiveness Project, including the Service Policy Framework
- Approval of the implementation of certain parking and traffic measures in accordance with Section 201(c) of the Transportation Code

3. San Francisco Board of Supervisors Actions

The Planning Commission's certification of the FEIR may be appealed to the Board of Supervisors. If appealed, the Board of Supervisors will determine whether to uphold the

certification or to grant the appeal and remand the FEIR to the Planning Department for further review.

Additional actions that may be taken by the Board of Supervisors are:

- Review and approval of system changes related to any route abandonments.
- Approval of sidewalk changes, upon referral from the Department of Public Works.

4. Other San Francisco Agency Actions

- Approval by the Department of Public Works of sidewalk legislation and construction period encroachment permits.
- Approval by the San Francisco Recreation and Park Commission of property encroachments, if required.
- Approval by the San Francisco Planning Department of any required General Plan Referrals

5. Other—Local, State, and Federal Agencies

Implementation of the Project will involve consultation with, or required approvals by, other local, state and federal regulatory agencies, including, but not limited to, the following:

- The Transportation Advisory Staff Committee ("TASC"): Coordination of all roadway and transit changes.
- City of Daly City: Approval of installation of a traffic signal and transit bulb in Daly City.
- California Department of Transportation ("Caltrans") District 4: Approval of temporary construction street encroachment permits within Caltrans rights-of-way.

To the extent that the identified mitigation measures require consultation with or approval by these other agencies, the SFMTA Board urges these agencies to assist in implementing, coordinating, or approving the mitigation measures, as appropriate to the particular measure.

6. Location and Custodian of Records

The DEIR and all documents referenced in or relied on by the Draft and FEIR, the DEIR public hearing transcript, a copy of all letters regarding the EIR received during the Notice of Preparation and DEIR public review periods, the administrative record, the Responses to Comments document, and the Supplemental Service Variants Memorandum, and background documentation for the FEIR are located at the Planning Department, 1650 Mission Street, San Francisco. (Planning Department Case File No. 2011.0558E.) The Planning Commission Secretary, Jonas Ionin, is the custodian of records for the Planning Department and the Planning Commission.

All information, including written materials and testimony, concerning approval of the Project and adoption of these findings, presented to the SFMTA Board or incorporated into reports presented to the SFMTA Board, are located at the SFMTA offices at One South Van Ness Avenue, 7th floor, San Francisco.

All files have been available to the SFMTA Board and the public for review in considering these findings and whether to approve the Project.

E. Findings about Significant Environmental Impacts and Mitigation Measures

The following Sections II, III, and IV set out the SFMTA Board of Directors' findings about the FEIR's determinations regarding significant environmental impacts and the mitigation measures proposed to address them. These findings provide the written analysis and conclusions of the SFMTA Board regarding the environmental impacts of the Project and the mitigation measures included as part of the FEIR and adopted by the SFMTA Board as part of the Project. To avoid duplication and redundancy, and because the SFMTA Board agrees with, and hereby adopts, the conclusions in the FEIR, these findings will not repeat the analysis and conclusions in the FEIR, but instead incorporate them by reference and rely upon them as substantial evidence supporting these findings.

In making these findings, the SFMTA Board has considered the opinions of SFMTA staff and other City staff and experts, other agencies, and members of the public. The SFMTA Board finds that the determination of significance thresholds is a judgment decision within the discretion of the SFMTA and the City and County of San Francisco; the significance thresholds used in the EIR are supported by substantial evidence in the record, including the expert opinion of the SFMTA and City staff; and the significance thresholds used in the EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the Project.

These findings do not attempt to describe the full analysis of each environmental impact contained in the FEIR. Instead, a full explanation of these environmental findings and conclusions can be found in the FEIR, which includes its Initial Study presented in EIR Appendix 2, and these findings hereby incorporate by reference the discussion and analysis in the FEIR supporting the determinations regarding the Project impacts and mitigation measures designed to address those impacts. In making these findings, the SFMTA Board of Directors ratifies, adopts, and incorporates in these findings the determinations and conclusions of the FEIR relating to environmental impacts and mitigation measures, except to the extent any such determinations are specifically and expressly modified by these findings.

As set forth below, the SFMTA Board adopts and incorporates the mitigation measures set forth in the FEIR and the attached MMRP to substantially lessen or avoid the significant impacts of the Project. The SFMTA Board intends to adopt all the mitigation measures proposed in the FEIR. Accordingly, in the event a mitigation measure identified in the FEIR has inadvertently been omitted in these findings or the MMRP, such mitigation measure is hereby adopted and incorporated in the findings below by reference. In addition, in the event the language describing a mitigation measure set forth in these findings or the MMRP fails to accurately reflect the mitigation measures in the FEIR due to a clerical error, the language of the policies and implementation measures as set forth in the FEIR shall control. The impact numbers and mitigation measure numbers used in these findings reflect the information contained in the FEIR.

In the Sections II, III and IV below, the same findings are made for a category of environmental impacts and mitigation measures. Rather than repeat the identical finding dozens of times to address each and every significant effect and mitigation measure, the initial finding obviates the need for such repetition because in no instance is the SFMTA Board rejecting the conclusions of the FEIR or the mitigation measures identified in the FEIR for the Project.

The findings below include findings relevant to the TTRP Moderate Alternative and to the TTRP Expanded Alternative. Under either alternative, the FEIR assumed that the Service Policy Framework, the Service Improvements, Service Variants, the Service-related Capital Improvements, and the TPS Toolkit as applied to the program-level TTRP corridors would be implemented. It is not known at this time which specific alternative, or mixture of proposals from the two alternatives, will be ultimately approved by the SFMTA Board for each TTRP corridor. It is likely that, over time, a mix of the proposals described in the TTRP Moderate Alternative and the TTRP Expanded Alternative will be adopted and implemented along the various corridors. Because of this, in taking this action, the SFMTA Board makes the following findings regarding the potential for environmental impacts and required mitigation measures for both the TTRP Moderate Alternative and the TTRP Expanded Alternative, as each are described in the FEIR.

II. IMPACTS FOUND NOT TO BE SIGNIFICANT AND THUS DO NOT REQUIRE MITIGATION

Under CEQA, no mitigation measures are required for impacts that are less than significant (Pub. Resources Code § 21002; CEQA Guidelines §§ 15126.4(a)(3) and 15091). Based on the evidence in the whole record of this proceeding, the Board finds that implementation of the Proposed Project will not result in any significant impacts in the following areas and that these impact areas therefore do not require mitigation:

Land Use and Land Use Planning

- Impacts LU-1, LU-2, and LU-3: The proposed Project would not physically divide an established community, would not conflict with applicable land use plans, policies, or regulations of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect, or have a substantial adverse impact on the existing character of the vicinity.
- Impact C-LU-1: The proposed Project, in combination with other past, present, or reasonably foreseeable future projects in the project vicinity, would not have a cumulatively considerable contribution to a significant cumulative land use or land use planning impact.

Aesthetics

- Impacts AE-1 and AE-2: The proposed Project would not have a substantial adverse effect on a scenic vista or on scenic resources, including, but not limited to, trees, rock outcroppings, and other features of the built or natural environment which contribute to a scenic public setting.
- Impact AE-3: The proposed Project would not degrade existing visual character or quality of the project sites and surroundings.
- Impact AE-4: The proposed Project would not create a new source of substantial light or glare that would have a substantial adverse effect on day or nighttime views.
- Impact C-AE-1: The proposed Project, in combination with other past, present, or reasonably foreseeable future projects would not have a cumulatively considerable contribution to a significant cumulative aesthetics impact.

Population and Housing

- Impact PH-1: The proposed Project would not induce substantial population growth either directly or indirectly.
- Impact PH-2: The proposed Project would not displace any existing housing units or create any demand for additional housing, or displace substantial numbers of people, necessitating the construction of replacement housing.
- Impact C-PH-1: The proposed Project in combination with other past, present, or reasonably foreseeable future projects would not result in a cumulatively considerable contribution to significant cumulative impacts on population or housing.

Cultural and Paleontological Resources

- Impact CP-1: The proposed Project would not cause a substantial adverse change in the significance of an historic architectural resource.
- Impact C-CP-1: The proposed Project, in combination with past, present, and reasonably foreseeable future projects in the vicinity, would not result in a cumulatively considerable contribution to significant cumulative impacts on cultural resources or archaeological resources.

Transportation and Circulation

- The proposed Project would not result in changes to air traffic patterns because the project site is not located within an airport land use plan area or in the vicinity of a private airstrip.
- The proposed Project would not substantially increase transportation hazards due to a design feature or incompatible uses.
- Impact TR-1: Implementation of the Service Policy Framework and the TEP project components would not result in construction-related transportation impacts because of their temporary and limited duration.
- Impact TR-2: Implementation of the Service Policy Framework Objectives A through D would not result in significant impacts to local or regional transit, traffic operations, pedestrians and bicyclists, loading, emergency vehicle access, or parking.
- Impact TR-4: Implementation of the Policy Framework Objective A, Actions A.1, A.2 and A.4, Objective B, Actions B.1 through B.4, Objective C, Actions C.1 and C.2, and Objective D, Actions D.1 through D.4 would not result in significant traffic impacts.
- Impact TR-6: Implementation of the Policy Framework Objective A, Actions A.1, A.2 and A.4, Objective B, Actions B.1 through B.4, Objective C, Actions C.1 and C.2, and Objective D, Actions D.1 through D.4 would not result in significant loading impacts.
- Impact TR-7: Implementation of all of the TPS Toolkit categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, Traffic Signal and Stop Sign Changes, and Pedestrian Improvements, would not result in significant impacts to local or regional transit, pedestrians and bicycles, emergency vehicle access, or parking.
- Impact TR-9: Implementation of the following TPS Toolkit categories: Transit Stop Changes, Parking and Turn Restrictions, and Traffic Signal and Stop Sign Changes, would not result in significant traffic impacts.
- Impact TR-11: Implementation of TPS Toolkit element category Traffic Signal and Stop Sign Changes would not result in significant loading impacts.
- Impact TR-12: Implementation of program-level Service-related Capital Improvements projects (TTPI.2, TTPI.3, TTPI.4, OWE.6, and SCI.1) would not result in significant impacts to local or regional transit, traffic operations, pedestrians and bicyclists, loading, emergency vehicle access, or parking.
- Impact TR-13: Implementation of any of the TPS Toolkit categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, Traffic Signal and Stop Sign Changes, and Pedestrian Improvements along the nine program-level TTRP corridors would not result in significant impacts to local or regional transit, pedestrians and bicyclists, emergency vehicle access, or parking.
- Impact TR-15: Implementation of any TPS Toolkit elements within the following categories: Transit Stop Changes, Parking and Turn Restrictions, and Traffic Signal and Stop Sign Changes, along the program-level TTRP corridors would not result in significant impacts on traffic operations.

- Impact TR-17: Implementation of any of the TPS Toolkit elements within the category Traffic Signal and Stop Sign Changes along the program level TTRP corridors would not result in significant loading impacts.
- Impact TR-18: Implementation of the Service Improvements or Service Variants would not result in significant impacts to local or regional transit, traffic operations, pedestrians and bicyclists, loading, emergency vehicle access, or parking.
- Impact TR-19: Implementation of the project-level Service-related Capital Improvement projects (TTPI.2, OWE.1, OWE.1 Variant, OWE.2, OWE.3, OWE.4, OWE.5, and SCI.2) would not result in significant impacts to local or regional transit, traffic operations, pedestrians and bicyclists, loading, emergency vehicle access, or parking.
- Impact TR-20: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would not result in significant impacts to local or regional transit.
- Impact TR-21: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1 would not result in significant impacts to local or regional transit.
- Impact TR-22: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would have less-than-significant traffic impacts at 78 study intersections.
- Impact TR-23: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.28_1, or TTRP.71_1 would have less-than-significant traffic impacts at 40 study intersections.
- Impact TR-25: Implementation of the project-level TTRP.14 Expanded Alternative would have less-than-significant traffic impacts at 19 study intersections under Existing plus Service Improvements and the TTRP.14 Expanded Alternative conditions.
- Impact TR-29: Implementation of the project-level TTRP.22_1 Expanded Alternative would have less-than-significant traffic impacts at six study intersections that would operate at level of service ("LOS") D or better under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative conditions.
- Impact TR-33: Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 1 would have less-than-significant traffic impacts at six study intersections that would operate at LOS D or better under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 conditions.
- Impact TR-37: Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 2 would have less-than-significant traffic impacts at six study intersections that would operate at LOS D or better under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 conditions.
- Impact TR-39: Implementation of the project-level TTRP.30_1 Expanded Alternative would have less-than-significant traffic impacts at nine study intersections that would

operate at LOS D or better under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative conditions.

- Impact TR-41: Implementation of the project-level TTRP.30_1 Expanded Alternative Variant 1 would have less-than-significant traffic impacts at nine study intersections that would operate at LOS D or better under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 1 conditions.
- Impact TR-43: Implementation of the project-level TTRP.30_1 Expanded Alternative Variant 2 would have less-than-significant traffic impacts at nine study intersections that would operate at LOS D or better under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 2 conditions.
- Impact TR-44: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would not result in significant impacts to pedestrians and bicyclists.
- Impact TR-45: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1 Expanded Alternative, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1 would not result in significant impacts to pedestrians and bicyclists.
- Impact TR-46: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.22_1, TTRP.28_1, or TTRP.71_1 would not result in significant loading impacts.
- Impact TR-47: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, or TTRP.71_1 would not result in significant loading impacts.
- Impact TR-55: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would not result in significant impacts on emergency vehicle access.
- Impact TR-56: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1 would not result in significant impacts on emergency vehicle access.
- Impact TR-57: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would not result in a significant parking impact.
- Impact TR-58: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1 would not result in a significant parking impact.

- Impact C-TR-4: Implementation of the Service Improvements or Service Variants, in combination with past, present and reasonably foreseeable development in San Francisco, would not contribute considerably to ridership at the regional transit screenlines on AC Transit, Caltrain, Golden Gate Transit, SamTrans, and other regional ferry service under 2035 Cumulative plus Service Improvements only conditions.
- Impact C-TR-5: The TPS Toolkit elements as applied in the program-level TTRP corridors, and Service Improvements with the TTRP Moderate Alternative would not contribute considerably to ridership at the regional transit screenlines on AC Transit, Caltrain, Golden Gate Transit, SamTrans, and other regional ferry service under 2035 Cumulative plus Service Improvements and the TTRP Moderate Alternative conditions.
- Impact C-TR-6: The TPS Toolkit elements as applied in program-level TTRP corridors, and Service Improvements with the TTRP Expanded Alternative, in combination with past, present and reasonably foreseeable development in San Francisco, would not contribute considerably to ridership at the regional transit screenlines on AC Transit, Caltrain, Golden Gate Transit, SamTrans, and other regional ferry service under 2035 Cumulative plus Service Improvements and the TTRP Expanded Alternative conditions.
- Impact C-TR-8: Implementation of the Service Policy Framework Objective A, Actions A.1, A.2 and A.4, Objective B, Actions B.1 through B.4, Objective C, Actions C.1 and C.2, and Objective D, Actions D.1 through D.4 and any of the TPS Toolkit elements within categories: Transit Stop Changes, Parking and Turn Restrictions, and Traffic Signal and Stop Sign Changes, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant traffic impacts under 2035 Cumulative plus Service Improvements and the TTRP Moderate Alternative conditions, and therefore would not contribute to any significant cumulative traffic impacts.
- Impact C-TR-10: Implementation of the Service Policy Framework Objective A, Actions A.1, A.2 and A.4, Objective B, Actions B.1 through B.4, Objective C, Actions C.1 and C.2, and Objective D, Actions D.1 through D.4 and any of the TPS Toolkit elements within categories: Transit Stop Changes, Parking and Turn Restrictions, and Traffic Signal and Stop Sign Changes, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant traffic impacts under 2035 Cumulative plus Service Improvements and the TTRP Expanded Alternative conditions, and therefore would not contribute to any significant cumulative traffic impacts.
- Impact C-TR-11: Implementation of the Service Improvements or Service Variants, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant traffic impacts under 2035 Cumulative plus Service Improvements only conditions, and therefore would not contribute to any significant cumulative traffic impacts.
- Impact C-TR-12: Implementation of the TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1, TTRP.14 Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1 would have less-than-significant traffic impacts under 2035 Cumulative plus Service Improvements and the TTRP Moderate Alternative conditions, and therefore would not contribute to any significant cumulative traffic impacts.

- Impact C-TR-38: Implementation of the TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would not contribute considerably to significant cumulative traffic impacts at 16 study intersections that would operate at LOS E or LOS F under 2035 Cumulative plus Service Improvements and the TTRP Expanded Alternative conditions.
- Impact C-TR-39: Implementation of the TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1 would not result in significant cumulative traffic impacts at 48 study intersections that would operate at LOS D or better under 2035 Cumulative plus Service Improvements and the TTRP Expanded Alternative conditions.
- Impact C-TR-40: Implementation of the Service Policy Framework and any of the TPS Toolkit elements within categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, and Traffic Signal and Stop Sign Changes, and Pedestrian Improvements as applied in program-level TTRP corridors, Service Improvements or Service Variants, and Service-related Capital Improvements, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative pedestrian and bicycle impacts.
- Impact C-TR-41: Implementation of the Service Improvements or Service Variants and the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14 Variant 1 and TTRP Variant 2, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative pedestrian and bicycle impacts.
- Impact C-TR-42: Implementation of the Service Improvements or Service Variants and the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative pedestrian and bicycle impacts.
- Impact C-TR-46: Implementation of the Policy Framework Objective A, Actions A.1, A.2 and A.4, Objective B, Actions B.1 through B.4, Objective C, Actions C.1 and C.2, and Objective D, Actions D.1 through D.4, TPS Toolkit Category Traffic Signal and Stop Sign Changes as applied in program-level TTRP corridors, Service Improvements or Service Variants, and Service-related Capital Improvements, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative loading impacts.
- Impact C-TR-47: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.22_1, TTRP.28_1, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative loading impacts.

- Impact C-TR-48: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.22_1, TTRP.22_1 Variant 1, TTRP.22_1 Variant 2, TTRP.28_1, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative loading impacts.
- Impact C-TR-50: Implementation of the Service Policy Framework Objective A, Actions A.1, A.2, and A.4, Objective B all actions, Objective C, Actions C.1 and C.2, and Objective D all actions, and any of the TPS Toolkit elements within categories: Transit Stop Changes and Traffic Signal and Stop Sign Changes, and Pedestrian Improvements as applied in program-level TTRP corridors, Service Improvements, and Service-related Capital Improvements, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative parking impacts.
- Impact C-TR-51: Implementation of the project-level TTRP Moderate Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.22_1, TTRP.28_1, TTRP.30_1, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative parking impacts.
- Impact C-TR-53: Implementation of the project-level TTRP Expanded Alternative for the TTRP.J, TTRP.L, TTRP.N, TTRP.5, TTRP.8X, TTRP.9, TTRP.14, TTRP.28_1, TTRP.30_1, TTRP.30_1 Variant 1, TTRP.30_1 Variant 2, or TTRP.71_1, in combination with past, present and reasonably foreseeable development in San Francisco, would have less-than-significant cumulative parking impacts.

Noise and Vibration

- The proposed Project is not located within an airport land use plan area, within two miles of a public or public use airport, or in the vicinity of a private airstrip, and therefore would not expose people residing or working in the project area to excessive noise levels.
- Impact NO-1: Construction activities, occurring indirectly as a result of the proposed Service Policy Framework, and as proposed under the TEP for the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants would not result in a substantial temporary or periodic increase in noise levels above existing ambient conditions.
- Impact NO-2: Construction activities, occurring indirectly as a result of the proposed Service Policy Framework, and as proposed under the TEP for the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants would not expose persons and structures to excessive temporary ground-borne vibration or ground-borne noise levels.
- Impact NO-3: The proposed Service Policy Framework and operation of the Service Improvements and Service Variants would not result in a substantial increase in permanent noise levels along affected transit routes above existing ambient conditions.
- Impact NO-4: The proposed Service Policy Framework and the Service Improvements and Service Variants proposed by the TEP would not expose people to or generate excessive ground-borne vibration or noise levels along affected transit routes.

- Impact C-NO-1: The Service Policy Framework and the construction and operation of the proposed TEP, including Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants, in combination with other past, present, or reasonably foreseeable future projects, would not increase construction noise and vibration or operational noise and vibration levels along affected transit routes substantially above existing ambient conditions.

Air Quality

- The proposed Project would not result in significant odor impacts.
- Impact AQ-1: The Service Policy Framework and construction activities proposed under the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants would not result in a violation of air quality standards or contribute substantially to an existing or projected air quality violation; nor would it result in a cumulatively considerable net increase of criteria air pollutants, for which the project region is in nonattainment under an applicable ambient air quality standard.
- Impact AQ-2: The Service Policy Framework and construction activities proposed under the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants would not generate emissions of PM_{2.5} and toxic air contaminants, including diesel particulate matter, at levels that would expose sensitive receptors to substantial pollutant concentrations.
- Impact AQ-3: The Service Policy Framework and the proposed project-level Service Improvements and Service Variants in combination with the TTRPs and TTRP Variants would not result in a violation of air quality standards or contribute substantially to an existing or projected air quality violation nor result in a cumulatively considerable net increase of any criteria air pollutant for which the project region is in nonattainment under an applicable ambient air quality standard.
- Impact AQ-4: The Service Policy Framework and proposed project-level Service Improvements and Service Variants would not generate emissions of PM_{2.5} and toxic air contaminants, including diesel particulate matter, at levels that would expose sensitive receptors to substantial pollutant concentrations.
- Impact AQ-5: The Service Policy Framework, and construction and operation of the proposed TEP, including the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants, would not conflict with or obstruct implementation of the 2010 Clean Air Plan, the Bay Area's applicable air quality plan.
- Impact C-AQ-1: The Service Policy Framework, and construction and operation of the proposed TEP, including the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants, in combination with past, present and reasonably foreseeable future projects, would not result in a cumulatively considerable net increase of any criteria air pollutant for which the project region is in nonattainment under applicable ambient air quality standards.
- Impact C-AQ-2: The Service Policy Framework, and construction and operation of the proposed TEP, including the Service Improvements and Service Variants, Service-related Capital Improvements, and TTRPs and TTRP Variants, in combination with past,

present and reasonably foreseeable future projects, would not generate emissions of $PM_{2.5}$ and toxic air contaminants, including diesel particulate matter, at levels that would expose sensitive receptors to substantial pollutant concentrations.

Greenhouse Gas Emissions

- Impact C-GG-1: The proposed Project would generate greenhouse gas emissions, but not in levels that would result in a significant impact on the environment or conflict with any policy, plan, or regulation adopted for the purpose of reducing greenhouse gas emissions.

Wind and Shadow

- Impact WS-1: The proposed Project would not alter winds in a manner that would substantially affect public areas.
- Impact WS-2: The proposed Project would not create new shadow that substantially affects outdoor recreation facilities or other public areas.

Recreation

- Impact RE-1, RE-3: The proposed Project would not result in the increased use of existing neighborhood or regional parks or other recreation facilities such that substantial physical deterioration would occur or be accelerated, nor result in the degradation of recreational resources.
- Impact RE-2: The proposed project would not include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment.
- Impact C-RE-1: The proposed project in combination with other past, present, or reasonably foreseeable future projects would not result in a cumulatively considerable contribution to significant cumulative impacts on recreation.

Utilities and Services Systems

- Impact UT-1, UT-2: The proposed Project would not exceed the wastewater treatment requirements of the Regional Water Quality Control Board; result in a determination that the wastewater treatment provider has inadequate capacity to serve the project; or require or result in the construction of new or the expansion of existing water, wastewater treatment or stormwater drainage facilities
- Impact UT-3: The proposed Project would have sufficient water supply available from existing entitlements and would not require new or expanded water supply resources or entitlements.
- Impact UT-4: The proposed Project would increase the amount of solid waste generated on the project sites, but would be adequately served by the City's landfill and would comply with federal, state and local statutes and regulations related to solid waste.

- Impact C-UT-1: The proposed Project in combination with other past, present, or reasonably foreseeable future projects would not result in a cumulatively considerable contribution to significant cumulative impacts on utilities and service systems.

Public Services

- Impact PS-1: The proposed Project would not result in substantial adverse physical impacts associated with the provision of police protection, fire protection, schools, and library services in order to maintain acceptable service ratios, response times, or other performance objectives.
- Impact C-PS-1: The proposed Project would not result in a cumulatively considerable contribution to significant impacts on police services, fire protection, emergency services, schools, or libraries such that new or altered facilities are required.

Biological Resources

- Impact BI-1, B-2, BI-3: The proposed Project would not affect any special status species, riparian habitat or other sensitive natural community, or federally protected wetlands; would not interfere with the movement of native resident or wildlife species or with established native resident or migratory wildlife corridors; and would not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.
- Impact C-BI-4: The proposed Project would not result in a cumulatively considerable contribution to significant cumulative impacts on biological resources.

Geology and Soils

- Impact GE-1: Implementation of the proposed Project would not result in exposure of people and structures to potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault, seismic ground-shaking, liquefaction, lateral spreading, or landslides.
- Impact GE-2: The implementation of the proposed Project would not result in substantial erosion, loss of topsoil, or adverse impacts to topographical features.
- Impact GE-3: The implementation of the proposed Project would not locate sensitive land uses on geologic units or soils that are expansive, unstable, or that would become unstable as a result of future uses, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse.
- Impact C-GE-1: The proposed Project would not result in a cumulatively considerable contribution to significant cumulative impacts on geology and soils.

Hydrology and Water Quality

- Impact HY-1: The implementation of the proposed Project would not violate water quality or waste discharge standards, exceed the capacity of existing drainage systems,

provide additional sources of polluted runoff, or otherwise substantially degrade water quality.

- Impact HY-2, HY-3: The proposed Project would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge, and would not substantially alter existing drainage patterns in a manner that would result in substantial erosion or siltation.
- Impact HY-4, HY-5: The implementation of the proposed Project would not expose people or structures to substantial risk of loss due to flooding, or to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow, or as a result of the failure of a reservoir.
- Impact C-HY-1: The proposed Project would not result in a cumulatively considerable contribution to significant cumulative impacts on water quality and hydrology.

Hazards and Hazardous Materials

- Impact HZ-3: Implementation of the proposed Project would not create a significant hazard to the public or the environment by location on a hazardous materials site.
- Impact HZ-4: Implementation of the proposed Project would not expose people or structures to a significant risk of loss, injury, or death involving fires, and would not interfere with the implementation of an emergency response plan.
- Impact C-HZ-1: The proposed Project would not result in a cumulatively considerable contribution to significant cumulative impacts with respect to hazards and hazardous materials.

Mineral and Energy Resources

- Impact ME-1: The proposed Project would not result in the loss of availability of a known mineral resource or a locally-important mineral resource recovery site,
- Impact ME-2: The proposed Project would not result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner.
- Impact C-ME-1: The proposed Project would not result in a cumulatively considerable contribution to significant cumulative impacts on mineral and energy resources.

Agriculture and Forest Resources

- Impact AF-1: The proposed Project would not have a substantial adverse effect on agriculture or forest resources.

Growth-Inducing Impacts

- Impact GR-1: Implementation of the Service Policy Framework and the TEP project components would not result in growth inducing impacts.

III. FINDINGS OF POTENTIALLY SIGNIFICANT IMPACTS THAT CAN BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL THROUGH MITIGATION AND THE DISPOSITION OF THE MITIGATION MEASURES

CEQA requires agencies to adopt mitigation measures that would avoid or substantially lessen a project's identified significant impacts or potential significant impacts if such measures are feasible (unless mitigation to such levels is achieved through adoption of a project alternative). The findings in this Section III and in Section IV concern mitigation measures set forth in the EIR. These findings discuss mitigation measures as identified in the FEIR and recommended for adoption by the SFMTA Board of Directors. The full text of the mitigation measures is contained in the FEIR and in **Attachment B**, the Mitigation Monitoring and Reporting Program.

The SFMTA Board adopts all of the mitigation measures identified in the FEIR. The SFMTA Board finds that all of the mitigation measures are appropriate and feasible. Based on the analysis contained in the FEIR, other considerations in the record, and the significance thresholds in the EIR, the SFMTA Board finds that the impacts identified in this Section III will be reduced to a less-than-significant level through implementation of the mitigation measures contained in the FEIR, imposed as conditions of approval, and set forth in **Attachment B**.

Cultural and Paleontological Resources

- Impact CP-2: The proposed Project could cause a substantial adverse change in the significance of an archaeological resource pursuant to *CEQA Guidelines* Section 15064.5.

There is a reasonable presumption that construction of the proposed program-level and project-level TEP components will not require an excavation depth and/ or be located in an area where the potential for effect on archaeological resources is likely. However, to avoid potential adverse impacts on archaeological resources where the presence of the resource cannot be known, foreseen, or predicted, the Accidental Discovery Archaeological Mitigation Measure will be implemented for all TEP components. This mitigation measure requires that upon accidental discovery of an archaeological resource during construction (including human remains), the appropriate treatment of the resource will be carried out by a qualified archaeological consultant.

Mitigation Measure M-CR-2a: Accidental Discovery of Archeological Resources.

The construction of the following four TEP components has the potential to adversely affect archaeological resources: TTRP.22_2; TTRP.9; and two Service-related Capital Improvements, OWE.1 New Overhead Wiring – Reroute 33 Stanyan onto Valencia Street, and SC1.2 Sansome Street Contraflow Lane. TTRP.9 includes a segment of Bayshore Boulevard, and TTRP. 22_2 includes a segment of Richardson Avenue. These segments occur along the historic shoreline,

estuary, tidal marsh or lagoon, or watercourse and such sites may include prehistoric archaeological resources. The installation of overhead wire support poles and duct banks along a two-block portion of Valencia Street (OWE.1) will be constructed in the Mission Dolores area in which there is a potential for significant archaeological resources from the Hispanic Period. The installation of traffic mast arms along a three-block portion of Sansome Street (SCI.2) will occur in an area with the potential for impacts to archaeological resources from the Yerba Buena period. Construction in these areas could result in significant impacts on archaeological resources if the Archaeological Monitoring mitigation measure is not implemented. Implementation of the Archaeological Monitoring mitigation measure requires review by the Planning Department archeologist once engineering design details are known. If determined necessary by the Planning Department, the SFMTA would be required to hire an archaeological consultant to be present and monitor construction activities associated with these four TEP components (as necessary), redirect construction activities if an intact archaeological deposit is encountered, evaluate the deposit, and either re-design the project or implement a data recovery program.

Mitigation Measure M-CR-2b: Archaeological Monitoring

- Impact CP-3: The proposed Project could directly or indirectly destroy a unique paleontological resource or site or unique geologic feature.

Given the shallow excavation depths of TEP construction activities and previous ground disturbance that is common within the public right-of-way, there is a low probability of encountering significant paleontological resources in the course of project construction. However, the presence of shallow paleontological resources within areas of excavation under the proposed Project cannot be conclusively ruled out. Disturbance of paleontological resources could impair the ability of paleontological resources to yield important scientific information. The Paleontological Resources Accidental Discovery mitigation measure will apply in the event that any indication of a paleontological resource is encountered in the course of TEP project construction activities, and if the resource may be important, a qualified paleontological consultant will be retained to design and implement a sampling and data recovery program.

Mitigation Measure M-CP-3: Paleontological Resources Accidental Discovery

Hazards and Hazardous Materials

- Impact HZ-1: Implementation of the proposed Project would not create a significant hazard through routine transport, use, disposal, handling, or emission of hazardous materials or through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

The use, storage, and disposal of hazardous materials is regulated by numerous local, state, and federal laws and regulations. Excavation in the public-right-of-way is regulated under the Public Works Code, which states that excavation contractors are subject to all applicable hazardous material guidelines for disposal, handling, release, and treatment of hazardous material; site remediation; and worker safety and training. Additionally, Article 20 of the Public Works Code and Article 22A of the San Francisco Health Code require environmental investigation at construction sites where contaminated fill materials may be encountered. The SFMTA and construction contractors will adhere to these regulations. However, to ensure that potential significant impacts from release of hazardous materials during construction are reduced to less-than-significant levels, the SFMTA and construction contractors are required to implement the Hazardous Materials Soil Testing mitigation measure, which requires that soil to be removed from an excavation area and not encapsulated within the same area be tested and, if found to contain hazardous materials, be transported and disposed of in compliance with local, state and federal requirements.

Mitigation Measure M-HZ-1: Hazardous Materials Soil Testing

- Impact HZ-2: Implementation of the proposed project would not substantially emit hazardous emissions or acutely hazardous materials near schools.

To ensure that construction and operation of the program- and project-level TEP components will not result in significant hazardous materials emissions or the handling of acutely hazardous materials near schools, the SFMTA and construction contractors are required to implement the Hazardous Materials Soil Testing mitigation measure listed above.

Mitigation Measure M-HZ-1: Hazardous Materials Soil Testing

IV. SIGNIFICANT IMPACTS THAT CANNOT BE AVOIDED OR REDUCED TO A LESS-THAN-SIGNIFICANT LEVEL

Based on substantial evidence in the whole record of these proceedings, the SFMTA Board of Directors finds that, where feasible, changes or alterations have been required, or incorporated into, the Project to reduce the significant environmental impacts as identified in the FEIR. The SFMTA Board finds that the mitigation measures in the FEIR and described below are appropriate, and that changes have been required in, or incorporated into, the Project that, pursuant to Public Resources Code Section 21002 and CEQA Guidelines Section 15091, may substantially lessen, but do not avoid (i.e., reduce to less-than-significant levels), the potentially significant environmental effects associated with implementation of the Project that are described below. The SFMTA Board adopts all of the mitigation measures and improvement measures set forth in the Mitigation Monitoring and Reporting Plan (MMRP), attached as **Attachment B**. But, the SFMTA Board further finds that for the impacts listed below, despite

the implementation of all feasible mitigation measures, the effects remain significant and unavoidable.

Based on substantial evidence in the whole record, including the expert opinion of SFMTA and Planning Department staff and consultants to those staff, the SFMTA Board also finds that for some impacts identified in the FEIR, as noted below in this Section IV, no feasible mitigation measures were identified in the FEIR and those impacts remain significant and unavoidable. For a detailed explanation of the lack of feasible mitigation measures for some of the following impacts, and of the reasons why certain mitigation measures, although technologically feasible, may be subject to uncertainty, including funding-related uncertainty, please see the relevant discussions in the FEIR.

The SFMTA Board determines that the following significant impacts on the environment, as reflected in the FEIR, are unavoidable, but under Public Resources Code §§ 21081(a)(3) and (b), and CEQA Guidelines §§ 15091(a)(3), 15092(b)(2)(B), and 15093, the SFMTA Board determines that the impacts are acceptable due to the overriding considerations described in Section VI below. This finding is supported by substantial evidence in the record of this proceeding.

Transportation and Circulation

- **Impact TR-3:** Implementation of the Policy Framework Objective A, Action A.3, and Objective C, Actions C.3 through C.5 may result in significant traffic impacts.
 - *Mitigation Measure M-TR-8: Optimization of Intersection Operations.*

Because this measure may not be adequate to mitigate impacts to intersection traffic operations to less-than-significant levels, and because the feasibility of providing additional vehicle capacity is unknown and it is not always possible to optimize an intersection such that level of service will improve to level of service (“LOS”) D or better, the impact on traffic operations remains significant and unavoidable.

- **Impact TR-5:** Implementation of the Policy Framework Objective A, Action A.3 and Objective C, Actions C.3 through C.5 may result in significant loading impacts.
 - *Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces*
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations,*

These measures could reduce significant loading impacts to a less-than-significant level. However, in some locations on-street parking may not be available to convert to commercial loading spaces on the same block and side of the street or within 250 feet on an adjacent side

street, the feasibility of providing replacement commercial loading spaces pursuant to Mitigation Measure M-TR-10 cannot be assured in every situation. And because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of Mitigation Measure M-TR-48 is uncertain. Therefore, the impact of loss of on-street commercial loading spaces remains significant and unavoidable.

- **Impact TR-8:** Implementation of the following TPS Toolkit categories: Lane Modifications and Pedestrian Improvements may result in significant traffic impacts.
 - *Mitigation Measure M-TR-8: Optimization of Intersection Operations*

Because this measure may not be adequate to mitigate intersection traffic operations to less-than-significant levels, and because the feasibility of providing additional vehicle capacity is unknown and it is not always possible to optimize an intersection such that level of service will improve to LOS D or better, the impact on traffic operations remains significant and unavoidable.

- **Impact TR-10:** Implementation of the following TPS Toolkit categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, and Pedestrian Improvements, may result in significant loading impacts.
 - *Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces*

While this measure could reduce significant loading impacts, in some locations on-street parking may not be available to convert to commercial loading spaces on the same block and side of the street or within 250 feet on an adjacent side street, the feasibility of providing replacement commercial loading spaces pursuant to Mitigation Measure M-TR-10 cannot be assured. Therefore, the impact of loss of on-street commercial loading spaces remains significant and unavoidable.

- **Impact TR-14:** Implementation of TPS Toolkit elements within the following categories: Lane Modifications and Pedestrian Improvements, along the program-level TTRP corridors may result in significant traffic impacts.
 - *Mitigation Measure M-TR-8: Optimization of Intersection Operations*

Because this measure may not be adequate to mitigate intersection traffic operations to less-than-significant levels, and because the feasibility of providing additional vehicle capacity is unknown and it is not always possible to optimize an intersection such that level of service will improve to LOS D or better, the impact on traffic operations remains significant and unavoidable.

- **Impact TR-16:** Implementation of the following TPS Toolkit categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, and Pedestrian Improvements, along the program-level TTRP corridors may result in significant loading impacts.
 - *Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces*

While this measure could reduce significant loading impacts, in some locations on-street parking may not be available to convert to commercial loading spaces on the same block and side of the street or within 250 feet on an adjacent side street, the feasibility of providing replacement commercial loading spaces pursuant to Mitigation Measure M-TR-10 cannot be assured. Therefore, the impact of loss of on-street commercial loading spaces remains significant and unavoidable.

- **Impact TR-24:** Implementation of the project-level TTRP.14 Expanded Alternative would result in a significant traffic impact at the intersection of Randall Street/San Jose Avenue that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.14 Expanded Alternative conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-26:** Implementation of the project-level TTRP.22_1 Expanded Alternative would result in a significant traffic impact at the intersection of 16th/Bryant streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative conditions.
 - *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets.*

Implementation of Mitigation Measure M-TR-26 would reconfigure the intersection of 16th and Bryant Streets such that the westbound approach would be a through lane and dedicated right turn-pocket and the eastbound approach would be to a shared through/right lane.

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, traffic impacts at the intersection of 16th and Bryant streets remain significant and unavoidable.

- **Impact TR-27:** Implementation of the project-level TTRP.22_1 Expanded Alternative would result in a significant traffic impact at the intersection of 16th Street/Potrero Avenue that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-28:** Implementation of the project-level TTRP.22_1 Expanded Alternative would result in a significant traffic impact at the intersection of 16th/Seventh streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-30:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 1 would result in a significant traffic impact at the intersection of 16th/Bryant streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 conditions.

– *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets*

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, traffic impacts at the intersection of 16th and Bryant streets remain significant and unavoidable.

- **Impact TR-31:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 1 would result in a significant traffic impact at the intersection of 16th Street/Potrero Avenue that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-32:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 1 would result in a significant traffic impact at the intersection of 16th/Seventh streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-34:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 2 would result in a significant traffic impact at the intersection of 16th/Bryant streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 conditions.

– *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets*

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, traffic impacts at the intersection of 16th and Bryant streets would remain significant and unavoidable.

- **Impact TR-35:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 2 would result in a significant traffic impact at the intersection of 16th Street/Potrero Avenue that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-36:** Implementation of the project-level TTRP.22_1 Expanded Alternative Variant 2 would result in a significant traffic impact at the intersection of 16th/Seventh streets that would operate at LOS E or LOS F conditions under Existing plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-38:** Implementation of the project-level TTRP.30_1 Expanded Alternative would result in a significant traffic impact at the intersection of Columbus Avenue/Green Street/Stockton Street that would operate at LOS E conditions under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-40:** Implementation of the project-level TTRP.30_1 Expanded Alternative Variant 1 would result in a significant traffic impact at the intersection of Columbus Avenue/Green Street/Stockton Street that would operate at LOS E conditions under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 1 conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-42:** Implementation of the project-level TTRP.30_1 Expanded Alternative Variant 2 would result in a significant traffic impact at the intersection of Columbus Avenue/Green Street/Stockton Street that would operate at LOS E conditions under Existing plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 2 conditions.

No feasible mitigation measures are available and the impact remains significant and unavoidable.

- **Impact TR-48:** Implementation of project-level TTRP.14 Moderate Alternative Variant 1 would result in a reduction in on-street commercial loading supply on Mission Street

such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.

– *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

With implementation of this Mitigation Measure, the impacts related to loss of commercial loading spaces on transit and traffic operations would be reduced. However, because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-49:** Implementation of project-level TTRP.14 Moderate Alternative Variant 2 would result in a reduction in on-street commercial loading supply on Mission Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.

– *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-50:** Implementation of project-level TTRP.14 Expanded Alternative would result in a reduction in on-street commercial loading supply on Mission Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.

– *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-51:** Implementation of project-level TTRP.30_1 Moderate Alternative would result in a reduction in on-street commercial loading supply on Stockton Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.

– *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-52:** Implementation of project-level TTRP.30_1 Expanded Alternative would result in a reduction in on-street commercial loading supply on Stockton Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-53:** Implementation of project-level TTRP.30_1 Expanded Alternative Variant 1 would result in a reduction in on-street commercial loading supply on Stockton Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact TR-54:** Implementation of project-level TTRP.30_1 Expanded Alternative Variant 2 would result in a reduction in on-street commercial loading supply on Stockton Street such that the existing loading demand during the peak hour of loading activities could not be accommodated within on-street loading supply and may create a potentially hazardous condition or significant delay that may affect traffic, transit, bicycles, or pedestrians.
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this measure is uncertain and impacts on this corridor remain significant and unavoidable.

- **Impact C-TR-1:** The Service Policy Framework and Service Improvements or Service Variants, in combination with past, present and reasonably foreseeable development in San Francisco, would contribute considerably to a significant cumulative impact on

transit, resulting in an exceedance of Muni's capacity utilization standard on the Mission corridor within the Southeast screenline of the Downtown screenlines under 2035 Cumulative plus Service Improvements only conditions.

– *Mitigation Measure M-C-TR-1: SFMTA Monitoring of Muni Service*

Implementation of this Mitigation Measure would reduce the cumulative impact on the affected corridor to a less-than-significant level. However, because the SFMTA cannot commit to future funding appropriations nor be certain of its ability to provide additional service citywide to maintain the capacity utilization standard, among other service goals, the feasibility of this mitigation measure is uncertain, and the cumulative impact on transit remains significant and unavoidable.

- **Impact C-TR-2:** The Service Policy Framework, TPS Toolkit elements as applied in the program-level TTRP corridors, and the Service Improvements with the TTRP Moderate Alternative, in combination with past, present and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative impacts on transit, resulting in exceedances of Muni's capacity utilization standard on the Fulton/Hayes corridor within the Northwest screenline and on the Mission corridor within the Southeast screenline of the Downtown screenlines under 2035 Cumulative plus Service Improvements and the TTRP Moderate Alternative conditions.

– *Mitigation Measure M-C-TR-1: SFMTA Monitoring of Muni Service*

Implementation of this Mitigation Measure would reduce the cumulative impact on the affected corridor to a less-than-significant level. However, because the SFMTA cannot commit to future funding appropriations nor be certain of its ability to provide additional service citywide to maintain the capacity utilization standard, among other service goals, the feasibility of this mitigation measure is uncertain, and the cumulative impact on transit remains significant and unavoidable.

- **Impact C-TR-3:** The Service Policy Framework, the TPS Toolkit elements as applied in the program-level TTRP corridors, and the Service Improvements with the TTRP Expanded Alternative, in combination with past, present and reasonably foreseeable development in San Francisco, would contribute considerably to significant cumulative impacts on transit, resulting in exceedances of Muni's capacity utilization standard on the Fulton/Hayes corridor within the Northwest screenline and on the Mission corridor within the Southeast screenline of the Downtown screenlines under 2035 Cumulative conditions plus Service Improvements and the TTRP Expanded Alternative conditions.

– *Mitigation Measure M-C-TR-1: SFMTA Monitoring of Muni Service*

Implementation of this Mitigation Measure would reduce the cumulative impact on the affected corridor to a less-than-significant level. However, because the SFMTA cannot commit to future funding appropriations nor be certain of its ability to provide additional service citywide to

maintain the capacity utilization standard, among other service goals, the feasibility of this mitigation measure is uncertain, and the cumulative impact on transit remains significant and unavoidable.

- **Impact C-TR-7:** Implementation of the Service Policy Framework Objective A, Action A.3 and Objective C, Actions C.3 through C.5 and TPS Toolkit categories: Lane Modifications and Pedestrian Improvements as applied in program-level TTRP corridors, in combination with past, present and reasonably foreseeable development in San Francisco, would result in cumulative traffic impacts at intersections along the corridors under 2035 Cumulative plus Service Improvements and the TTRP Moderate Alternative conditions.

- *Mitigation Measure M-TR-8: Optimization of Intersection Operations*

Because this measure may not be adequate to mitigate intersection traffic operations to less-than-significant levels, and because the feasibility of providing additional vehicle capacity is unknown and it is not always possible to optimize an intersection such that level of service will improve to LOS D or better, the feasibility of mitigation is not assured. Therefore, the cumulative impact on traffic operations remains significant and unavoidable

- **Impact C-TR-9:** Implementation of the Service Policy Framework Objective A, Action A.3 and Objective C, Actions C.3 through C.5 and TPS Toolkit categories: Lane Modifications and Pedestrian Improvements as applied in program-level TTRP corridors would result in cumulative traffic impacts at intersections along the corridors under 2035 Cumulative plus Service Improvements and the TTRP Expanded Alternative conditions.

- *Mitigation Measure M-TR-8: Optimization of Intersection Operations*

Because this measure may not be adequate to mitigate intersection traffic operations to less-than-significant levels, and because the feasibility of providing additional vehicle capacity is unknown and it is not always possible to optimize an intersection such that level of service will improve to LOS D or better, the effectiveness of this mitigation measure is not assured, and mitigation is infeasible. Therefore, the cumulative impact on traffic operations remains significant and unavoidable.

- **Impact C-TR-13:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.J Expanded Alternative would contribute considerably to cumulative traffic impacts at the intersection of Market/Church/14th streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-14:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.5 Expanded Alternative would result in cumulative traffic impacts at the intersection of Fulton Street/Masonic Avenue during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-15:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.8X Expanded Alternative would result in cumulative traffic impacts at the intersection of Geneva Avenue/Carter Street during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-16:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.8X Expanded Alternative would result in cumulative traffic impacts at the intersection of Geneva Avenue/Moscow Street during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-17:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.14 Expanded Alternative would result in project and cumulative traffic impacts at the intersection of Randall Street/San Jose Avenue during the a.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-18:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.14 Expanded Alternative would result in cumulative traffic impacts at the intersection of Mission/Fifth streets during the a.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-19:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.14 Expanded Alternative would result in cumulative impacts at the intersection of Mission/16th streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-20:** Implementation of the 2035 Cumulative plus Service Improvements and TTRP.22_1 Expanded Alternative would result in project and cumulative traffic impacts at the intersection of 16th/Bryant streets during the p.m. peak hour.

– *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets*

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, cumulative traffic impacts at the intersection of 16th and Bryant streets remain significant and unavoidable.

- **Impact C-TR-21:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 would result in project and traffic cumulative impacts at the intersection of 16th/Bryant streets during the p.m. peak hour.
 - *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets*

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, cumulative traffic impacts at the intersection of 16th and Bryant streets remain significant and unavoidable.

- **Impact C-TR-22:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 would result in project and cumulative traffic impacts at the intersection of 16th/Bryant streets during the p.m. peak hour.
 - *Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets*

Implementation of Mitigation Measure M-TR-26 would not improve intersection operations to LOS D or better during the p.m. peak hour; therefore, cumulative traffic impacts at the intersection of 16th and Bryant streets remain significant and unavoidable.

- **Impact C-TR-23:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative would result in project and cumulative traffic impacts at the intersection of 16th/Potrero streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-24:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 would result in project and cumulative traffic impacts at the intersection of 16th/Potrero streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-25:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 would result in project and cumulative traffic impacts at the intersection of 16th/Potrero streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-26:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative would result in cumulative traffic impacts at the intersection of 16th/Owens streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-27:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 would result in cumulative traffic impacts at the intersection of 16th/Owens streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-28:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 would result in cumulative traffic impacts at the intersection of 16th/Owens streets during the p.m. peak hour.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-29:** Implementation of the 2035 Cumulative plus Service Improvements plus the TTRP.22_1 Expanded Alternative would result in cumulative traffic impacts at the intersection of 16th/Fourth streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-30:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 would result in cumulative traffic impacts at the intersection of 16th/Fourth streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-31:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 would result in cumulative traffic impacts at the intersection of 16th/Fourth streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-32:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative would result in project and cumulative traffic impacts at the intersection of 16th/Seventh streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-33:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 1 would result in project and cumulative traffic impacts at the intersection of 16th/Seventh streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-34:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.22_1 Expanded Alternative Variant 2 would result in project and cumulative traffic impacts at the intersection of 16th/Seventh streets during the a.m. and p.m. peak hours.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-35:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.30_1 Expanded Alternative would result in project and cumulative traffic impacts at the intersection of Columbus Avenue/Green Street/Stockton Street.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-36:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 1 would result in project and cumulative traffic impacts at the intersection of Columbus Avenue/Green Street/Stockton Street.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-37:** Implementation of the 2035 Cumulative plus Service Improvements and the TTRP.30_1 Expanded Alternative Variant 2 would result in project and cumulative traffic impacts at the intersection of Columbus Avenue/Green Street/Stockton Street.

No feasible mitigation measures are available and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-43:** Implementation of the Policy Framework Objective A, Action A.3 and Objective C, Actions C.3 through C.5, and TPS Toolkit Categories: Transit Stop Changes, Lane Modifications, Parking and Turn Restrictions, and Pedestrian Improvements as applied to the program-level TTRP corridors in combination with past, present and reasonably foreseeable development in San Francisco, would result in cumulative loading impacts.
 - *Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces.*

While this measure could reduce significant loading impacts, in some locations on-street parking may not be available to convert to commercial loading spaces on the same block and side of the street or within 250 feet on an adjacent side street, the feasibility of providing replacement commercial loading spaces pursuant to Mitigation Measure M-TR-10 cannot be assured. Therefore, the cumulative impact of loss of on-street commercial loading spaces remains significant and unavoidable.

- **Impact C-TR-44:** Implementation of the project-level TTRP Moderate Alternative including the TTRP.14 Variant 1, TTRP.14 Variant 2, and TTRP.30_1 in combination with past, present and other reasonably foreseeable development in San Francisco, would result in cumulative loading impacts.
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this mitigation measure is uncertain and cumulative impacts on this corridor remain significant and unavoidable.

- **Impact C-TR-45:** Implementation of the project-level TTRP Expanded Alternative including the TTRP.14, TTRP.30_1, TTRP.30_1 Variant 1, and TTRP.30_1 Variant 2, in combination with past, present and reasonably foreseeable development in San Francisco, would result in project and cumulative loading impacts.
 - *Mitigation Measure M-TR-48: Enforcement of Parking Violations*

Because the effectiveness of the use of camera video enforcement of parking regulations along new transit-only lanes is not known, the feasibility of this mitigation measure is uncertain and cumulative impacts on these corridors remain significant and unavoidable.

- **Impact C-TR-49:** Implementation of the Service Policy Framework Objective A, Action A.3 and Objective C, Actions C.3, C.4 and C.5, and the TPS Toolkit categories: Lane Modifications, Parking and Turn Restrictions, and Pedestrian Improvements as applied in program-level TTRP corridors, in combination with past, present and reasonably foreseeable development in San Francisco, may result in significant cumulative parking impacts.

- *Mitigation Measure M-C-TR-49: Explore the Implementation of Parking Management Strategies.*

It is uncertain whether parking management strategies would mitigate this significant cumulative parking impact to a less-than-significant level. Therefore, feasibility of this mitigation measure cannot be assured, and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-52:** Implementation of the project-level TTRP Moderate Alternative for the TTRP.14 Variant 1 or the TTRP.14 Variant 2, in combination with past, present and reasonably foreseeable development in San Francisco, would result in significant cumulative parking impacts.

- *Mitigation Measure M-C-TR-49: Explore the Implementation of Parking Management Strategies*

It is uncertain whether parking management strategies would mitigate this significant cumulative parking impact to a less-than-significant level. Therefore, feasibility of this mitigation measure cannot be assured, and the cumulative impact remains significant and unavoidable.

- **Impact C-TR-54:** Implementation of the project-level TTRP Expanded Alternative for the TTRP.22_1, TTRP.22_1 Variant 1, or TTRP.22_1 Variant 2, in combination with past, present and reasonably foreseeable development in San Francisco, would result in significant cumulative parking impacts.

- *Mitigation Measure M-C-TR-49: Explore the Implementation of Parking Management Strategies*

It is uncertain whether parking management strategies would mitigate this significant cumulative parking impact to a less-than-significant level. Therefore, feasibility of this mitigation measure cannot be assured, and the cumulative impact remains significant and unavoidable.

V. EVALUATION OF PROJECT ALTERNATIVES

This Section describes the alternatives to the project analyzed in the FEIR and the reasons for finding the alternatives infeasible and rejecting them as required by Public Resources Code section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3). This section also outlines the reasons for approving the TEP as proposed.

CEQA mandates that an EIR evaluate a reasonable range of alternatives to the project that would "feasibly attain most of the basic objectives of the project, but would avoid or substantially lessen effects of the project, and evaluate the comparative merits of the project." (CEQA Guidelines Section 14126.6(a).) CEQA requires that every EIR also evaluate a "No Project" alternative. Alternatives provide the decisionmakers with a basis of comparison to the Project in terms of their significant impacts and their ability to meet project objectives. This comparative

analysis is used to consider reasonably, potentially feasible options for minimizing environmental consequences of the Proposed Project.

The Alternatives listed below and rejected are rejected as infeasible based upon substantial evidence in the record, including evidence of economic, legal, social, technological, and other considerations described in this Section, and for the reasons described in Section VI below, which is incorporated herein by reference.

A. Reasons for Approving Proposed Project

As discussed above in Section I and in Chapter 2 of the FEIR, the TEP consists of a Service Policy Framework, Service Improvements, 12 Service-Related Capital Improvements, and Travel Time Reduction Proposals (TTRPs) (which apply various items from the Transit Preferential Streets "Toolkit") along 17 transit corridors. For the purposes of environmental review, the FEIR described and analyzed two possible TEP projects—referred to as the TTRP Moderate Alternative and the TTRP Expanded Alternative—at an equal level of detail and analysis. This was done because, although the "TEP" was examined in one environmental document in order to understand the full scope of its potential environmental impacts, the TEP is actually a collection of projects and proposals, which, while related, may be implemented at various times and, in many cases, independently of each other.

Thus, the FEIR defined and analyzed the proposed project as two alternatives in order to capture the reasonable range of TEP proposals the SFMTA may chose to implement over time and to evaluate the potential environmental impacts resulting from that range. Both alternatives would implement the Service Policy Framework, the Service Improvements, Service Variants, the Service-related Capital Improvements, and the TPS Toolkit as applied to the program-level TTRP corridors. The difference between the two alternative projects is that under the TTRP Moderate Alternative, these elements would be implemented in combination with a "moderate" number of TPS Toolkit elements along certain Rapid Network corridors and, under the TTRP Expanded Alternative, these elements would be implemented in combination with an "expanded" number of TPS Toolkit elements along the same Rapid Network corridors. The rationale behind this is that the TTRP Moderate Alternative would capture a project with fewer and less substantial physical environmental effects and the TTRP Expanded Alternative would capture a project with more substantial physical environmental effects.

It is not known at this time when or if the full scope of all the TTRP proposals included in the TEP will be implemented. Implementation of various TTRP proposals will depend on community and stakeholder input, as well as a myriad of policy and budgetary considerations. It is likely that, over time, the SFMTA will implement at a project-level a collection of TTRP proposals that fall somewhere in between the TTRP Moderate and Expanded Alternatives analyzed in the FEIR. However, at this time, it is not known whether a given project along a TTRP corridor will include components of the Moderate Alternative or the Expanded Alternative, or a mixture of the

two. Because of this, the SFMTA Board is not now rejecting either the TTRP Moderate Alternative or the TTRP Expanded Alternative. Rather, the SFMTA Board is taking action to approve both alternatives at a conceptual and programmatic level and to direct staff to continue to develop specific project proposals for each TTRP corridor. Once any such projects are proposed for approval, the SFMTA Board would adopt as necessary findings to reject alternatives to those proposed TTRP projects.

The SFMTA Board finds that the Project will provide the following benefits:

- Support and implement the City's Transit First Policy by providing clear direction for managing modal allocation of space on the transportation system for the City of San Francisco.
- Improve the cost-effectiveness and productivity of transit operations.
- Improve the customer experience on the transit system.
- Improve transit system reliability.
- Improve transit travel times.
- Improve safety for pedestrians, bicyclists, and transit riders.
- Realign transit routes to eliminate underused routes and increase headways on heavily-used routes.
- Reduce crowding on heavily-used routes.
- Improve accessibility to the transit system.
- Attract more passengers to the transit system and increase the use of transit by existing riders.
- Reduce the use of automobiles on City streets.

B. Alternatives Rejected and Reasons for Rejection

The SFMTA Board of Directors rejects the No Project Alternative described and analyzed in the FEIR because the SFMTA Board finds that there is substantial evidence, including evidence of economic, legal, social, technological, and other considerations described in this Section in addition to those described in Section VI below under CEQA Guidelines Section 15091(a)(3), that make this alternative infeasible. In making these determinations, the SFMTA Board is aware that CEQA defines "feasibility" to mean "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, legal, and technological factors." The SFMTA Board is also aware that under CEQA case law the concept of "feasibility" encompasses (i) the question of whether a particular alternative promotes the underlying goals and objectives of a project; and (ii) the question of whether an

alternative is “desirable” from a policy standpoint to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.

Because both of the other alternatives analyzed in the FEIR—the TTRP Moderate Alternative and the TTRP Expanded Alternative—included implementation of the Service Policy Framework, the Service Improvements, Service Variants, the Service-related Capital Improvements, and the TPS Toolkit as applied to the program-level TTRP corridors, rejecting the No Project Alternative rejects every alternative that would fail to implement these TEP proposals as infeasible.

1. Alternative A: No Project

Under the No Project Alternative, the Service Policy Framework would not be adopted. The SFMTA would not implement the transit service changes included in the Service Improvements and Service Variants, and would not construct the Service-related Capital Improvements or the Travel Time Reduction Proposals. The SFMTA regularly monitors performance of the transit system and routinely makes adjustments to improve service when funding and resources are available. Therefore, under the No Project Alternative, some of the features of the TEP, such as elements in the TPS Toolkit, would be implemented; for example, transit bulbs and pedestrian bulbs would continue to be installed and accessible boarding platforms would continue to be added on a location-by-location basis when feasible. However, no scheduled program of improvements would be implemented without adoption of the TEP. With the No Project Alternative, the significant physical impacts related to traffic, loading, and cumulative parking conditions identified in the FEIR for the Project and set forth above would not occur, and the mitigation measures identified in the EIR and the Initial Study would not be necessary.

The No Project Alternative would not provide for an organized, comprehensive, coordinated program of transit system improvements. Transit system reliability and efficiency would not improve, and crowding on some routes would not be expected to change substantially from existing conditions. Under cumulative conditions with the No Project Alternative, the transit system would become more crowded as growth and development continue to occur in the City. Transit travel times would not improve on a coordinated basis. A mode shift from automobiles to transit use would not occur, resulting in additional automobile congestion. The No Project Alternative would not help the City support the Transit First Policy. Additionally, traffic congestion will continue to degrade the performance of the surface transit system leading to increasing operating costs born by the City of San Francisco tax payers. As costs continue to increase, and on time performance continues to degrade, resources that had originally been identified to provide additional service will be used to supplement existing operations. This spiral of increased operational subsidies with no increase in service may result in lower

ridership, which leads to decreasing revenue and a downward spiral in the sustainability of the transit system and mobility for residents and visitors to the City of San Francisco.

For these reasons, the SFMTA Board finds that, on balance, the Project is preferable to the No Project Alternative and the No Project Alternative is rejected as infeasible.

2. Alternatives Considered and Rejected in the EIR

Alternative locations for the TEP would not be feasible because the Project is a systemwide program to improve the existing transit infrastructure and service in San Francisco; therefore, alternative locations outside of San Francisco are rejected. Alternative locations for transit improvements on streets other than those proposed are rejected as infeasible because of the need to maintain connectivity and geographic coverage within the existing transit and overall transportation network.

The SFMTA considered several potential alternatives to aspects of the TEP's TTRP Moderate and Expanded Alternatives. These alternatives include the following:

- Transit-only streets along high transit ridership corridors.
- Transit-only lanes along the entirety of all existing four-lane (or more) transit corridors.
- Stop sign removal and replacement with traffic signals at all stop sign locations on transit corridors.
- Stop consolidation and optimization standards as recommended in best practices literature.
- Route terminal relocation and optimization for some routes with terminal locations at unproductive route segments or in low transit demand locations.
- Fleet mode change by route, such as servicing some routes that currently operate with existing trolley vehicles with the diesel fleet or vice versa.
- Additional extensions to existing routes.
- Modification of route tails (swapping one route segment with a different route segment to serve the same transit corridor).
- Route discontinuations and other route segment eliminations.
- Use of higher capacity vehicles on certain routes (note that the TEP includes service on some routes, such as the 5 Fulton, with higher capacity vehicles, but not on others).
- Streamlining all routes for improved directness by, for example, reducing the number of turns (streamlining is included in the TEP for some routes).
- Modifying frequency for all routes (frequency modifications, both increased and decreased frequency, is included in the TEP for some routes).
- Reducing the span of service for some routes.

- Farside boarding at all signalized intersections (farside boarding at signalized intersections is included in the TEP for many routes, but not all).

These alternatives were removed from consideration during development of the TEP for a variety of reasons as set forth in Section 6.5 of the FEIR. The SFMTA Board concurs with the findings in the EIR, and rejects these alternatives as infeasible for the reasons set forth therein.

VII. STATEMENT OF OVERRIDING CONSIDERATIONS

Pursuant to CEQA § 21081 and CEQA Guidelines § 15093, the SFMTA Board of Directors hereby finds, after consideration of the FEIR and the evidence in the record, that each of the specific overriding economic, legal, social, technological and other benefits of the Project as set forth below independently and collectively outweighs the significant and unavoidable impacts and is an overriding consideration warranting approval of the Project. Any one of the reasons for approval cited below is sufficient to justify approval of the Project. Thus, even if a court were to conclude that not every reason is supported by substantial evidence, the SFMTA Board will stand by its determination that each individual reason is sufficient. The substantial evidence supporting the various benefits can be found in the preceding findings, which are incorporated by reference into this Section, and in the documents found in the Record of Proceedings, as defined in Section I.

On the basis of the above findings and the substantial evidence in the whole record of this proceeding, the SFMTA Board specially finds that there are significant benefits of the Project in spite of the unavoidable significant impacts, and therefore makes this Statement of Overriding Considerations. The SFMTA Board further finds that, as part of the process of obtaining Project approval, all significant effects on the environment from implementation of the Project have been eliminated or substantially lessened where feasible. All mitigation measures identified in the EIR for the Project are adopted as part of this approval action. The SFMTA Board has determined that any remaining significant effects on the environment found to be unavoidable are acceptable due to the following specific overriding economic, technical, legal, social and other considerations.

The Project will have the following benefits:

- The Service Policy Framework and the TEP will support and implement the City's Transit First Policy.
- Improved transit service with the TEP, including improved (reduced) transit travel times, increased efficiency and improved reliability, will make Muni a more attractive transportation mode, resulting in more use of transit and less automobile travel throughout the City.

- Implementing the TEP will improve safety for pedestrians, bicyclists, and transit riders.
- Improved network efficiency and reduced system redundancy with implementation of the TEP will improve the cost-effectiveness of transit operations.
- Implementation of the TEP capital projects will support increased access for seniors and people with disabilities by expanding accessible rail stops and making platform upgrades.
- Enhanced transit service on the busiest lines will drastically improve the customer experience by reducing crowding.
- Service level expansion will improve system-wide neighborhood connectivity and access to regional transit by providing more frequent service between neighborhoods.
- Finite public resources will be redirected to better match travel demand and trip patterns based on existing community needs.

Having considered these benefits, the SFMTA Board of Directors finds that the benefits of the TEP outweigh the unavoidable adverse environmental effects, and that the adverse environmental effects are therefore acceptable.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM FOR THE TRANSIT EFFECTIVENESS PROJECT

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

MITIGATION MEASURES AGREED TO BY SFMTA

Cultural and Paleontological Resources

Mitigation Measure M-CP-2a: Accidental Discovery of Archeological Resources

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in CEQA Guidelines Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archaeological and paleontological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); and to any utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken, each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel, including machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

SFMTA and project contractors	Prior to soils disturbance activities	SFMTA to distribute Planning Department "ALERT" sheet and provide signed affidavit from project contractor, subcontractor(s) and utilities firm(s) stating that all field personnel have received copies of the "ALERT" sheet.	ERO to receive signed affidavit.	Prior to any soil disturbing activities. Following distribution of "ALERT" sheet but prior to any soils disturbing activities.
-------------------------------	---------------------------------------	--	----------------------------------	---

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Should any indication of an archaeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.</p>	<p>SFMTA and project contractor's Head Foreman</p>	<p>During soils disturbance activities</p>	<p>SFMTA and project contractor's Head Foreman to inform ERO and suspend soils disturbing activities.</p>	<p>ERO to determine if additional measures are necessary</p>	<p>During soils disturbance activities</p>
<p>If the ERO determines that an archaeological resource may be present within the project site, the project sponsor shall retain the services of an archaeological consultant from the pool of qualified archaeological consultants maintained by the Planning Department archaeologist. The archaeological consultant shall advise the ERO as to whether the discovery is an archaeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archaeological resource is present, the archaeological consultant shall identify and evaluate the archaeological resource. The archaeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.</p>	<p>SFMTA and project archaeological consultant</p>	<p>When determined necessary by the ERO</p>	<p>If required, SFMTA to retain an archaeological consultant from the pool of qualified archaeological consultants.</p> <p>Project archaeological consultant to advise ERO regarding the status of the archeological resource.</p>	<p>ERO to determine if additional measures are necessary to implement</p>	
<p>Measures might include: preservation in situ of the archaeological resource, an archaeological monitoring program, or an archaeological testing program. If an archaeological monitoring program or archaeological testing program is required, it shall be consistent with the Environmental Planning division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archaeological resource is at risk from vandalism, looting, or other damaging actions.</p>					

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>The project archaeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describing the archaeological and historical research methods employed in the archaeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert within the final report. Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound copy, one unbound copy, and one unlocked searchable Portable Document Format (PDF) copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the NRHP/CRHR. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>SFMTA and project archaeological consultant</p>	<p>When determined necessary by the ERO</p>	<p>SFMTA and project archaeological consultant to prepare draft and final FARR</p>	<p>ERO to review and approve final FARR</p>	

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-CP-2b: Archaeological Monitoring Based on the reasonable potential that archaeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. Once engineering design details for the identified projects (OWE.1, OWE.1 Variant, SCI.2, TTRP.9 and TTRP.22_2) and other projects in archaeologically sensitive areas, as identified by the Environmental Review Officer, are known, the project sponsor shall consult with the Planning Department archeologist regarding the specific aspects of these proposals that would require monitoring. If required by the Planning Department archeologist, the project sponsor shall retain the services of an archaeological consultant from the pool of qualified archaeological consultants maintained by the Planning Department archeologist. The archaeological consultant shall undertake an archaeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the Environmental Review Officer (ERO) for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of <i>construction</i> can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archaeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p>	SFMTA and Planning Department	Prior to soils disturbance	SFMTA to consult with Planning Department archeologist. If required, SFMTA to choose archaeological consultant from the pool of qualified archaeological consultants	Project archeological consultant, Planning Department	Consultation with Planning Department Archeologist to occur once engineering design details for the identified projects are known; timeline for subsequent actions determined following meeting.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Archaeological monitoring program (AMP). The archaeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> ▪ The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO, in consultation with the project archaeologist, shall determine what project activities shall be archaeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context. ▪ The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource. ▪ The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits. ▪ The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis. 	<p>SFMTA and project archaeological consultant, in consultation with ERO</p> <p>Archaeological monitor and SFMTA's construction contractors</p>	<p>If archaeological monitoring is implemented, prior to any soils-disturbing activities, and during soils disturbing construction at any location.</p> <p>If monitoring is implemented, as construction contractors are retained, prior to any soils-disturbing activities</p> <p>If monitoring is implemented, schedules for monitoring to be established in the AMP, in consultation with ERO</p>	<p>Project archaeological consultant to prepare Archaeological Monitoring Program (AMP) in consultation with the ERO</p> <p>Archaeological consultant to advise all construction contractors</p> <p>Archaeological monitor shall temporarily redirect construction activities as necessary and consult with ERO</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p> <p>Archaeological monitor to observe construction according to the schedules established in the AMP for each site.</p>	<p>Considered complete on finding by ERO that AMP is implemented.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

- If an intact archaeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/ pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving activity may affect an archaeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, present the findings of this assessment to the ERO.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Consultation with Descendant Communities:</i> On discovery of an archaeological site¹ associated with descendant Native Americans or the Overseas Chinese, an appropriate representative² of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site and to consult with ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group. If the ERO, in consultation with the archaeological consultant, determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor, either:</p>	<p>Archaeological monitor and SFMTA and construction contractors</p>	<p>For the duration of soil-disturbing activities, the representative of the descendant group shall be given the opportunity to monitor archaeological field investigations on the site and consult with the ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site.</p>	<p>SFMTA shall contact ERO and descendant group representative upon discovery of an archaeological site.</p>	<p>Project archaeological consultant shall prepare a FARR in consultation with the ERO.</p> <p>A copy of the FARR shall be provided to the representative of the descendant group</p>	<p>Considered complete on notification of the appropriate descendant group, provision of an opportunity to monitor construction site work, and completion and approval of the FARR by ERO, if necessary.</p>
<p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or</p>					
<p>B) An archaeological data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>					

¹ The term "archaeological site" is intended here to minimally include any archaeological deposit, feature, burial, or evidence of burial.

² An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission, and in the case of the Overseas Chinese, the Chinese Historical Society of America.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an archaeological data recovery plan (ADRP). The project archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archaeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archaeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archaeological resources if nondestructive methods are practical. The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> ▪ <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. ▪ <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. ▪ <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. 	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>Considered complete once verification of curation occurs.</p>	<p>Consultant to prepare Archaeological Data Recovery Program in consultation with ERO.</p>	<p>Final ADRP to be submitted to ERO</p>	<p>Considered complete on finding by ERO that ADRP is implemented.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

- *Interpretive Program.* Consideration of an on-site/off-site public interpretive program during the course of the archaeological data recovery program.
- *Security Measures.* Recommended security measures to protect the archaeological resource from vandalism, looting, and non-intentionally damaging activities.
- *Final Report.* Description of proposed report format and distribution of results.
- *Curation.* Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Human Remains, Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and, in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archaeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (<i>CEQA Guidelines</i> Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects.</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>Ongoing throughout soils-disturbing activities</p>	<p>If applicable, upon discovery of human remains and/or associated or unassociated funerary objects, the consultant shall notify the Coroner of the City and County of San Francisco, and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission who shall appoint a Most Likely Descendant (MLD) who, along with the archaeological consultant and the SFMTA, shall make reasonable efforts to develop an agreement for the treatment of human remains and/or associated or unassociated funerary objects</p>	<p>Project archaeological consultant and/or archaeological monitor</p>	<p>Considered complete on notification of the San Francisco County Coroner and NAHC, if necessary.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Final Archaeological Resources Report.</i> The archaeological consultant shall submit a Draft Final Archaeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert within the draft final report.</p> <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound, and one unlocked searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the NRHP/CRHR. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>If applicable, upon completion of cataloguing and analysis of recovered data and findings</p> <p>If applicable, upon approval of Final Archaeological Resources Report by ERO</p>	<p>If applicable, consultant to prepare draft and final Archeological Resources Report reports.</p>	<p>If applicable, the ERO to review and approve the Final Archeological Resources Report</p> <p>If applicable, consultant to transmit final, approved documentation to NWIC and San Francisco Planning Department</p> <p>If applicable, consultant shall prepare all plans and recommendations for interpretation by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p>	<p>Considered complete on approval of final FARR.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-CP-3: Paleontological Resources Accidental Discovery</p> <p>In order to avoid any potential adverse effect in the event of accidental discovery of a paleontological resource during construction of the project, the project sponsor shall be responsible for ensuring that all project contractors and subcontractors involved in soil-disturbing activities associated with the project comply with the following procedures in the event of discovery of a paleontological resource. Paleontological remains, or marine shell, bones, tusk, horn and teeth from fish, reptiles, mammals, and lower order animals. In the case of Megafauna, the remains, although partial, may be large in scale. Also paleontological resources include petrified wood and rock impressions of plant or animal parts.</p> <p>Should any indication of a paleontological resource be encountered during any soil-disturbing activity of the project, the project foreman and/or project sponsor shall immediately notify the City Planning Department's Environmental Review Officer (ERO) and one of its designated paleontologists (currently, Dr. Jean De Mouthé/Dr. Peter Roopnarine in the Geology Department of the California Academy of Sciences) and immediately suspend any soil-disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures are needed.</p>	<p>SFMTA and project contractor's Head Foreman</p>	<p>During construction</p>	<p>Project contractor/SFMTA to notify the ERO and one of its designated paleontologists and suspend soils-disturbing activities.</p>	<p>SFMTA and ERO</p>	<p>During construction upon indication that a paleontological resource has been encountered</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>If the ERO determines that a potentially-significant paleontological resource may be present within the project site, the project sponsor shall retain the services of a qualified paleontological consultant with expertise in California paleontology to design and implement a Paleontological Resources Mitigation Plan (PRMMP). The PRMMP shall include a description of discovery procedures; sampling and data recovery procedures; procedures for the preparation, identification, analysis, and curation of fossil specimens and data recovered; and procedures for the preparation and distribution of a final paleontological discovery report (PDR) documenting the paleontological find.</p> <p>The PRMMP shall be consistent with the Society for Vertebrate Paleontology Standard Guidelines for the mitigation of construction-related adverse impacts to paleontological resources and the requirements of the designated repository for any fossils collected. In the event of a verified paleontological discovery, the remaining construction and soil-disturbing activities within those geological units specified as paleontologically sensitive in the PRMMP shall be monitored by the project paleontological consultant.</p> <p>The consultant's work shall be conducted in accordance with this mitigation measure and at the direction of the City's ERO. Plans and reports prepared by the consultant shall be submitted for review and approval by the ERO.</p>	<p>SFMTA and project paleontological consultant in consultation with the ERO.</p>	<p>The project paleontological consultant to consult with the ERO as indicated; completed when ERO accepts final report</p>	<p>SFMTA to retain appropriately qualified consultant to prepare PRMMP, carry out monitoring, and reporting</p>	<p>ERO to approve final PRMMP</p> <p>Project paleontological consultant shall provide brief monthly reports to ERO during monitoring or as identified in the PRMMP, and notify the ERO immediately if work should stop for data recovery during monitoring.</p> <p>The ERO to review and approve the final documentation as established in the PRMMP</p>	<p>Considered complete on approval of final PRMMP.</p> <p>Considered complete on approval of final documentation by ERO.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Hazards and Hazardous Materials					
<p>Mitigation Measure M-HZ-1: Hazardous Materials Soil Testing</p> <p>In order to protect both construction workers and the public from exposure to hazardous materials in soils encountered during construction of the proposed project, the project sponsor agrees to adhere to the following requirements.</p>	SFMTA	Soil and groundwater test results containing any hazardous materials shall be submitted to the Department of Public Health (DPH) within 21 days of the completion of testing.	SFMTA project construction contractor shall be responsible for the implementation of Steps 1 – 3.	Department of Public Health	Considered complete on review and approval by DPH of the soil and groundwater testing results, along with maps showing the location of the excavated soil and/or groundwater containing the hazardous materials.
<p>1) Any soil excavated and then, encapsulated under concrete and/or asphalt covering within the same area as its excavation shall not require testing for the presence of hazardous materials in levels exceeding those acceptable to government agencies unless the TEP project or construction manager determines any extenuating circumstances exist, such as odors, unusual color or presence of foreign material. The reuse, remediation, or disposal of any soil tested and found to contain hazardous materials under these circumstances shall be in compliance with the requirements of the San Francisco Department of Public Health (DPH) and other agencies. The project sponsor shall be responsible for reporting the test results of any soil with hazardous material content to DPH within 21 days of the completion of testing, accompanied with a map showing the excavation location.</p>					
<p>2) Any excavated soil not reused and encapsulated under concrete and/or asphalt covering within the same area as its excavation, shall be tested for the presence of hazardous materials in levels exceeding those acceptable to government agencies, before it is moved from the area of excavation. The transportation and disposal of the soil shall be in</p>					

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

compliance with DPH, state, and federal requirements. The project sponsor shall be responsible for reporting the test results of any soil with hazardous material content to DPH within 21 days of the completion of testing, accompanied with a map showing the excavation location.

- 3) If the proposed excavation activities encounter groundwater, the groundwater shall be tested for hazardous materials. Copies of the test results shall be submitted to DPH within 21 days of the completion of testing. Any dewatering shall adhere to DPH, SFPUC, and state requirements.

In the event that a subsequent ordinance or regulations are adopted by DPH governing the handling and testing of hazardous materials encountered during construction within the public right-of-way, DPH shall be given the option to require the project sponsor to adhere to the implementation of the new ordinance or regulations in lieu of the above requirements if they provide similar safety protection for both construction workers and the public.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
MITIGATION MEASURES IN DEIR					
<i>Transportation and Circulation</i>					
<p>Mitigation Measure M-TR-8: Optimization of Intersection Operations</p> <p>The final design of program-level TTRPs that include TPS Toolkit elements from the Lane Modifications and Pedestrian Improvements categories shall integrate design elements from the following intersection geometries and traffic control measures to the greatest extent feasible without compromising the purpose of the project. Potential intersection geometry optimization measures include left or right turn pockets, turn prohibitions, restriping to add additional mixed-flow capacity, lane widening to provide for transit-only or mixed-flow lanes, and parking prohibitions. Potential traffic control measures include signalization, exclusive signal phases, and changes to the signal cycle. The final design shall ensure that transit, pedestrian, and bicycle travel are accommodated, is within the confines of feasible traffic engineering solutions, and does not conflict with overall City policies related to transportation.</p>	SFMTA	During development of detailed designs for the program-level TTRP proposals.	Optimize intersection geometries and traffic control measures	SFMTA, Planning Department	Prior to completion of detailed designs for the program-level TTRP proposals.
<p>Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces</p> <p>Where feasible, the SFMTA shall install new commercial loading spaces of similar length on the same block and side of the street, or within 250 feet on adjacent side streets, of where commercial loading spaces would be permanently removed, in order to provide equally convenient loading space(s). These loading spaces shall only be replaced on streets with commercial uses.</p>	SFMTA	During development of detailed designs for the program-level TTRP proposals.	Where feasible, install new commercial loading spaces.	SFMTA with review by Planning Department,	Prior to or concurrent with the removal of on-street commercial loading spaces.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets</p> <p>The SFMTA shall reconfigure the proposed changes at the intersection of 16th/Bryant streets converting the westbound approach of 16th Street at Bryant Street from what is proposed to be a shared through-right turn lane to a through lane and a dedicated right-turn pocket adjacent to the through lane, and reconfigure the eastbound approach from what is proposed to be a separate through lane and a dedicated right-turn pocket adjacent to the through lane to a shared through/right lane</p>	SFMTA	During project implementation	Reconfigure westbound and eastbound approaches of 16th Street at Bryant Street	Planning Department, SFMTA	Prior to completion of detailed design for project-level improvements at 16th/Bryant streets.
<p>Mitigation Measure M-TR-48: Enforcement of Parking Violations</p> <p>On streets where implementation of project-level TTRPs would result in a net reduction of on-street commercial loading spaces, the SFMTA shall enforce parking regulations in transit-only lanes through the use of video cameras on transit vehicles and/ or other parking enforcement activities.</p>	SFMTA	Ongoing after implementation of TTRP improvements.	Enforce parking regulations and/or install video cameras on transit vehicles.	SFMTA	Ongoing
<p>Mitigation Measure M-C-TR-1: SFMTA Monitoring of Muni Service</p> <p>The SFMTA, shall, to the extent feasible and consistent with annual budget appropriations, continue to monitor Muni service citywide, reporting as required on service goals, including the capacity utilization standard, and where needed, and as approved by decision makers and under budgetary appropriations, strive to improve upon Muni operations, including peak hour transit capacity on screenlines and corridors.</p>	SFMTA	Ongoing, after implementation of TEP improvements.	SFMTA to monitor transit service goals and proposed improvements to Muni operations.	SFMTA	Ongoing.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-C-TR-49: Explore the Implementation of Parking Management Strategies. SFMTA shall explore whether implementation of parking management strategies would be appropriate and effective in this and other parts of the City to more efficiently manage the supply of on-street parking over time.</p>	SFMTA	Ongoing during implementation of TEP.	Identify and explore new parking management strategies, particularly along the TTRP corridors	SFMTA report to SF Planning	Ongoing during project implementation.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

IMPROVEMENT MEASURES FOR THE TRANSIT EFFECTIVENESS PROJECT

Improvement Measure I-TR-1: Construction Measures

During the construction of all TEP projects, the SFMTA shall require the following:

- 1) Construction contractors shall be prohibited from scheduling any truck trips, such as concrete mixers, heavy construction equipment and materials delivery, etc., to the construction sites during the a.m. (7 to 9 a.m.) and p.m. (4 to 6 p.m.) peak commute periods.
- 2) All construction activities shall adhere to the provisions in the City of San Francisco's Regulations for Working in San Francisco Streets (Blue Book), including those addressing sidewalk and lane closures. To minimize construction impacts on nearby businesses and residents, the SFMTA shall alert motorists, bicyclists, and nearby property owners of upcoming construction through its existing website and other available means, such as distribution of flyers, emails, and portable message or informational signs. Information provided shall include contact name(s) for the SFMTA project manager, public information officer, and/or the SFMTA General Enforcement Division contact number (311).
- 3) Construction contractors shall encourage construction workers to use carpooling and transit to the construction site in order to minimize parking demand.

SFMTA and project contractor(s)	Throughout the construction duration for any TEP component requiring construction.	SFMTA and project contractor(s) to coordinate construction related activities with DPW, the Fire Department, the Planning Department, and any other City agencies.	Considered complete after completion of construction activities.
---------------------------------	--	--	--

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 14-042

WHEREAS, The Strategic Plan requires that the SFMTA, in the context of the Transit First policy, make transit and other non-personal vehicle-oriented transportation modes the preferred means of travel; and

WHEREAS, The Transit Effectiveness Project (TEP) is a major SFMTA initiative to improve Muni and help meet the Strategic Plan's mode shift goals; and

WHEREAS, The TEP used extensive data analysis and community feedback for the purpose of identifying ways to deliver better service to existing customers and attract new customers, and improve system efficiency. Proposals of the TEP focus on improving reliability, enhancing safety, reducing delays, reducing crowding and making San Francisco travel more convenient; and

WHEREAS, The SFMTA is proposing up to a 10% service increase over the next two year budget cycle, as well as route additions, realignments, and modifications/eliminations; and

WHEREAS, Pursuant to Charter Section 16.112, advertisements were placed in the City's official newspaper starting March 25, 2014, for four days to provide notice that the SFMTA Board of Directors would hold a public hearing on March 28, 2014, to consider the proposed TEP service changes; and

WHEREAS, To reach customers with Limited English Proficiency, information about the hearing was posted on the SFMTA Website in nine languages and multilingual (English, Spanish and Chinese) announcements were posted on the bus stops that would be most affected by the changes; and

WHEREAS, Title VI of the Civil Rights Act of 1964 applies to programs and services receiving federal funding and prohibits discrimination based on race, color, or national origin from federally funded programs such as transit and in order to remain compliant with Title VI requirements and ensure continued federal funding, the SFMTA must analyze the impacts of TEP service and route change proposals on minority and low income populations in accordance with SFMTA's Board of Director's approved Title VI policies including the Major Service Change, Disparate Impact, and Disproportionate Burden Policies in response to the FTA's updated Circular 4702.1B; and

WHEREAS, The SFMTA prepared a comprehensive Title VI analysis of the impacts of the proposed TEP service and route changes on low-income and minority communities in San Francisco and has determined that there is no disparate impact to minority populations or disproportionate burden to low-income populations; and,

WHEREAS, These projects, along with other proposed improvements, were analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission in Motion No. 19105 on March 27, 2014; and,

WHEREAS, The actions contemplated herein rely on said FEIR, and information pertaining to the FEIR and its certification are set forth in a SFMTA companion Resolution No 14-041, which is on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference; and,

WHEREAS, As part of companion Resolution No 14-041, the SFMTA Board of Directors adopted approval findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings), which Resolution is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference as though fully set forth; and,

WHEREAS, The SFMTA Board relies on the CEQA Findings to support the actions set forth within this Resolutions and incorporates them by reference as though fully set forth herein; and,

WHEREAS, Between January and March 2014, SFMTA conducted numerous community meetings, community workshops, and public hearings to discuss the proposed service changes and ensure that customers and residents are aware of the service change proposals, to gather input on proposed changes to inform SFMTA Board approval, to convey how the proposed changes will provide better service for the entire City while minimizing customer disruption for specific lines, and to provide information on complimentary services; and

WHEREAS, The meetings, workshops, and public hearings were announced on multilingual flyers distributed in affected neighborhoods, notices posted at transit stops, TEP web pages, blast emails to TEP email update subscribers, and notices in both English and foreign language media publications; and

WHEREAS, In response to this feedback, SFMTA revised and/or withdrew a portion of proposed service changes; and

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; therefore be it

RESOLVED, That the SFMTA Board approves the comprehensive Title VI analysis of the impacts of the proposed TEP service and route changes on low-income and minority communities in San Francisco which determined that there is no disparate impact to minority populations or disproportionate burden to low-income populations which is attached as Appendix E; and be it further

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to implement the service changes summarized in Appendices A and B; and be it further

RESOLVED, That the SFMTA Board of Directors adopts the Mitigation Monitoring and Reporting Program (MMRP), attached to this Resolution as Appendix G and incorporated herein by reference.

RESOLVED, That the Director of Transportation is authorized to make such further adjustments to transit services indicated above as may be necessary or desirable except to the extent that such adjustments require review by the Board of Supervisors pursuant to Section 8A.108 of the San Francisco Charter, constitute a Major Service Change as defined by the SFMTA's Major Service Change policy, or constitute a significant change in the operating schedule or route of a MUNI line.

I certify that the foregoing resolution was adopted by the Municipal Transportation Agency Board of Directors at their meeting of March 28, 2014.

R. Bowman

Secretary, Municipal Transportation Agency
Board of Directors

Appendix E

2014 Transit Effectiveness Project (TEP) Service Changes Title VI Report

San Francisco Municipal Transportation Agency (SFMTA)

March 2014

Table of Contents

I.	Background	1
II.	SFMTA’s Title VI-related Policies and Definitions.....	2
	Major Service Change Policy	2
	Disparate Impact Policy	2
	Disproportionate Burden Policy	3
	Stakeholder Outreach and Engagement	3
	Adverse Effect	3
	Definition of Minority	4
	Definition of Low Income	4
III.	Transit Effectiveness Project Summary	4
	Major TEP Goals	5
IV.	Proposed Service and Route Changes	5
	Frequency Change Summary	6
	Route Change Summary	9
	Route Additions	9
	Route Elimination.....	9
	Route Segment Changes - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile.....	9
V.	Service Change Analysis.....	11
	Frequency Change Analysis	11
	Methodology.....	11
	Survey Summary.....	11
	Increased Frequency Change Results – Disparate Impact Analysis for Minority Populations	12
	Increased Frequency Change Results – Disproportionate Burden Analysis on Low Income Populations.....	16
	Decreased Frequency Change Results – Disparate Impact Analysis on Minority Populations	19
	Decreased Frequency Change Results – Disproportionate Burden Analysis on Low-Income Populations.....	21
	Frequency Change Summary.....	23
	Route Change Analysis	23
	Methodology.....	23
	Analyzed Transit Lines.....	24
	Proposed Route Addition and Extension Results – Disparate Impact Analysis for Minority Populations	25
	Proposed Route Addition and Extension Results – Disproportionate Burden Analysis on Low-Income Populations.....	27
	Proposed Route and Segment Elimination Results – Disparate Impact Analysis on Minority Populations	29
	Proposed Route and Segment Elimination Results – Disproportionate Burden Analysis on Low-Income Populations.....	31
	Route Change Summary	33

VI. Outreach Summary.....	33
Results of Outreach.....	36
VII. Summary.....	37

I. Background

Title VI of the Civil Rights Act of 1964 prohibits discrimination on the basis of race, color or national origin in programs and activities receiving Federal financial assistance. Specifically, Title VI provides that "no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." (42 U.S.C. Section 2000d)

The analysis within this document responds to the reporting requirements contained in the Federal Transit Administration's (FTA) Circular 4702.1B, "Title VI and Title VI-Dependent Guidelines," which provides guidance to transit agencies serving large urbanized areas and requires that these agencies "shall evaluate significant system-wide service and fare changes and proposed improvements at the planning and programming stages to determine whether these changes have a discriminatory impact." (Circular 4702.1B, Chapter IV-10) The FTA requires that transit providers evaluate the effects of service and fare changes on low-income populations in addition to Title VI-protected populations.

The San Francisco Municipal Transportation Agency (SFMTA), a department of the City and County of San Francisco, was established by voter proposition in 1999. One of the SFMTA's primary responsibilities is running the San Francisco Municipal Railway, known universally as "Muni." Muni is the largest transit system in the Bay Area and the eighth largest in the nation, with over 700,000 passenger boardings per day and serving approximately 215 million customers a year. The Muni fleet includes: historic streetcars, biodiesel and electric hybrid buses and electric trolley coaches, light rail vehicles, paratransit cabs and vans and the world-famous cable cars. Muni provides one of the highest levels of service per capita with 63 bus routes, seven light rail lines, the historic streetcar line, and three cable car lines and provides regional connections to other Bay Area public transit systems such as BART, AC Transit, Golden Gate Transit and Ferries, SamTrans, and Caltrain.

This Title VI document includes:

- SFMTA's Board approved disparate impact and disproportionate burden policies, as well as a summary of the public outreach and engagement process employed in the development of these policies;
- A description of the proposed service changes and background on why the changes are being proposed;
- A data analysis based on ridership survey data and U.S. Census data to determine the number and percent of users impacted by service change proposals: minority, low-income and overall ridership;
- An analysis of potential impacts on minority and/or low-income customers;
- A summary of public outreach and engagement efforts and how these efforts influenced service change proposals.

II. SFMTA's Title VI-related Policies and Definitions

On October 1, 2012, FTA issued updated Circular 4702.1B, which requires a transit agency's governing board to adopt the following policies related to fare and service changes:

- Major Service Change Definition – establishes a definition for a major service change, which provides the basis for determining when a service equity analysis needs to be conducted.
- Disparate Impact and Disproportionate Burden Policies – establishes thresholds to determine when proposed major service changes or fare changes would adversely affect minority and/or low-income populations and when alternatives need to be considered or impacts mitigated.

In response to Circular 4702.1B, SFMTA developed the following Major Service Change, Disparate Impact and Disproportionate Burden Policies, which were approved by the SFMTA Board of Directors on August 20, 2013, after an extensive multilingual public outreach process. Outreach included two public workshops, five presentations to the SFMTA Board and committees, and outreach to approximately 30 community based organizations and transportation advocates with broad perspective among low income and minority communities. The following are SFMTA's Major Service Change Policy, Disparate Impact Policy, and Disproportionate Burden Policy:

Major Service Change Policy

SFMTA has developed a policy that defines a Major Service Change as a change in transit service that would be in effect for more than a 12-month period, and that would consist of any of the following criteria:

- A schedule change (or series of changes) resulting in a system-wide change in annual revenue hours of five percent or more proposed at one time or over a rolling 24 month period;
- A schedule change on a route with 25 or more one-way trips per day resulting in:
 - Adding or eliminating a route;
 - A change in annual revenue hours on the route of 25 percent or more;
 - A change in the daily span of service on the route of three hours or more; or
 - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile.Corridors served by multiple routes will be evaluated based on combined revenue hours, daily span of service, and/or route-miles.
- The implementation of a New Start, Small Start, or other new fixed guideway capital project, regardless of whether the proposed changes to existing service meet any of the criteria for a service change described above.

Disparate Impact Policy

Disparate Impact Policy determines the point ("threshold") when adverse effects of fare or service changes are borne disparately by minority populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disparate impact on minority populations if the difference between the

percentage of the minority population impacted by the changes and the percentage of the minority population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.

Disproportionate Burden Policy

Disproportionate Burden Policy determines the point when adverse effects of fare or service changes are borne disproportionately by low-income populations. Under this policy, a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disproportionate burden on low-income populations if the difference between the percentage of the low-income population impacted by the changes and the percentage of the low-income population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively.

Title VI also requires that positive changes, such as fare reductions and major service improvements, be evaluated for their effect on minority and low-income communities. SFMTA will evaluate positive impact proposals together and negative impact proposals together.

Stakeholder Outreach and Engagement

As part of the SFMTA's process to develop the proposed policies, SFMTA conducted a multilingual stakeholder outreach campaign to receive input on the proposed policies and engage the public in the decision making process for adoption of these policies by the SFMTA Board. This effort included presentations to the SFMTA Citizens Advisory Council (CAC) and Muni Accessible Advisory Committee (MAAC), as well as two public workshops. The workshops were promoted through email, telephone calls to community groups and in nine languages on the SFMTA website. Outreach was also targeted to approximately 30 Community Based Organizations and transportation advocates with broad representation among low-income and minority communities. Staff also offered to meet with some community groups if they were unable to attend the public workshops. In addition staff presented the Title VI recommendations at the SFMTA Board of Directors meeting on Tuesday, July 16, 2013. The policies were approved at the Board of Directors meeting on August 20, 2013. A copy of the SFMTA Board of Directors resolution approving the Title VI policy is provided in Appendix A.

Adverse Effect

In addition to defining policies relating to Major Service Changes, Disparate Impact, and Disproportionate Burden, SFMTA also must define when an adverse effect may be found. According to the Title VI Circular, "an adverse effect is measured by the change between the existing and proposed service levels that would be deemed significant." For this Title VI analysis, an adverse effect may be deemed significant in accordance with SFMTA's Major Service Change definition and must negatively impact minority and low-income populations. An adverse effect may be found if:

- A system-wide change (or series of changes) in annual revenue hours of five percent or more proposed at one time or over a rolling 24 month period;
- A route is added or eliminated;

- Annual revenue hours on a route are changed by 25 percent or more;
 - The daily span of service on the route is changed three hours or more; or
 - Route-miles are changed 25 percent or more, where the route moves more than a quarter mile.
- Corridors served by multiple routes will be evaluated based on combined revenue hours, daily span of service, and/or route-miles.

And the proposed changes negatively impact minority and low-income populations.

Definition of Minority

For the purpose of the Title VI analysis, minority is defined as a person who self-identifies as any race/ethnicity other than white. Minority includes those self-identifying as multi-racial including white.

Definition of Low Income

SFMTA defines low income as a person self-reporting their household income at 200% below the 2013 Federal poverty level. The table below shows the 2013 household income levels meeting the 200% Federal poverty level threshold. This definition of low income matches SFMTA’s criteria for Lifeline Muni passes for low-income households in San Francisco.

Household Size	Household Income 200% of the 2013 Federal Poverty Level
1	\$22,980
2	\$31,020
3	\$39,060
4	\$47,100
5	\$55,140
6	\$63,180
7	\$71,220
8	\$79,260
For each additional person, add:	\$8,040

III. Transit Effectiveness Project Summary

The Transit Effectiveness Project (TEP) is a major SFMTA initiative to improve Muni and meet our City’s Transit First goals - originally adopted by the Board of Supervisors in 1973, and reaffirmed by voters in 1999, 2007, and 2010. The Transit First Policy and the SFMTA Strategic Plan are geared towards making more attractive and encouraging the use of more sustainable modes like transit, walking, bicycling, and taxis, which will allow San Francisco to continue to grow and flourish into the future.

The TEP’s focus is Muni: the transit backbone of a transportation-rich system that connects all modes and all people, but also—unfortunately—a system that has failed to keep pace with a changing San Francisco. By way of an extensive planning process supported by data,

technical expertise, deep engagement with the community at various levels, and critical lessons learned through the implementation of pilot projects, the TEP represents the first major evaluation of San Francisco's mass transit system in thirty years. While the project is focused on resolving existing issues with Muni service that highly impact the customer's experience, the policies and data analysis methodologies will help Muni identify and respond to the needs of all San Franciscans into the future.

As a result of the extensive data collection, analysis, and public feedback, the TEP identified two key issues that need attention:

- (1) The frequency and layout of existing routes need to be updated to match current travel patterns and address crowding.
- (2) The service that Muni provides is slow and unreliable.

To address these problems, staff developed numerous strategies, including proposals for specific service changes that would improve neighborhood connectivity, reduce transit travel times, increase capacity on crowded routes, and increase reliability. Specifically, the service change proposals seek to **increase overall transit service by 12%** above today's levels between July 1014 and July 2016, redesign routes to streamline travel and improve efficiency, enhance neighborhood connections, increase frequency on popular routes, reduce crowding, modify or discontinue low-ridership routes and segments, and expand limited-stop service. The TEP proposals were initially developed in 2008 during the planning phase of the TEP; however, staff re-evaluated and refined them as part of the development of the TEP EIR Project Description and again over the last few months in order to capture more recent land use and ridership trends. Overall, service change proposals were developed for a large percentage of Muni routes and would distribute benefits citywide, with a focus on communities with the greatest needs.

In addition to service changes, the TEP includes specific capital project recommendations to improve service reliability and travel times by up to 20%. These capital projects include projects such as expanding transit only lanes across San Francisco, expanding bus stop zones through bus stop bulb outs and larger stops, and consolidating bus stops along select corridors.

Major TEP Goals

The major goals of the TEP are to:

- Improve Muni travel speed, reliability and safety
- Make Muni a more attractive transportation mode
- Improve cost-effectiveness of Muni operations
- Implement the City's Transit First Policy

IV. Proposed Service and Route Changes

The Transit Effectiveness Project (TEP) proposes increasing service levels by 12% systemwide, making route changes, starting new routes, and eliminating current routes across the Muni system. The proposed changes trigger several criteria in SFMTA's Major Service Change definition:

- A schedule change (or series of changes) resulting in a system-wide change in annual revenue hours of five percent or more proposed at one time or over a rolling 24 month period
- Adding or eliminating a route
- A change in route-miles of 25 percent or more, where the route moves more than a quarter mile

Frequency Change Summary

The TEP proposes a 12% increase in service over today's service levels. Under the proposals, 41 Muni lines are proposed for a service increase out of 75 total Muni lines (55% of all Muni lines). Only four lines are proposed for frequency decreases.

The following page summarizes the frequency changes by route.

TEP Frequency Change Table

Line	AM			Midday			PM		
	7:00am to 9:00am			9:00am to 4:00pm			4:00pm to 6:00pm		
	Change	Proposed (Min)	Current (Min)	Change	Proposed (Min)	Current (Min)	Change	Proposed (Min)	Current (Min)
1 California	No Change	7	7	No Change	5	5	Increase	6	7
2 Clement	Increase	7.5	12	Increase	10	20	Increase	7.5	12
3 Jackson	Decrease	15	12	Decrease	20-30	20	Decrease	15	12
5 Fulton	Increase	3	4	Increase	0	8	Increase	3.5	4.5
8AX Bayshore 'A' Express	Increase	6	7.5	No Change	--	--	Increase	7	7.5
8BX Bayshore 'B' Express	Increase	6	8	No Change	--	--	Increase	7	7.5
8X Bayshore Express	No Change	--	--	Increase	7.5	9	No Change	--	--
9 San Bruno	Increase	10	12	No Change	12	12	Increase	10	12
9L San Bruno Limited	Increase	10	12	No Change	12	12	Increase	10	12
10 Townsend	Increase	6	20	Increase	10	20	Increase	6	20
14L Mission Limited	Increase	7.5	9	No Change	9	9	Increase	7.5	9
14X Mission Express	Increase	7.5	8	No Change	0	0	Increase	7.5	10
17 Parkmerced	Increase	20	30	Increase	20	30	Increase	15	30
21 Hayes	Increase	8	9	No Change	12	12	Increase	9	10
22 Fillmore	Increase	6	9	Increase	7.5	10	No Change	8	8
24 Divisadero	Increase	9	10	No Change	10	10	Increase	9	10
28 19th Avenue	Increase	9	10	Increase	9	12	Increase	9	10
28L 19th Avenue Limited	Increase	9	10	Increase	9	12	Increase	9	0
29 Sunset	Increase	8	9	No Change	15	15	No Change	10	10
30 Stockton	No Change	4	4	No Change	4	4	No Change	4	4
30X Marina Express	Increase	4	4.5	No Change	--	--	Increase	7	7.5
31 Balboa	No Change	12	12	No Change	15	15	Increase	12	14
33 Stanyan	Increase	12	15	No Change	12	15	Increase	12	15

Line	AM			Midday			PM		
	7:00am to 9:00am			9:00am to 4:00pm			4:00pm to 6:00pm		
	Change	Proposed (Min)	Current (Min)	Change	Proposed (Min)	Current (Min)	Change	Proposed (Min)	Current (Min)
35 Eureka	Increase	20	30	Increase	20	30	No Change	20	20
37 Corbett	No Change	15	15	No Change	20	20	Increase	15	20
38 Geary	Increase	6	6.5	Increase	7.5	8	Increase	6	6.5
38L Geary Limited	Increase	5	5.5	Increase	5	5.5	Increase	5	5.5
41 Union	Increase	7	8	No Change	--	--	Increase	7	8
43 Masonic	Increase	8	10	No Change	12	12	Increase	10	12
44 O'Shaughnessy	Increase	7.5	10	No Change	12	12	Increase	8	9
47 Van Ness	Increase	7.5	10	No Change	9	9	Increase	7.5	10
48 Quintara/24th Street	Decrease	15	12	No Change	15	15	Decrease	15	12
52 Excelsior	No Change	20	20	Increase	20	30	No Change	20	20
54 Felton	Increase	15	20	No Change	20	20	Increase	15	20
71L Haight/Noriega Limited	Increase	7	10	Increase	8	12	Increase	7	10
F Market & Wharves	Decrease	7.5	6.5	Decrease	6	5	Increase	5	6
J Church	Increase	8	9.5	No Change	10	10	No Change	9	9
K Ingleside	Increase	8	9	No Change	10	10	Increase	8	9
L Taraval	Increase	7.5	8	No Change	10	10	No Change	7.5	7.5
M Oceanview	Increase	8.5	9	No Change	10	10	Increase	8.5	9
N Judah	Increase	5.5	7	No Change	10	10	Increase	6	7
T Third Street	Increase	8	9	No Change	10	10	Increase	8	9

Route Change Summary

In addition to frequency changes, several routes are proposed to have route changes including one route elimination (with all segments of this route served by other routes) and two additional new routes. Only routes that qualify as a Major Service Change under the SFMTA's Title VI policy are described below. To qualify as a Major Service Change, the route change must result in:

- A new additional route or a route elimination
- A change in route-miles of 25 percent or more, where the route moves more than a quarter mile

Route Additions

E Embarcadero: The E Embarcadero is a proposed historic streetcar line operating from Fisherman's Wharf along the Embarcadero waterfront to the Caltrain Station located on King Street at 4th Street.

11 Downtown Connector: The new 11 Downtown Connector will provide service from the northern waterfront to the Mission District via North Beach, the Financial District, and SoMa. The route will operate primarily on North Point Street, Powell Street, Columbus Avenue, Sansome Street, Second Street, Harrison Street, and Folsom Street. The route will take over service on streets where the former 12 Folsom/Pacific operated in the Financial District, SOMA and the Mission District as well as the 47 Van Ness on North Point Street.

Route Elimination

12 Folsom/Pacific: The 12 Folsom/Pacific is proposed for elimination. *All* segments of the 12 Folsom/Pacific route will be covered by the new 11 Downtown Connector or increased frequencies on other lines. Service on Pacific Street will be covered by the 10 Sansome (Townsend) and service from Sansome Street to the southern terminus will be covered by the 11 Downtown Connector. Both routes are proposed to operate at a higher frequency than the current service on the 12 Folsom/Pacific.

Route Segment Changes - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile

10 Sansome: Under the TEP proposal, the renamed 10 Townsend line will be rerouted from Townsend Street, Rhode Island Street, and 17th Street to serve the growing Mission Bay area via 4th Street, 7th Street, Irwin Street, and Mission Bay Boulevard. The 47 Van Ness line will be rerouted to maintain service coverage on Townsend Street.

17 Parkmerced: The 17 Parkmerced will be realigned and expanded to serve not only Parkmerced and West Portal but also Daly City BART and the perimeter of Lake Merced. The route will be extended to serve discontinued segments of the 18 46th Avenue along Sloat Boulevard, Skyline Boulevard, John Muir Drive, and Lake Merced Drive. The proposed route will no longer operate on Arballo Drive, 19th Avenue, Garces Drive, and Gonzalez Drive.

18 46th Avenue: In order to streamline the 18 Line and facilitate faster connections between 46th Avenue and Stonestown Mall and the M Oceanview light rail line, the route will discontinue service around Lake Merced on Skyline Boulevard, John Muir Drive, and Lake Merced Boulevard. These segments will be covered by expanded 17 Parkmerced service.

22 Fillmore: In order to provide a direct connection from the 16th Street BART Station and the Mission District to Mission Bay, the 22 Fillmore is proposed to operate on 16th Street to 3rd Street and serve the Mission Bay area. The line would no longer serve 17th Street, 18th Street, 20th Street, Connecticut Street, or Wisconsin Street. The 33 Stanyan line will be rerouted to provide coverage on these segments.

28L 19th Avenue Limited: Service on the 28L will be concentrated in the Richmond and Sunset and extended to Balboa Park BART Station and the Mission/Geneva corridor via Brotherhood Way, Interstate 280, and Geneva Avenue in the proposal. The portion of the route in the Marina and in the Presidio along Lombard Street, Laguna Street, Presidio Avenue, and Letterman Drive would be eliminated. The route extension to the Mission/Geneva corridor will provide a key link between the Outer Mission and the western portion of San Francisco.

33 Stanyan: With the 22 Fillmore reroute into Mission Bay along 16th Street and 3rd Street, the 33 Stanyan is proposed to provide service on Connecticut Street, Wisconsin Street, 3rd Street, 18th Street, and 20th Street that will be left without service by the rerouted 22 Fillmore line. This reroute to serve portions of the former 22 Fillmore line will result in a discontinuation of 33 Stanyan service on Potrero Avenue between 16th Street and Cesar Chavez Street. Service on the 9/9L San Bruno lines will be increased to improve service on Potrero Avenue.

35 Eureka: Service on the 35 Eureka will be extended from Farnum, Addison, and Moffitt Streets to Glen Park BART Station via Miguel, Chenery, Diamond, Bosworth, and Wilder Streets. The extension will connect the Castro, Noe Valley, and Glen Park to the Glen Park BART Station and Glen Park neighborhood.

47 Van Ness: Under the TEP proposal, service on North Point Street would be discontinued and covered by the new 11 Downtown Connector. Service on 4th Street, 5th Street, Harrison Street, and Bryant Street would be discontinued and covered by the 9 San Bruno, new 11 Downtown Connector, and 27 Bryant lines. 47 Van Ness service would be rerouted to provide a faster connection between Caltrain and Van Ness Avenue via Division Street, 11th Street, and Townsend Street.

52 Excelsior: The 52 Excelsior is proposed for extension on the southern end of the route to the Balboa Park BART Station and Phelan Loop (San Francisco City College) via Naples and Geneva Streets. Service will be discontinued on Brazil, Prague, and Grande Streets.

V. Service Change Analysis

For the Title VI review, this document analyzes the impacts of the proposed service and route changes to Muni routes on minority and low-income customers.

Frequency Change Analysis

Methodology

To analyze the impacts of the proposed frequency changes on minority and low-income Muni customers, customer on-board survey data was used. For past Title VI analyses, SFMTA has used the most recent United States Census data available on the most detailed level – block groups for ethnicity/race and tracts for household income. Route level customer survey data however provides a more accurate portrait of who uses Muni service and who would be impacted by the proposed changes. U.S. Census data provides information on the general demographics of an area surrounding a transit line but may not accurately reflect the ridership of a specific Muni line. A summary of the on-board survey is provided below.

The survey data showed that 58% of Muni customers self-identify as a minority and 42% identify as a non-minority. These results match the 2010 U.S. Census data for San Francisco resident demographics.

According to survey data, 51% of customers reported that they live in a low-income household (making less than 200% of the 2013 Federal poverty level) and 49% reported living in non-low income households. These results are in contrast to the U.S. Census data which reports that only 31% of San Francisco residents reported living in households making less than 200% of the 2013 Federal poverty level demonstrating that Muni serves an important transportation need for low income San Francisco residents.

Survey Demographic Results:

- Percent Minority Customers: 58%
- Percent Low Income Customers: 51%

On-board customer survey data was used to determine the number of low income and minority customers relative to the total ridership by line. For lines with proposed service frequency increases, the number of low-income (for purposes of determining disproportionate burden) and the number of minority customers (for purposes of determining disparate impact) were totaled for all lines with proposed frequency increases. The proportion of low-income and minority customers impacted by the proposed changes was compared to the systemwide low-income and minority customer proportions to determine a disproportionate burden or disparate impact. The same process was followed for proposed service frequency decreases.

Survey Summary

An on-board customer survey was distributed to Muni customers including Light Rail and Cable Car customers from March 24, 2013 through May 25, 2013. The survey was administered by Corey, Canapary, & Galanis Research. Hired surveyors boarded Muni routes and offered questionnaires to all customers on the buses, light rail trains, and cable cars. Completed customer surveys were then collected by the surveyors (who stayed onboard during the ride).

Specific steps were taken to ensure the highest possible response rate. This included: using professional/experienced onboard multi-lingual surveyors, printing the questionnaire in English, Spanish and Chinese, offering an online completion option, and providing a business reply mail-back option for persons who did not have time to complete the survey onboard.

Over 22,000 surveys were completed and achieved statistically reliable data on the systemwide level, route level, and time of day level. Overall, the margin of error is +/- 0.66% at the 95% confidence level. The data is not statistically significant at the route segment level.

The survey asked demographics questions for race/ethnicity, household income, household size, gender, age, vehicle ownership, and other information including fare type used on the trip and origin/destination information. A copy of the survey is provided in Appendix B.

Increased Frequency Change Results – Disparate Impact Analysis for Minority Populations
 Transit service increases are proposed on 41 lines. Based on customer survey data, over 311,000 minority riders from a total of 537,000 minority and non-minority MUNI customers will benefit from the proposed transit service increases. In other words, the survey data indicates that 58% of the total numbers of riders who will benefit from the proposed transit service increases are minority customers. This matches the Muni average systemwide average for minority customers of 58% and is within the 8% disparate impact threshold. As a result, no disparate impact on minority customers is found as a result of the proposed service increases.

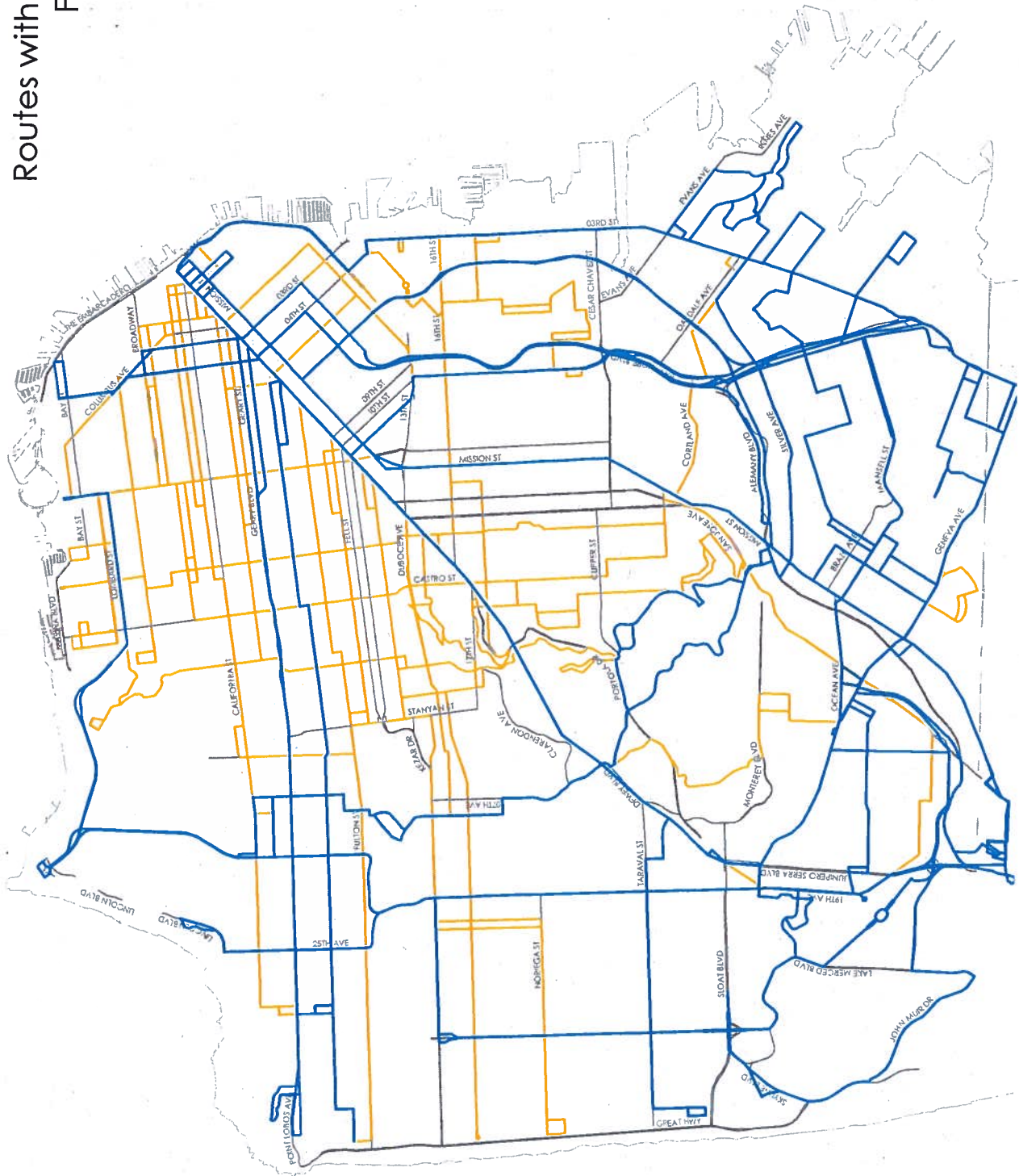
Line	Average Weekday Riders	% Minority	% Non-Minority	Minority Riders	Non-Minority Riders
1 California	26,025	44%	57%	11,321	14,704
2 Clement	5,677	44%	56%	2,521	3,156
5 Fulton	19,702	50%	50%	9,801	9,901
8AX Bayshore 'A' Express	4,507	84%	16%	3,781	726
8BX Bayshore 'B' Express	5,535	84%	16%	4,643	892
8X Bayshore Express	21,850	84%	16%	18,328	3,522
9 San Bruno	11,474	77%	23%	8,815	2,659
9L San Bruno Limited	6,674	77%	23%	5,128	1,546

Line	Average Weekday Riders	% Minority	% Non-Minority	Minority Riders	Non-Minority Riders
10 Townsend	5,854	43%	57%	2,534	3,320
14L Mission Limited	16,243	76%	24%	12,279	3,964
14X Mission Express	2,622	76%	24%	1,982	640
17 Parkmerced	1,269	68%	32%	863	406
21 Hayes	7,935	45%	55%	3,603	4,332
22 Fillmore	17,269	52%	48%	8,975	8,294
24 Divisadero	11,958	51%	49%	6,078	5,880
28 19th Avenue	12,974	62%	38%	8,002	4,972
28L 19th Avenue Limited	2,246	62%	38%	1,385	861
29 Sunset	19,473	74%	26%	14,495	4,978
30 Stockton	26,617	51%	49%	13,670	12,947
30X Marina Express	2,675	19%	81%	498	2,177
31 Balboa	10,090	65%	35%	6,581	3,509
33 Stanyan	7,105	54%	46%	3,826	3,279
35 Eureka	821	44%	56%	361	460
37 Corbett	2,565	37%	63%	956	1,609
38 Geary	26,691	58%	42%	15,476	11,215
38L Geary Limited	26,691	56%	44%	14,911	11,780
41 Union	3,244	31%	69%	989	2,255
43 Masonic	13,222	54%	46%	7,195	6,027
44 O'Shaughnessy	15,467	75%	25%	11,622	3,845
47 Van Ness	12,577	50%	50%	6,302	6,275
52 Excelsior	2,350	63%	37%	1,476	874
54 Felton	6,452	92%	8%	5,957	495
71 Haight/Noriega	10,048	48%	52%	4,773	5,275
71L Haight/Noriega Limited	2,049	48%	52%	973	1,076
F Market & Wharves	23,208	48%	52%	11,051	12,157
J Church	14,767	49%	51%	7,255	7,512
K Ingleside	17,581	59%	41%	10,381	7,200
L Taraval	28,816	58%	42%	16,834	11,982
M Oceanview	26,920	56%	44%	15,046	11,874
N Judah	41,439	48%	52%	19,782	21,657
T Third Street	16,171	68%	32%	11,031	5,140
Total	536,853			311,481	225,372
Percent Impacted				58%	42%

Line	Average Weekday Riders	% Minority	% Non-Minority	Minority Riders	Non-Minority Riders
Systemwide Average				58%	42%
Disparate Impact?	No				

Routes with Proposed Increased Frequency

Route Considered:
— Minority
— Non-Minority



Minority Designated Route – A minority designated route is a route where the proportion of customers self-identifying as a minority exceeds the Muni systemwide average of minority customers.

0 0.5 1 2 Miles

Increased Frequency Change Results – Disproportionate Burden Analysis on Low Income Populations

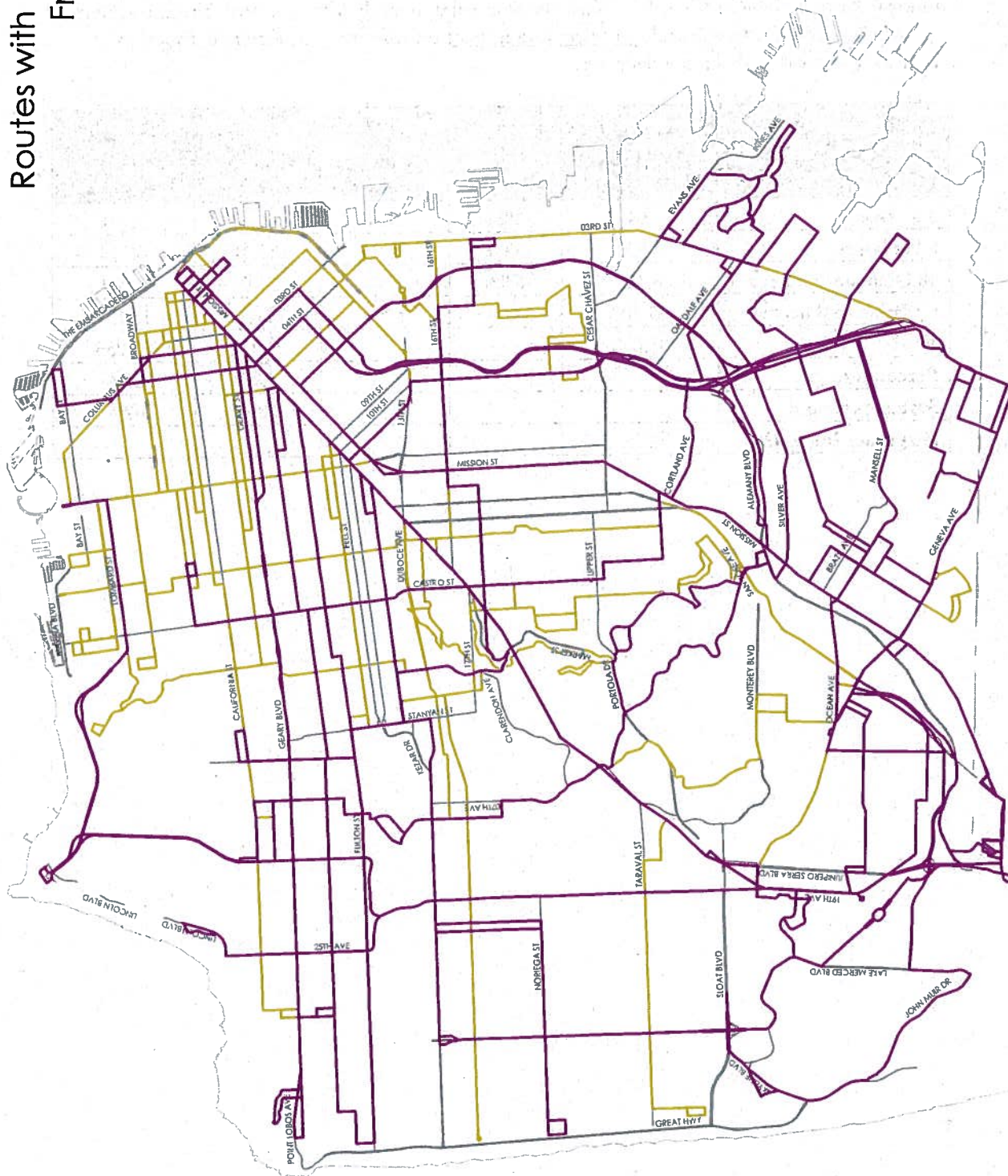
Based on customer survey data, approximately 275,000 low-income customers from a total 537,000 low-income and non-low income MUNI customers will benefit from the proposed transit service increases. In other words, the survey data indicates that 51% of total numbers of MUNI customers who will benefit from the proposed transit service increases are low income. This matches the Muni average systemwide average for low-income household customers of 51% and is within the 8% disproportionate burden threshold. As a result, no disproportionate burden on low-income customers is found as a result of the proposed service increases.

Line	Average Weekday Riders	% Low Income	% Non-Low Income	Low Income Riders	Non-Low Income Riders
1 California	26,025	36%	64%	9,413	16,612
2 Clement	5,677	29%	71%	1,628	4,049
5 Fulton	19,702	51%	49%	10,122	9,580
8AX Bayshore 'A' Express	4,507	71%	29%	3,201	1,306
8BX Bayshore 'B' Express	5,535	71%	29%	3,931	1,604
8X Bayshore Express	21,850	71%	29%	15,519	6,331
9 San Bruno	11,474	75%	25%	8,645	2,829
9L San Bruno Limited	6,674	75%	25%	5,028	1,646
10 Townsend	5,854	25%	75%	1,490	4,364
14L Mission Limited	16,243	78%	22%	12,667	3,576
14X Mission Express	2,622	78%	22%	2,045	577
17 Parkmerced	1,269	63%	37%	795	474
21 Hayes	7,935	42%	58%	3,352	4,583
22 Fillmore	17,269	47%	53%	8,173	9,096
24 Divisadero	11,958	51%	49%	6,112	5,846
28 19th Avenue	12,974	63%	37%	8,113	4,861
28L 19th Avenue Limited	2,246	63%	37%	1,405	841
29 Sunset	19,473	71%	29%	13,784	5,689
30 Stockton	26,617	47%	53%	12,392	14,225
30X Marina Express	2,675	3%	97%	91	2,584
31 Balboa	10,090	64%	36%	6,408	3,682
33 Stanyan	7,105	51%	49%	3,635	3,470
35 Eureka	821	36%	64%	298	523
37 Corbett	2,565	26%	74%	670	1,895
38 Geary	26,691	57%	43%	15,320	11,371

Line	Average Weekday Riders	% Low Income	% Non-Low Income	Low Income Riders	Non-Low Income Riders
38L Geary Limited	26,691	43%	57%	11,566	15,125
41 Union	3,244	12%	88%	375	2,869
43 Masonic	13,222	51%	49%	6,696	6,526
44 O'Shaughnessy	15,467	64%	36%	9,887	5,580
47 Van Ness	12,577	43%	57%	5,432	7,145
52 Excelsior	2,350	54%	46%	1,276	1,074
54 Felton	6,452	79%	21%	5,109	1,343
71 Haight/Noriega	10,048	54%	46%	5,396	4,652
71L Haight/Noriega Limited	2,049	54%	46%	1,100	949
F Market & Wharves	23,208	38%	62%	8,860	14,348
J Church	14,767	39%	61%	5,687	9,080
K Ingleside	17,581	48%	52%	8,392	9,189
L Taraval	28,816	45%	55%	13,034	15,782
M Oceanview	26,920	56%	44%	15,008	11,912
N Judah	41,439	36%	64%	15,035	26,404
T Third Street	16,171	49%	51%	7,877	8,294
Total	536,853			274,967	261,886
Percent Impacted				51%	49%
Systemwide Average				51%	49%
Disproportionate Burden?	No				

Routes with Proposed Increased Frequency

Route Considered:
— Low Income
— Non Low Income



Low Income Designated Route – A low income designated route is a route where the proportion of customers self-reporting household income 200% below the federal poverty level exceeds the Muni systemwide average of customers with household income 200% below the federal poverty level.

0 0.5 1 2 Miles

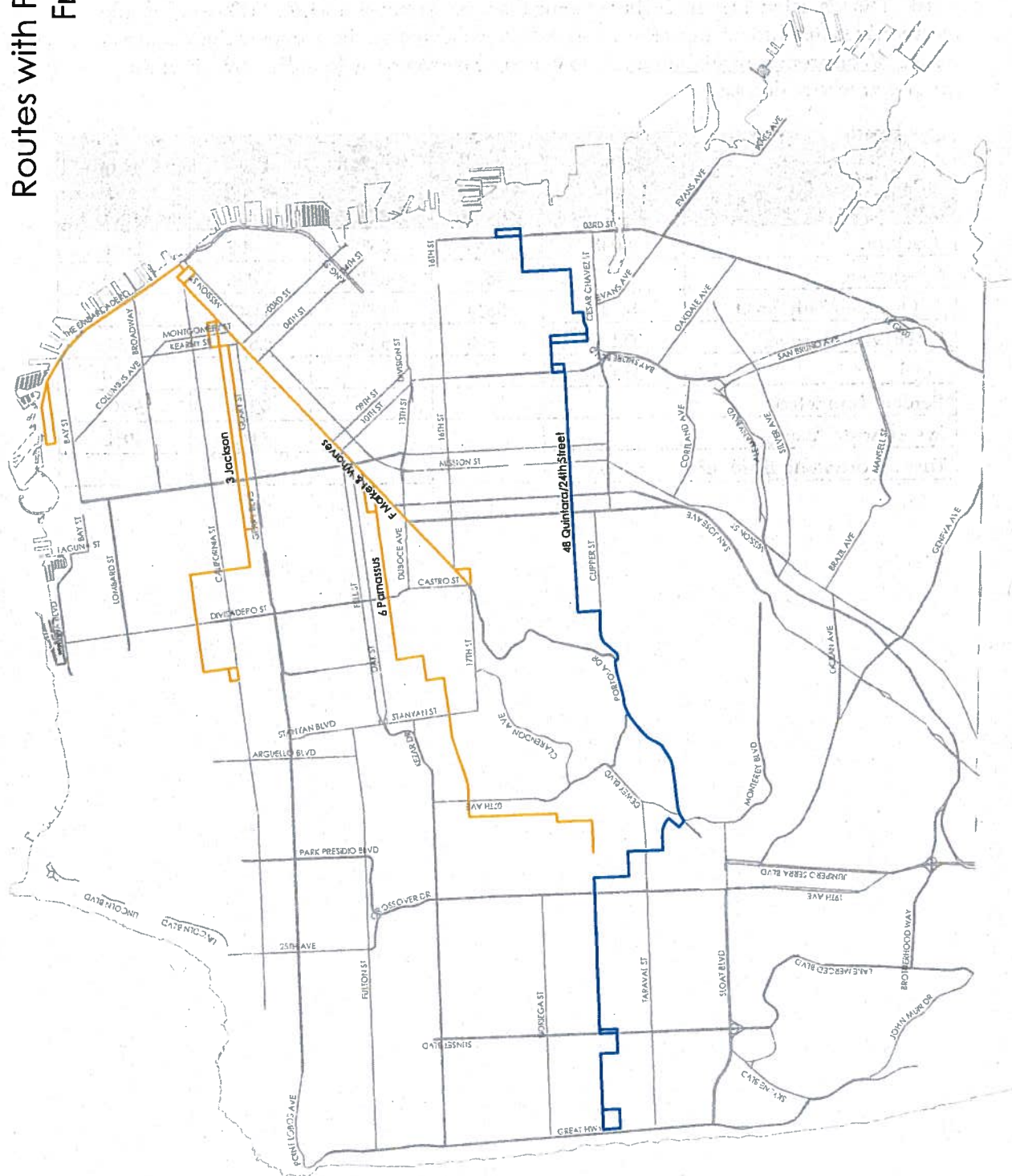
Decreased Frequency Change Results – Disparate Impact Analysis on Minority Populations

Service frequency decreases are proposed on only four lines. Approximately 44,000 total Muni customers will be impacted by the proposed changes. Based on customer survey data, approximately 21,500 of the total 44,000 customers on these four transit lines identify as a minority or only 49% of the total. These lines are significantly less minority than the system as a whole (58%) and as a result, no disparate impact on minority customers is found as a result of the proposed service decreases.

Line	Average Weekday Riders	% Minority	% Non-Minority	Minority Riders	Non-Minority Riders
3 Jackson	4,048	48%	52%	1,947	2,101
6 Parnassus	7,697	38%	62%	2,904	4,793
48 Quintara/24th Street	8,723	63%	37%	5,519	3,204
F Market & Wharves	23,208	48%	52%	11,051	12,157
Total	43,676			21,421	22,255
Percentage				49%	51%
System Average				58%	42%
Disparate Impact?	No				

Routes with Proposed Decreased Frequency

Route Considered:
— Minority
— Non-Minority



Minority Designated Route – A minority designated route is a route where the proportion of customers self-identifying as a minority exceeds the Muni systemwide average of minority customers.



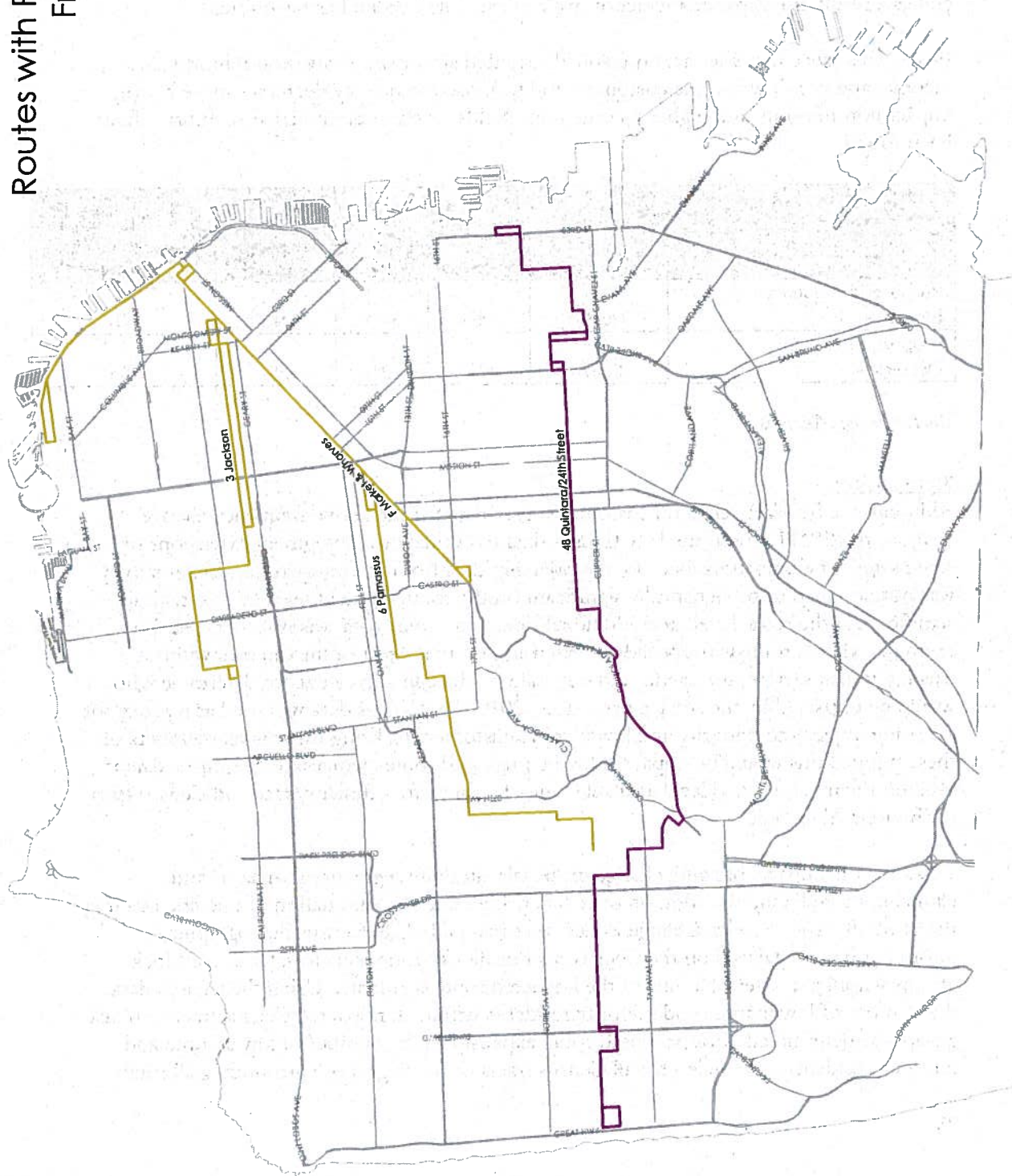
Decreased Frequency Change Results – Disproportionate Burden Analysis on Low-Income Populations

Based on customer survey data, approximately 18,000 of the total 44,000 customers impacted by the service decrease proposals live in low-income households or 42% of the total. The impacted lines are higher income than the system as a whole (51% low income customers systemwide compared to only 42% low income on the proposed lines) and as a result, no disproportionate burden on low-income customers is found as a result of the proposed service decreases.

Line	Average Weekday Riders	% Low Income	% Non Low Income	Low Income Riders	Non-Low Income Riders
3 Jackson	4,048	35%	65%	1,402	2,646
6 Parnassus	7,697	38%	62%	2,896	4,801
48 Quintara/24th Street	8,723	58%	42%	5,047	3,676
F Market & Wharves	23,208	38%	62%	8,860	14,348
Total	43,676			18,206	25,470
Percent Impacted				42%	58%
Systemwide Average				51%	49%
Disproportionate Burden?	No				

Routes with Proposed Decreased Frequency

Route Considered:
— Low Income
— Non Low Income



Low Income Designated Route – A low income designated route is a route where the proportion of customers self-reporting household income 200% below the federal poverty level exceeds the Muni systemwide average of customers with household income 200% below the federal poverty level.

0 0.5 1 2 Miles

Frequency Change Summary

For proposed frequency increases, increased service is distributed equitably across customers and no disparate impact or disproportionate burden has been found. The proposed frequency decreases have a higher impact on non-minority and non-low income customers and as a result, no disparate impact or disproportionate burden has been found.

Proposed service increases are equitably distributed among minority, non-minority, low-income, and non-low income customers and proposed frequency decreases more heavily impact non-minority and higher income households. As a result, no adverse impacts have been found.

	Total Population Impacted	% Minority	% Low Income	Disparate Impact?	Disproportionate Burden?
Proposed Frequency Increases	536,853	58%	51%	No	No
Proposed Frequency Decreases	43,676	49%	42%	No	No

Route Change Analysis

Methodology

Although the SFMTA relied on customer survey data for the above frequency change analysis, the SFMTA used the U.S. Census data to evaluate route segment extensions or route segment eliminations because the ridership data from the on-board customer survey was not designed to be statistically significant on the route segment level (it is statistically significant at the route level) and additional ridership survey data was not collected. For example, when a route is proposed for extension on to a street or into an area without existing transit service, the agency did not collect ridership survey data to determine who would be impacted by the service extension. 2010 U.S. Census data was used as a proxy for assessing impacts to minority and low income customers realizing that not all members of these populations would be impacted by the proposed route changes. U.S. Census data is used on the most detailed level available – block groups for ethnicity/race and Census tracts for household income.

To assess the impacts of route change proposals, all route segment expansions and eliminations including the addition of two new lines and the elimination of one line meeting the SFMTA Major Service Change Policy were mapped. U.S. Census demographic information was analyzed on the Census tract or block group level for all tract or block groups within a quarter of a mile of the impacted route segments. Using the Census data, the number of low income and minority residents within an impacted Census tract or block group was determined. For proposed route expansions, the number of low income and minority residents was totaled for all Census tracts or block groups surrounding all route

segment expansions. The proportion of low income and minority residents impacted by the proposed changes was compared to the San Francisco city low income and minority resident proportions based on 2010 U.S. Census data to determine a disparate impact or disproportionate burden. The same process was followed for proposed route segment eliminations. The populations for all route expansions were analyzed together and the populations of all route segment eliminations were analyzed together.

Route change proposals under the TEP included proposals for extending and removing portions of individual lines. For lines with a route extension and elimination, the absolute value of the route mile change was added together (length of extension + length of elimination) to determine if the total change in miles exceeded 25% of the current route length. In these cases, the extended route segments will be analyzed with all other route extensions and route elimination segments will be analyzed with all other route elimination segments.

According to the 2010 U.S. Census data for San Francisco, 58% of San Francisco residents self-identified as a minority and 31% of residents reported that they live in a low income household (making less than 200% of the Federal poverty level).

2010 U.S. Census Demographics:

- Percent Minority Residents: 58%
- Percent Low Income Residents: 31%

Analyzed Transit Lines

According to the SFMTA Major Service Change definition, new routes, eliminated routes, and a change in route-miles of 25 percent or more, where the route moves more than a quarter mile, qualify as a Major Service Change and must be analyzed under Title VI. Based on the TEP proposals, 12 lines meet the criteria. All route additions (new segments and new lines) are analyzed together and all route and segment eliminations are analyzed together. As a result, segments of each line may appear in both the route addition analysis and route elimination analysis.

Route	Reason for Analysis
E Embarcadero	New Route
10 Sansome	Total Change in Route Miles of 25% or more
11 Downtown Connector	New Route
12 Folsom/Pacific	Discontinued Route
17 Parkmerced	Total Change in Route Miles of 25% or more
18 46 th Avenue	Total Change in Route Miles of 25% or more
22 Fillmore	Total Change in Route Miles of 25% or more
28L 19 th Avenue Limited	Total Change in Route Miles of 25% or more

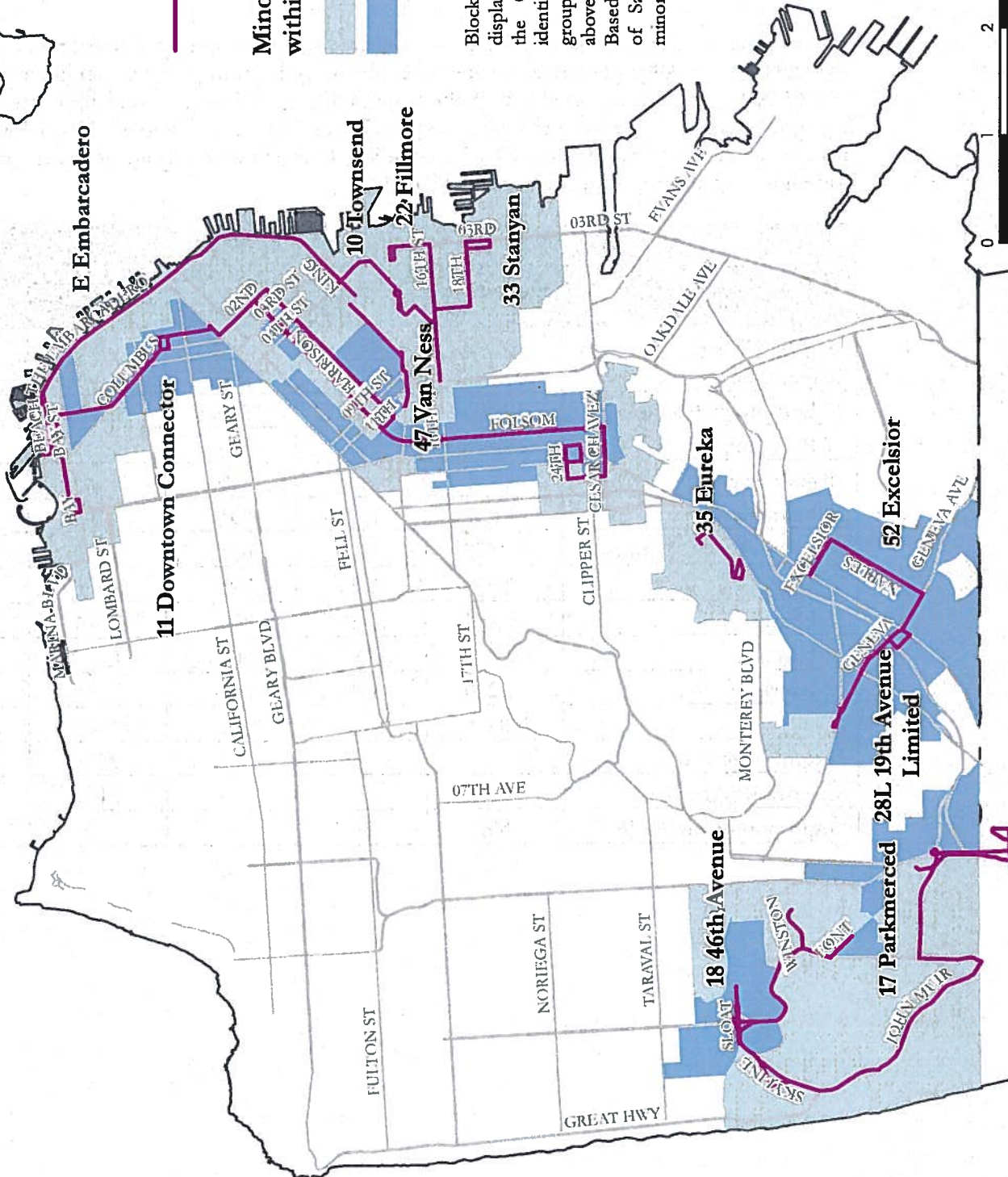
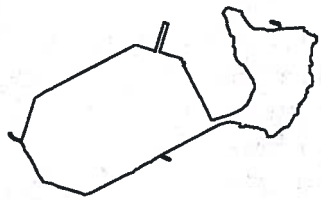
Route	Reason for Analysis
33 Stanyan	Total Change in Route Miles of 25% or more
35 Eureka	Total Change in Route Miles of 25% or more
47 Van Ness	Total Change in Route Miles of 25% or more
52 Excelsior	Total Change in Route Miles of 25% or more

Proposed Route Addition and Extension Results – Disparate Impact Analysis for Minority Populations

Based on the analysis of Census Block Groups within a quarter of a mile of the additional route segments, over 380,000 people benefit from the proposed route segment additions and over 238,000 of the total self-identified as a minority on the 2010 U.S. Census or 63%. As a result, the proposed route additions/extensions provide a higher benefit to minority populations than the citywide average of 58%. No disparate impact is found.

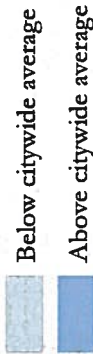
Line	Total Population	% Minority	% Non-Minority	Minority Population	Non-Minority Population
E Embarcadero	40,815	49%	51%	19,983	20,832
10 Sansome	18,026	50%	50%	9,006	9,020
11 Downtown Connector	123,785	58%	42%	71,718	52,067
17 Parkmerced	30,364	65%	35%	19,625	10,739
18 46th Avenue	14,682	60%	41%	8,740	5,942
22 Fillmore	12,130	50%	50%	6,089	6,041
28L 19th Avenue Limited	32,214	88%	12%	28,244	3,970
33 Stanyan	21,660	48%	52%	10,479	11,181
35 Eureka	16,653	57%	43%	9,434	7,219
47 Van Ness	15,863	56%	44%	8,943	6,920
52 Excelsior	53,948	85%	15%	45,909	8,039
Total	380,140			238,170	141,970
Percent Impacted				63%	37%
Systemwide Average				58%	42%
Disparate Impact?	No				

TEP Service Additions Demographic Analysis



— Segment Added

Minority population within a quarter of a mile



Block groups by demographics are displayed based on the percentage of the Census respondents who self-identified as non-white within the block group and whether the block group is above or below the Citywide average. Based on 2010 U.S. Census data, 58% of San Franciscans self-identify as a minority.

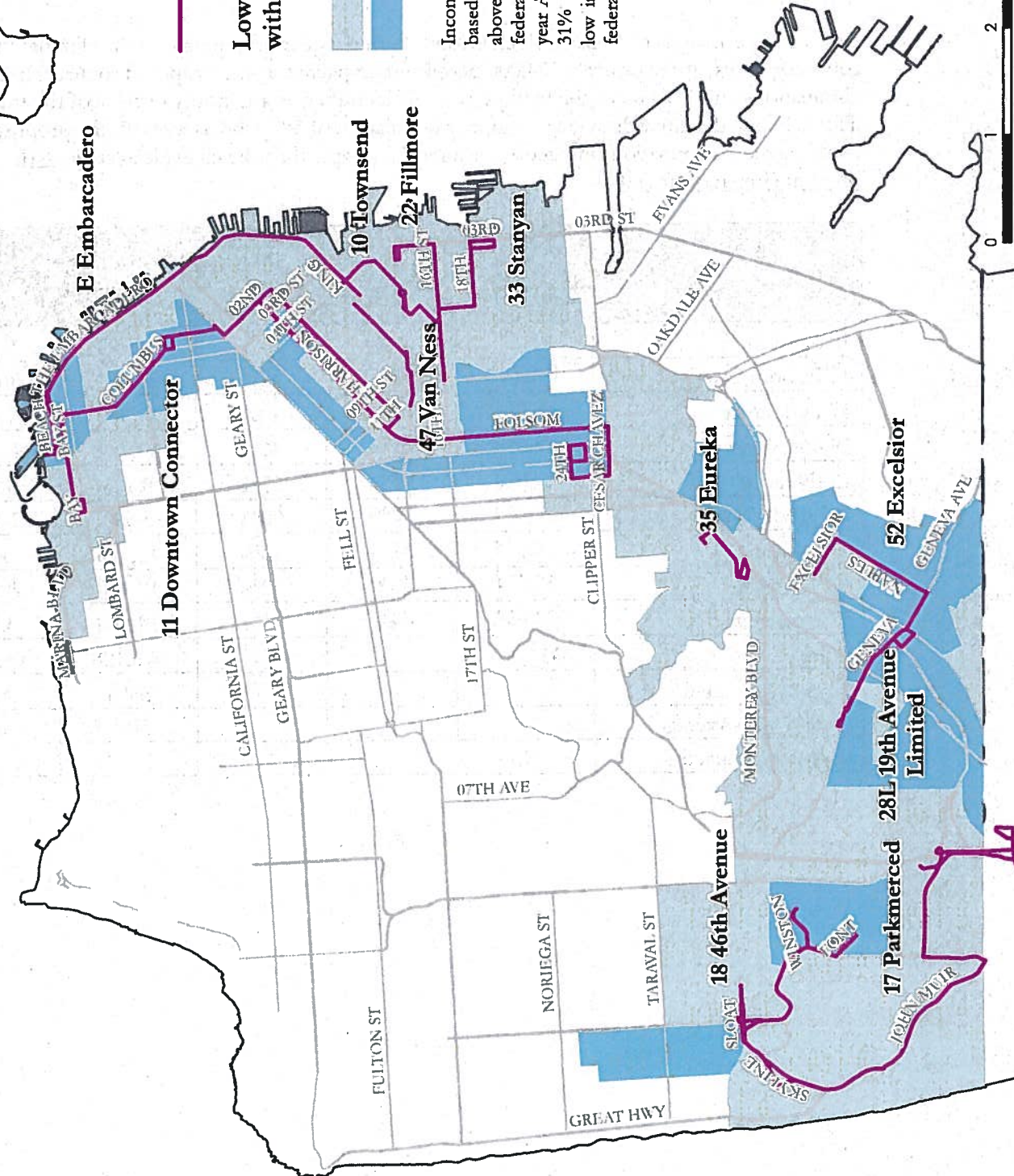
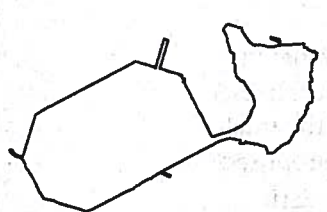


Proposed Route Addition and Extension Results – Disproportionate Burden Analysis on Low-Income Populations

Based on the analysis of Census Tracts within a quarter of a mile of the additional route segments, over 209,000 households benefit from the proposed route segment additions and over 61,000 of the total reported household incomes below 200% of the federal poverty level on the 2010 U.S. Census or 29%. Based on Census data, 31% of households are low-income in San Francisco. Because 29% is within 8% of the citywide average of low-income households, no disproportionate burden is found.

Line	Total Population	% Low Income	% Non-Low Income	Low Income Population	Non-Low Income Population
E Embarcadero	26,380	29%	71%	7,576	18,804
10 Sansome	13,892	15%	85%	2,099	11,793
11 Downtown Connector	63,404	35%	65%	21,986	41,418
17 Parkmerced	18,855	28%	72%	5,312	13,543
18 46th Avenue	8,732	29%	71%	2,543	6,189
22 Fillmore	8,123	17%	83%	1,349	6,774
28L 19th Avenue Limited	16,652	34%	66%	5,672	10,980
33 Stanyan	13,452	21%	79%	2,786	10,666
35 Eureka	11,407	27%	73%	3,041	8,366
47 Van Ness	6,954	20%	80%	1,412	5,542
52 Excelsior	21,239	35%	66%	7,338	13,901
Total	209,090			61,114	147,976
Percent Impacted				29%	71%
Systemwide Average				31%	69%
Disproportionate Burden?	No				

TEP Service Additions Low-Income Analysis



— Segment Added

Low income households within a quarter of a mile

Below citywide average
Above citywide average

Income by Census tracts is displayed based on the percentage of households above and below 200% of the 2013 federal poverty level. Based on 2011 5-year American Community Survey data, 31% of San Francisco households are low income based on the 200% 2013 federal poverty level.

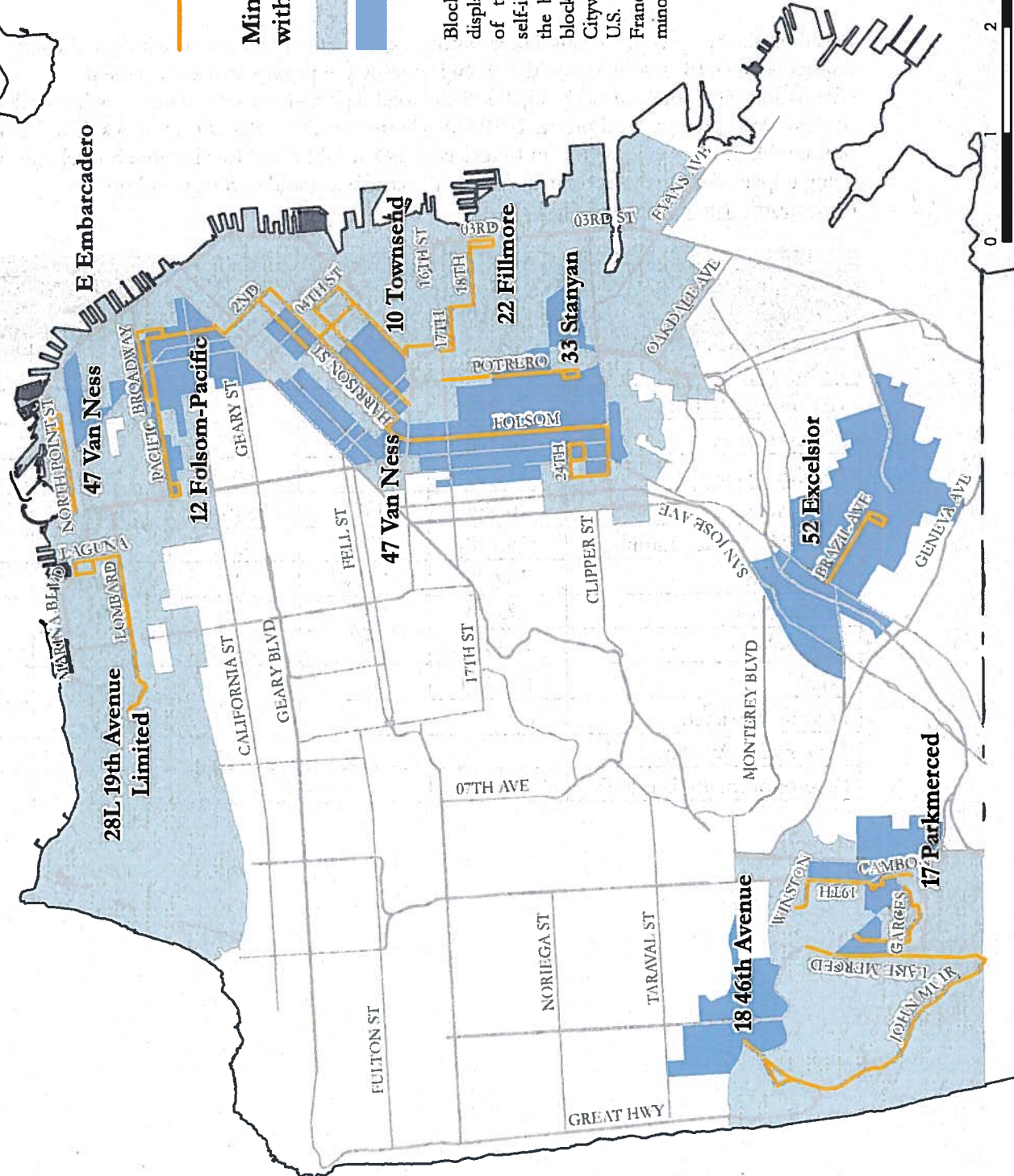
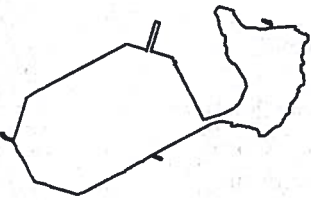


Proposed Route and Segment Elimination Results – Disparate Impact Analysis on Minority Populations

Based on the analysis of Census Block Groups within a quarter of a mile of the eliminated route segments, approximately 324,000 people are impacted by the proposed route segment eliminations and 176,000 of the total people self-identified as a minority or 54% of the total. This is below the citywide average minority population of 58% and as a result, the proposed route segment eliminations impact fewer minority people than the citywide average. No disparate impact is found.

Line	Total Population	% Minority	% Non-Minority	Minority Population	Non-Minority Population
10 Sansome	19,077	50%	50%	9,546	9,531
12 Folsom/Pacific	132,588	58%	42%	76,491	56,097
17 Parkmerced	18,851	60%	40%	11,327	7,524
18 46th Avenue	18,389	59%	41%	10,794	7,595
22 Fillmore	17,976	46%	55%	8,180	9,796
28L 19th Avenue Limited	27,459	20%	80%	5,560	21,899
33 Stanyan	26,304	57%	43%	15,096	11,208
47 Van Ness	39,571	48%	52%	19,148	20,423
52 Excelsior	23,859	84%	16%	19,986	3,873
Total	324,074			176,128	147,946
Percent Impacted				54%	46%
Systemwide Average				58%	42%
Disparate Impact?	No				

TEP Service Removal Demographic Analysis



— Segment Removed

Minority population within a quarter of a mile

Below citywide average
Above citywide average

Block groups by demographics are displayed based on the percentage of the Census respondents who self-identified as non-white within the block group and whether the block group is above or below the Citywide average. Based on 2010 U.S. Census data, 58% of San Franciscans self-identify as a minority.

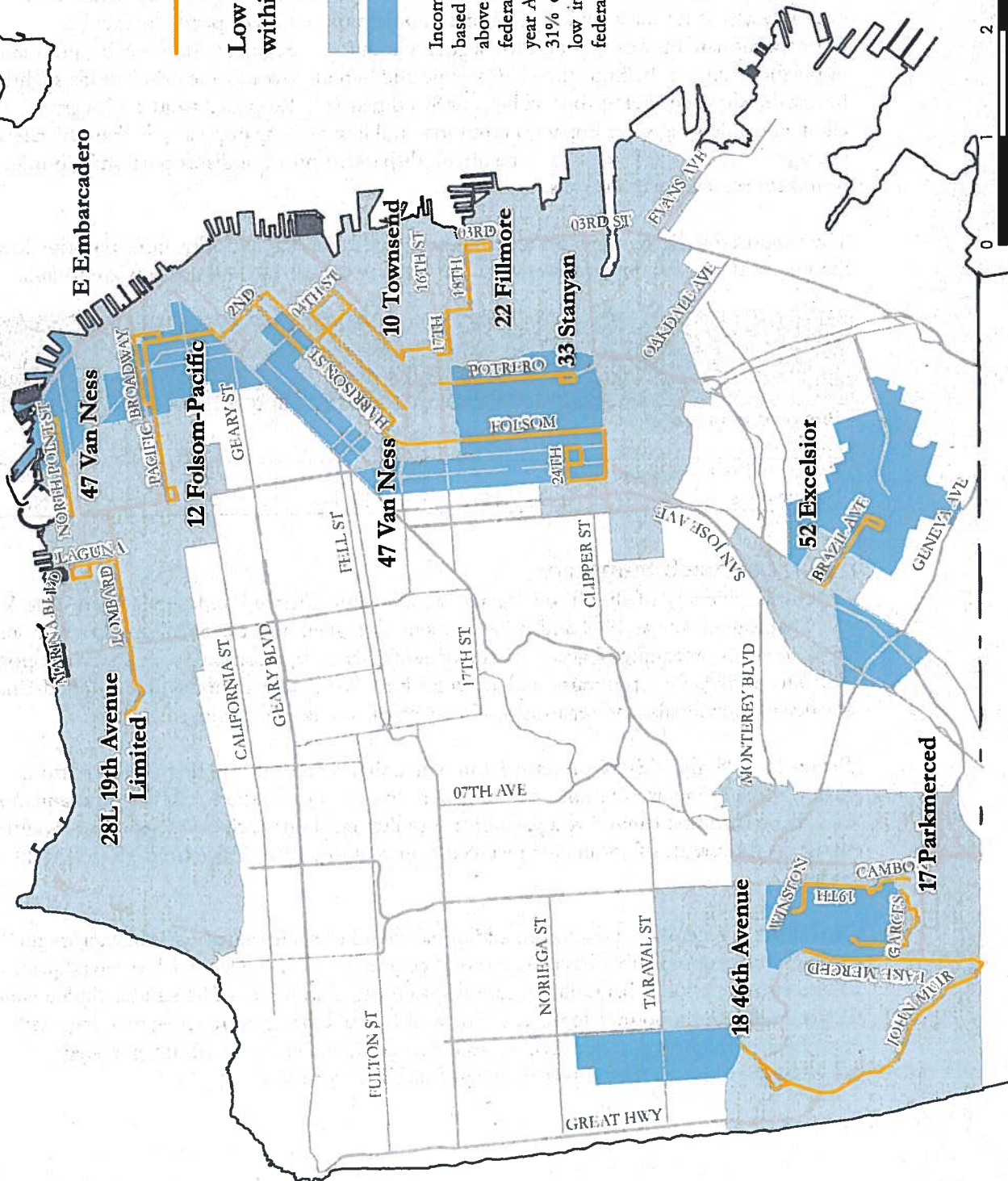
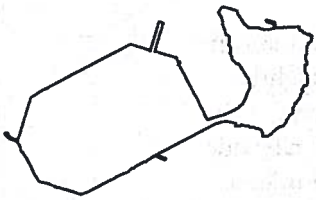


Proposed Route and Segment Elimination Results – Disproportionate Burden Analysis on Low-Income Populations

Based on the analysis of Census Tracts within a quarter of a mile of the eliminated route segments, over 188,000 households are impacted by the proposed route segment eliminations and approximately 55,600 of the total reported household incomes below 200% of the federal poverty level on the 2010 U.S. Census or 27%. Based on Census data, 31% of households are low income in San Francisco. As a result, fewer low income households are being impacted by the proposed eliminations than the citywide average and no disproportionate burden is found.

Line	Total Population	% Low Income	% Non-Low Income	Low Income Population	Non-Low Income Population
10 Sansome	15,144	16%	84%	2,445	12,699
12 Folsom/Pacific	71,440	34%	66%	24,145	47,295
17 Parkmerced	10,458	28%	72%	2,975	7,483
18 46th Avenue	11,723	31%	69%	3,612	8,111
22 Fillmore	10,514	19%	81%	1,990	8,524
28L 19th Avenue Limited	16,738	17%	83%	2,805	13,933
33 Stanyan	16,638	26%	74%	4,261	12,377
47 Van Ness	27,428	23%	77%	6,342	21,086
52 Excelsior	8,197	37%	63%	3,014	5,183
Total	188,280			51,589	136,691
Percent Impacted				27%	73%
Systemwide Average				31%	69%
Disproportionate Burden?	No				

TEP Service Removal Low-Income Analysis



— Segment Removed

Low income households within a quarter of a mile

Below citywide average
Above citywide average

Income by Census tracts is displayed based on the percentage of households above and below 200% of the 2013 federal poverty level. Based on 2011 5-year American Community Survey data, 31% of San Francisco households are low income based on the 200% 2013 federal poverty level.



Route Change Summary

For proposed route and segment additions, route additions/extensions are distributed equitably across minority and low-income populations and no disparate impact or disproportionate burden is found for segment additions. Segment additions benefit minority populations higher than the citywide average and benefit low-income populations slightly below the citywide average but within our 8% threshold. Proposed route and segment eliminations have a lower impact on minority and low-income populations than the citywide average for each category and as a result, no disparate impact or disproportionate burden is found for segment eliminations.

The proposed route changes are distributed equitably among minority, non-minority, low-income, and non-low income communities. As a result, no adverse impacts are found.

	% Impacted Minority Population	% Low Income Impacted Population	Disparate Impact?	Disproportionate Burden?
Proposed Route Segment Additions	63%	29%	No	No
Proposed Route Segment Eliminations	54%	27%	No	No

VI. Outreach Summary

Given the diversity of the SFMTA's service area and ridership and pursuant to Title VI of the Civil Rights Act of 1964 and its implementing regulations, the SFMTA takes responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of SFMTA's programs and activities for low-income, minority, and Limited-English Proficient individuals, and regardless of race, color or national origin.

Begun in 2008, the TEP is a multi-year initiative that represents the first top-to-bottom review of San Francisco's public transit system in over a generation. TEP recommendations have been communicated through extensive multilingual outreach campaigns and modified based on thousands of comments received over multiple years and various phases of the project.

The SFMTA recently conducted an additional round of multilingual outreach across the City to share the proposals that have been modified as a result of the feedback received prior to Board consideration. This multilingual campaign began in January 2014 and included widely noticed neighborhood meetings, an online tool for submitting comments, meetings with members of the Board of Supervisors and their staff, and citywide meetings to share potential revisions to the proposed changes staff is considering.

From early February to mid-March 2014, SFMTA held 12 community evening and weekend meetings with at least one community meeting held in each Board of Supervisor district across San Francisco. SFMTA also held two citywide open houses to discuss the proposals and any revisions that were made based on the initial community meetings, and to record additional feedback. Outreach community meetings concluded on March 12. Translators were available upon request in multiple languages including Spanish and Chinese. Translators were used at several meetings by Spanish and Chinese speakers. Each meeting was open to the public and focused on the service changes that were proposed for that meeting's corresponding district. The meeting format provided explanations to attendees and collected feedback from stakeholders about the proposals. Over 800 people attended the outreach meetings.

Outreach Meeting Dates
Wednesday, February 12, 2014
Tuesday, February 18, 2014
Wednesday, February 19, 2014
Saturday, February 22, 2014
Monday, February 24, 2014
Tuesday, February 25, 2014
Wednesday, February 26, 2014
Thursday, February 27, 2014
Saturday, March 01, 2014
Monday, March 03, 2014
Wednesday, March 05, 2014
Thursday, March 06, 2014
Saturday, March 08, 2014
Wednesday, March 12, 2014

In addition to the neighborhood meetings and open houses, SFMTA held two SFMTA Board of Director meetings, two SFMTA Citizen Advisory Council meetings and one SFMTA Multimodal Accessibility Advisory Committee (MAAC) meeting regarding the proposed service changes. These meetings were open to the public and provided another opportunity for public comment and involvement. Agendas for the meetings are available 72 hours in advance and are posted at City Hall, the San Francisco Main Library, and on www.sfmta.com. All meetings have a public comment period and translators are available upon request. The Board of Director meetings were held in City Hall, which is easily accessible by transit and all other meetings were held at SFMTA's offices at 1 South Van Ness Avenue. Regular SFMTA Board meetings and selected other meetings are broadcast on cable via SFGTV and streamed on the Internet. Board Agendas and Minutes are available to the public at www.sfmta.com.

All meeting notifications were available in ten languages – English, Spanish, Chinese (Mandarin and Cantonese), Japanese, Russian, Korean, Tagalog, Thai, Vietnamese, and French. Newspaper ads were also taken out in English, Spanish, Chinese, and Russian newspapers.

The SFMTA Board of Directors will consider legislating the proposed service changes on Friday, March 28, 2014.

Meeting Name	Date/Time
Citizen's Advisory Committee (CAC)	Thursday, March 6, 2014 at 5:30 P.M.
SFMTA Board of Director's Meeting	Friday, March 14, 2014 at 9:00 A.M.
Multimodal Accessibility Advisory Committee (MAAC)	Thursday, March 20, 2014 at 2:00 P.M.
Citizen's Advisory Committee (CAC)	Thursday, March 20, 2014 at 5:30 P.M.
Policy & Governance Committee (PAG)	Friday, March 21, 2014 at 9:00 A.M.
SFMTA Board of Director's Meeting	Friday, March 28, 2014 at 8:00 A.M.

In addition to federal guidelines, Charter Section 16.112 requires published notice and a public hearing prior to any significant change in the operating schedule or route of a street railway, bus line, trolley bus line or cable car line. Pursuant to Charter Section 16.112, advertisements were placed starting on March 25, 2014, in the City's official newspaper, the San Francisco Chronicle, for four days to provide notice that the SFMTA Board of Directors will hold a public hearing on March 28, 2014, to consider the modifications detailed in the previous section.

In addition to the required legal notice, information about the hearing was posted on the SFMTA Website in nine languages to reach customers with Limited English Proficiency, and multilingual (English, Spanish and Chinese) announcements were posted on the bus stops that would be most affected by the changes. Advertisements were also placed in the Examiner, as well as Spanish, Chinese and Russian language papers: El Mensajero, Sing Tao and Ktsati. Additionally, the March 28th public hearing was announced at each of the 14 community workshops and an email was sent to the TEP list serv.

In addition to attending meetings, hundreds of residents provided feedback about the proposals through the online input tool at www.TellMuni.com. The TellMuni website feedback portal is available in ten languages – English, Spanish, Chinese (Mandarin and Cantonese), Japanese, Russian, Korean, Tagalog, Thai, Vietnamese, and French. Other means of providing feedback have been through Muni's multi-lingual Customer Service Line (3-1-1), through the TEP email address (tep@sfmta.com), and all proposals are publically available through www.sfmta.com/tep.

Additionally, the outreach process includes one open house held at each Muni operating division for the purpose of collecting proposal-related input from operators and other front line personnel.

Results of Outreach

In response to customer feedback, while considering previously-conducted planning, coordination, outreach efforts, and analysis, SFMTA developed revisions to some of its service change proposals, which were presented to the public during the two citywide outreach meetings and are also posted on the project website at www.sfmta.com/tep.

The modified proposals went to the Board of Directors on March 28, 2014. These modifications aim to retain the benefits of the initial proposals, while addressing key community concerns. Several of the modifications were on low income and/or minority routes.

- 3 Jackson: The original recommendation proposed eliminating the 3 Jackson line due to low ridership west of Fillmore Street and to reinvest service from the 3 Jackson onto the 2 Clement. Based on community feedback, this segment of the 3 Jackson is not proposed for elimination. Instead, the proposal is to decrease frequency on the route to better match demand and service will be increased on the 2 Clement.
- 6 Parnassus: Under the original TEP proposal, the 6 line would be discontinued in Ashbury Heights along Masonic Avenue, Frederick Street, Clayton Street, and a portion of Parnassus Avenue. The 6 line would be rerouted onto Haight and Stanyan Streets in order to increase service capacity on a major transit corridor. Based on community concern over loss of transit service in a hilly neighborhood, the proposal to reroute the 6 will not be pursued. Instead, service will be reduced on the 6 line and service will be added to the 71 line in order to improve transit capacity on Haight Street.
- 8X Bayshore Express: The original proposal discontinued service on the 8X Bayshore Express north of Broadway. The proposal was created to address crowding concerns on the 8X and start service in Chinatown with empty buses in order to provide seats and capacity through Chinatown. Based on community feedback, the new 8X proposal will continue to provide service north of Broadway on every other trip.

The 8X Bayshore Express is a minority and low income route.

- 17 Parkmerced: The original proposal eliminated service on Lake Merced Boulevard and extended the route to Daly City BART via John Daly Boulevard to provide a connection to Westlake Plaza. Based on community feedback, staff is proposing an alternative that will shift service to a portion of Lake Merced Boulevard and use Brotherhood Way to access the Daly City BART Station.

The 17 Parkmerced is a minority and low income route.

- 27 Bryant/11 Downtown Connector: The original proposal eliminated service on Bryant Street in the Mission District on the 27 Bryant and moved the service to Folsom Street. SFMTA created this proposal to eliminate a relatively unproductive north-south transit corridor in the Inner Mission and to maintain service on Folsom Street due to the elimination of the 12 Folsom/Pacific. We will not pursue this proposal and service will remain on Bryant Street on the 27 Bryant Line as it is today. The 11 Downtown

Connector will be extended from SOMA onto Folsom Street to cover the portion of the route that the 12 Folsom/Pacific provides today.

The 27 Bryant is a minority and low income route.

- 28/28L 19th Avenue: The original proposal discontinued 28 19th Avenue service in the Marina and had the route end at the Golden Gate Bridge. The 28L 19th Avenue Limited maintained service east of the Golden Gate Bridge. With community feedback, SFMTA amended the proposal and the 28 19th Avenue will continue to serve the Marina and will be extended to Van Ness Avenue as the 28L was originally planned to do. The 28L 19th Avenue Limited will terminate in the Richmond at California Street under the revised proposal.

The 28/28L 19th Avenue is a minority and low income route.

- 35 Eureka: The original proposal eliminated service on Moffitt, Farnum, Addison, and Bemis Streets in order to provide a new, direct connection to Glen Park and the BART Station via Diamond Street. In working closely with the community, a new community supported alternative maintains service on Moffitt, Farnum, Addison, and Bemis and extends the route to Glen Park via Miguel and Chenery Streets.
- 36 Terasita: Under the original proposal, service on Warren Drive would be eliminated. With the elimination of Warren Drive and shortened travel distance, service would be increased from every 30 minutes to every 20 minutes. Based on community feedback and concerns on the steep terrain on Warren Drive, service will remain on Warren Drive and the service frequency will remain unchanged from its current 30 minute frequency.
- 43 Masonic: Due to concerns about rerouting the 43 Masonic into the Presidio off of Lombard Street raised by the senior community, the proposal was updated to maintain access to a senior living facility on Lombard Street at Lyon Street and serve the Presidio Transit Center via another routing.
- 56 Rutland: The 56 Rutland proposal significantly changed the route and discontinued service to Executive Park, Sunnydale Avenue, and Visitation Avenue. By discontinuing service on some segments of the route, service would be concentrated where most customers currently ride and the frequency would be increased due to the shorter route length. Based on community feedback however, the proposal will not be pursued.

The 56 Rutland is a minority and low income route.

VII. Summary

For proposed frequency increases, increased service is distributed equitably across customers and no disparate impact or disproportionate burden has been found. Proposed frequency decreases have a higher impact on non-minority and non-low income customers and as a result, no disparate impact or disproportionate burden has been found.

For proposed route changes, no disparate impact or disproportionate burden has been found.

**Appendix A: SFMTA Board Resolution Accepting the Major Service Change,
Disparate Impact, and Disproportionate Burden Policies**

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 13-192

WHEREAS, Title VI of the Civil Rights Act of 1964 addresses discrimination in almost all aspects of public services and programs administered or funded by the federal government in the United States, such as SFMTA's public transit service; and

WHEREAS, The SFMTA receives federal funds through the Federal Transit Administration (FTA) and is required to have in place a Title VI program that ensures that the level and quality of public transportation service is provided in a nondiscriminatory manner, promotes full and fair participation in public transportation decision-making without regard to race, color, or national origin, and ensures meaningful access to transit-related programs and activities by persons with limited English proficiency; and

WHEREAS, The FTA's updated Title VI Circular (FTA C 4702.1B), issued on October 1, 2012, requires that the governing board of a transit agency approve a Major Service Change Definition and Disparate Impact and Disproportionate Burden policies; and

WHEREAS, As part of FTA's Title VI Program requirements, SFMTA must perform a service equity analysis when a major service change is proposed or any fare change that will exceed six months to determine if the change will adversely affect minority and low-income populations; and

WHEREAS, Based on data from the 2010 U.S. Census, 58 percent of San Francisco residents are minority and 31 percent of San Francisco households are at or below 200 percent of the federal poverty level; and

WHEREAS, If the service or fare equity analysis identifies a potential disparate impact on minority populations or customers, SFMTA is required to consider alternative proposals to avoid, minimize, or mitigate the disparate impact and the service or fare changes can only be implemented if (1) a substantial legitimate justification for the service or fare change exists, (2) there are no comparably effective alternative practices that would result in a less disparate impact on minority populations, and (3) the justification for the service change is not a pretext for discrimination; and

WHEREAS, If a disproportionate burden is found, the service or fare change may only be carried out if further mitigation measures or alternatives that would reduce the disproportionately high and adverse effects on low-income populations are not practicable; and

WHEREAS, SFMTA has performed multilingual community and peer outreach during the development of these policies; and

WHEREAS, After reviewing demographic data, characteristics of system ridership and conducting peer reviews/comparisons, a threshold of eight percent was determined to be the appropriate proposed threshold for both the Disparate Impact Policy and Disproportionate Burden Policy; and

WHEREAS, SFMTA staff recommend the following Major Service Change Definition be adopted by the SFMTA Board of Directors:

Major Service Change - A change in transit service that would be in effect for more than a 12-month period and that would consist of any of the following criteria:

- A schedule change (or series of changes) resulting in a system-wide change in annual revenue hours of five percent or more implemented at one time or over a rolling 24 month period;
- A schedule change on a route with 25 or more one-way trips per day resulting in:
 - Adding or eliminating a route;
 - A change in annual revenue hours on the route of 25 percent or more;
 - A change in the daily span of service on the route of three hours or more; or
 - A change in route-miles of 25 percent or more, where the route moves more than a quarter mile.

Corridors served by multiple routes will be evaluated based on combined revenue hours, daily span of service, and/or route-miles.

- The implementation of a New Start, Small Start, or other new fixed guideway capital project, regardless of whether the proposed changes to existing service meet any of the criteria for a service change described above; and

WHEREAS, SFMTA staff recommends that the following Disparate Impact Policy be adopted by the SFMTA Board of Directors:

Disparate Impact Policy - a fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disparate impact on minority populations if the difference between the percentage of the minority population impacted by the changes and the percentage of the minority population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively; and

WHEREAS, SFMTA staff recommends that the following Disproportionate Burden Policy be adopted by the SFMTA Board of Directors:

Disproportionate Burden Policy - A fare change, or package of changes, or major service change, or package of changes, will be deemed to have a disproportionate burden on low-income populations if the difference between the percentage of the low-income population impacted by the changes and the percentage of low-income population system-wide is eight percentage points or more. Packages of major service changes across multiple routes will be evaluated cumulatively and packages of fare increases across multiple fare instruments will be evaluated cumulatively; now, therefore, be it;

RESOLVED, That the SFMTA Board of Directors approves the Major Service Change Definition and Disparate Impact and Disproportionate Burden policies that are required to be adopted pursuant to the FTA's updated Circular 4702.1B issued on October 1, 2012.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of August 20, 2013.

R. Pomeroy

**Secretary to the Board of Directors
San Francisco Municipal Transportation Agency**

Appendix B: SFMTA 2013 On-Board Customer Survey Instrument

ABOUT YOU (CONTINUED)

16. How well do you speak English?

- Very well
- Well
- Not well
- Not at all

Language(s) spoken in the home:

- Mandarin
- Cantonese
- Spanish
- Other (specify) _____

17. Do you own a smartphone (e.g. iPhone, Android, etc.)?

- Yes
- No

18. Do you typically access the Internet ... ?

- Daily
- Several times a week
- Less than once a week
- Never

19. Do you own or have access to a vehicle?

- No
- Yes → Own Shared (e.g. ZipCar) Other _____

20. Home ZIP Code _____

Outside USA

COMMENTS

Thank you for your responses! You can complete this survey by:

- Returning it to the surveyor on the bus;
- Using the QR Code on the front of this questionnaire (Use the Run ID on the front);
- Visiting www.sfmta.com/munisurvey (Use the Run ID on the front); OR
- Mailing it to SFMTA Survey, c/o CoreY, Canapary & Galanis, 447 Sutter Street, Penthouse North, San Francisco, CA 94108.

Muni Customer Survey 2013



Municipal Transportation Agency

Muni would like your input. Please take a few moments to complete this survey. Thank you!

ABOUT THIS TRIP ON MUNI

Please provide as much information as possible. It will be used to improve access to Muni.

1. Starting Point. Where did you BEGIN this trip? (such as home or work – before arriving at stop/station)

a. Address or Nearest Intersection _____

b. City: San Francisco Other (specify) _____

c. Place Name or Landmark _____ (e.g. "AT&T Park," "Cliff House," "home," or "school")

2. Destination. Where will you END this trip? (final destination – such as home or work)

a. Address or Nearest Intersection _____

b. City: San Francisco Other (specify) _____

c. Place Name or Landmark _____ (e.g. "AT&T Park," "Cliff House," "home," or "school")



www.sfmta.com/munisurvey

Run ID: _____

3. Getting to/from Muni.

- 3a. How did you get to **this** Muni vehicle?
- Walked all the way
 - Biked
 - BART
 - Caltrain
 - Transferred from another Muni route
 - Drove alone and parked
 - Carpooled (including dropped off)
 - Other (specify) _____

- 3b. How will you get to your final destination after you exit this vehicle?
- Walk all the way
 - Bike
 - BART
 - Caltrain
 - Transfer to another Muni route
 - Drive alone and park
 - Carpool (including being picked up)
 - Other (specify) _____

4. Transfers.

4a. Did you transfer from a different Muni route to this one?

- No
- Yes → Route transferred from _____

4b. Will you transfer to another Muni route after getting off?

- No
- Yes → Route will transfer to _____

5. Payment. How did you pay your fare?

- By Clipper®**
 - Cash value on Clipper®
 - Monthly Pass on Clipper®
 - Other Clipper® _____
- By cash or paper**
 - Cash
 - Paper transfer
 - Single fare or round-trip ticket
 - Passport or CityPASS
 - Other cash or paper _____

6. Fare Category. What type of fare did you pay for this trip?

- Adult
- Youth
- Senior
- Disabled/Medicare Card Holder (RTC)
- Other _____

7. Trip Purpose. What is the primary purpose of your trip?

- Commute to/from work
- Work-related event
- School
- Medical/Dental
- Shopping
- Social/recreation/entertainment
- Personal errands
- Escorting others (children, elderly)
- Other _____

YOUR OPINION OF MUNI

8. Please rate the following features of Muni services on a 5-point scale. (5=Excellent is the highest rating; 1=Poor is the lowest rating.)

	← Excellent	←	→	← Poor
a. Frequency of service	5	4	3	2 1
b. On-time performance	5	4	3	2 1
c. Total trip time	5	4	3	2 1
d. Overall Experience	5	4	3	2 1

ABOUT YOU

9. How long have you been using Muni?

- 5 or more years
- Less than 1 year
- 1 to 4 years
- Visitor – first time user

10. How often do you typically ride Muni?

- 5+ days/week
- 1-3 times/month
- 3-4 days/week
- Less than once a month
- 1-2 days/week

11. Gender

- Male
- Female
- Other _____

12. Race/Ethnicity (Check all that apply)

- African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Pacific Islander
- Hispanic/Latino
- Other _____
- White

13. Age

- Under 12
- 35 - 44
- 12 - 17
- 45 - 54
- 18 - 24
- 55 - 64
- 25 - 34
- 65 and older

14. Annual Household Income

- Under \$15,000
- \$50,000 - \$99,999
- \$15,000 - \$24,999
- \$100,000 - \$149,999
- \$25,000 - \$34,999
- \$150,000 - \$199,999
- \$35,000 - \$49,999
- \$200,000 and above

15. How many people are in your household?

- 1
- 2
- 3
- 4
- 5
- 6+

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM FOR THE TRANSIT EFFECTIVENESS PROJECT

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

MITIGATION MEASURES AGREED TO BY SFMTA

Cultural and Paleontological Resources

Mitigation Measure M-CP-2a: Accidental Discovery of Archeological Resources

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in CEQA Guidelines Section 15064.5(a)(c). The project sponsor shall distribute the Planning Department archaeological and paleontological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); and to any utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken, each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel, including machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

SFMTA and project contractors

Prior to soils disturbance activities

SFMTA to distribute Planning Department "ALERT" sheet and provide signed affidavit from project contractor, subcontractor(s) and utilities firm(s) stating that all field personnel have received copies of the "ALERT" sheet.

ERO to receive signed affidavit.

Prior to any soil disturbing activities.

Following distribution of "ALERT" sheet but prior to any soils disturbing activities.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Should any indication of an archaeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.</p>	<p>SFMTA and project contractor's Head Foreman</p>	<p>During soils disturbance activities</p>	<p>SFMTA and project contractor's Head Foreman to inform ERO and suspend soils disturbing activities.</p>	<p>ERO to determine if additional measures are necessary</p>	<p>During soils disturbance activities</p>
<p>If the ERO determines that an archaeological resource may be present within the project site, the project sponsor shall retain the services of an archaeological consultant from the pool of qualified archaeological consultants maintained by the Planning Department archaeologist. The archaeological consultant shall advise the ERO as to whether the discovery is an archaeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archaeological resource is present, the archaeological consultant shall identify and evaluate the archaeological resource. The archaeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.</p>	<p>SFMTA and project archaeological consultant</p>	<p>When determined necessary by the ERO</p>	<p>If required, SFMTA to retain an archaeological consultant from the pool of qualified archaeological consultants.</p> <p>Project archaeological consultant to advise ERO regarding the status of the archeological resource.</p>	<p>ERO to determine if additional measures are necessary to implement</p>	
<p>Measures might include: preservation in situ of the archaeological resource, an archaeological monitoring program, or an archaeological testing program. If an archaeological monitoring program or archaeological testing program is required, it shall be consistent with the Environmental Planning division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archaeological resource is at risk from vandalism, looting, or other damaging actions.</p>				<p>ERO to determine whether the need for an archaeological monitoring program, an archaeological testing program, or site security program is needed.</p>	

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

The project archaeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describing the archaeological and historical research methods employed in the archaeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound copy, one unbound copy, and one unlocked searchable Portable Document Format (PDF) copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the NRHP/CRHR. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

SFMTA and project archaeological consultant

When determined necessary by the ERO

SFMTA and project archaeological consultant to prepare draft and final FARR

ERO to review and approve final FARR

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-CP-2b: Archaeological Monitoring Based on the reasonable potential that archaeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. Once engineering design details for the identified projects (OWE.1, OWE.1 Variant, SCI.2, TTRP.9 and TTRP.22_2) and other projects in archaeologically sensitive areas, as identified by the Environmental Review Officer, are known, the project sponsor shall consult with the Planning Department archeologist regarding the specific aspects of these proposals that would require monitoring. If required by the Planning Department archeologist, the project sponsor shall retain the services of an archaeological consultant from the pool of qualified archaeological consultants maintained by the Planning Department archeologist. The archaeological consultant shall undertake an archaeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the Environmental Review Officer (ERO) for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archaeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of <i>construction</i> can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archaeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p>	<p>SFMTA and Planning Department</p>	<p>Prior to soils disturbance</p>	<p>SFMTA to consult with Planning Department archeologist. If required, SFMTA to choose archaeological consultant from the pool of qualified archaeological consultants</p>	<p>Project archeological consultant, Planning Department</p>	<p>Consultation with Planning Department Archeologist to occur once engineering design details for the identified projects are known; timeline for subsequent actions determined following meeting.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Archaeological monitoring program (AMP). The archaeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> The archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO, in consultation with the project archaeologist, shall determine what project activities shall be archaeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archaeological monitoring because of the potential risk these activities pose to archaeological resources and to their depositional context. The archaeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource. The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits. The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis. 	<p>SFMTA and project archaeological consultant, in consultation with ERO</p> <p>Archaeological monitor and SFMTA's construction contractors</p>	<p>if archaeological monitoring is implemented, prior to any soils-disturbing activities, and during soils disturbing construction at any location.</p> <p>If monitoring is implemented, as construction contractors are retained, prior to any soils-disturbing activities</p> <p>If monitoring is implemented, schedules for monitoring to be established in the AMP, in consultation with ERO</p>	<p>Project archaeological consultant to prepare Archaeological Monitoring Program (AMP) in consultation with the ERO</p> <p>Archaeological consultant to advise all construction contractors</p> <p>Archaeological monitor shall temporarily redirect construction activities as necessary and consult with ERO</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p> <p>Archaeological monitor to observe construction according to the schedules established in the AMP for each site.</p>	<p>Considered complete on finding by ERO that AMP is implemented.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

- If an intact archaeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/ pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving activity may affect an archaeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, present the findings of this assessment to the ERO.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Consultation with Descendant Communities:</i> On discovery of an archaeological site¹ associated with descendant Native Americans or the Overseas Chinese, an appropriate representative² of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archaeological field investigations of the site and to consult with ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group. If the ERO, in consultation with the archaeological consultant, determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor, either:</p>	<p>Archaeological monitor and SFMTA and construction contractors</p>	<p>For the duration of soil-disturbing activities, the representative of the descendant group shall be given the opportunity to monitor archaeological field investigations on the site and consult with the ERO regarding appropriate archaeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archaeological site.</p>	<p>SFMTA shall contact ERO and descendant group representative upon discovery of an archaeological site.</p>	<p>Project archaeological consultant shall prepare a FARR in consultation with the ERO.</p> <p>A copy of the FARR shall be provided to the representative of the descendant group</p>	<p>Considered complete on notification of the appropriate descendant group, provision of an opportunity to monitor construction site work, and completion and approval of the FARR by ERO, if necessary.</p>
<p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or</p> <p>B) An archaeological data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>					

¹ The term "archaeological site" is intended here to minimally include any archaeological deposit, feature, burial, or evidence of burial.

² An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission, and in the case of the Overseas Chinese, the Chinese Historical Society of America.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an archaeological data recovery plan (ADRP). The project archaeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archaeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archaeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archaeological resources if nondestructive methods are practical. The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> ▪ <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. ▪ <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. ▪ <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. 	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>Considered complete once verification of curation occurs.</p>	<p>Consultant to prepare Archaeological Data Recovery Program in consultation with ERO.</p>	<p>Final ADRP to be submitted to ERO</p>	<p>Considered complete on finding by ERO that ADRP is implemented.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

- *Interpretive Program.* Consideration of an on-site/off-site public interpretive program during the course of the archaeological data recovery program.
- *Security Measures.* Recommended security measures to protect the archaeological resource from vandalism, looting, and non-intentionally damaging activities.
- *Final Report.* Description of proposed report format and distribution of results.
- *Curation.* Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Human Remains, Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and federal Laws, including immediate notification of the Coroner of the City and County of San Francisco and, in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archaeological consultant, project sponsor, and MLD shall make all reasonable efforts to develop an agreement for the treatment of, with appropriate dignity, human remains and associated or unassociated funerary objects (<i>CEQA Guidelines</i> Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, curation, possession, and final disposition of the human remains and associated or unassociated funerary objects.</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>Ongoing throughout soils-disturbing activities</p>	<p>If applicable, upon discovery of human remains and/or associated or unassociated funerary objects, the consultant shall notify the Coroner of the City and County of San Francisco, and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission who shall appoint a Most Likely Descendant (MLD) who, along with the archaeological consultant and the SFMTA, shall make reasonable efforts to develop an agreement for the treatment of human remains and/or associated or unassociated funerary objects</p>	<p>Project archaeological consultant and/or archaeological monitor</p>	<p>Considered complete on notification of the San Francisco County Coroner and NAHC, if necessary.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p><i>Final Archaeological Resources Report.</i> The archaeological consultant shall submit a Draft Final Archaeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archaeological resource and describes the archaeological and historical research methods employed in the archaeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archaeological resource shall be provided in a separate removable insert within the draft final report.</p> <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound, and one unlocked searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the NRHP/CRHR. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p>	<p>SFMTA and project archaeological consultant, in consultation with ERO</p>	<p>If applicable, upon completion of cataloguing and analysis of recovered data and findings</p> <p>If applicable, upon approval of Final Archaeological Resources Report by ERO</p>	<p>If applicable, the consultant to prepare draft and final Archeological Resources Report</p>	<p>If applicable, the ERO to review and approve the Final Archeological Resources Report</p> <p>If applicable, the consultant to transmit final, approved documentation to NWIC and San Francisco Planning Department</p> <p>If applicable, consultant shall prepare all plans and recommendations for interpretation by the consultant shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO.</p>	<p>Considered complete on approval of final FARR.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-CP-3: Paleontological Resources Accidental Discovery</p> <p>In order to avoid any potential adverse effect in the event of accidental discovery of a paleontological resource during construction of the project, the project sponsor shall be responsible for ensuring that all project contractors and subcontractors involved in soil-disturbing activities associated with the project comply with the following procedures in the event of discovery of a paleontological resource. Paleontological remains, or resource, can take the form of whole or portions of marine shell, bones, tusk, horn and teeth from fish, reptiles, mammals, and lower order animals. In the case of Megafauna, the remains, although partial, may be large in scale. Also paleontological resources include petrified wood and rock impressions of plant or animal parts.</p> <p>Should any indication of a paleontological resource be encountered during any soil-disturbing activity of the project, the project foreman and/or project sponsor shall immediately notify the City Planning Department's Environmental Review Officer (ERO) and one of its designated paleontologists (currently, Dr. Jean De Mouthe/Dr. Peter Roopnarine in the Geology Department of the California Academy of Sciences) and immediately suspend any soil-disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures are needed.</p>	<p>SFMTA and project contractor's Head Foreman</p>	<p>During construction</p>	<p>Project contractor/SFMTA to notify the ERO and one of its designated paleontologists and suspend soils-disturbing activities.</p>	<p>SFMTA and ERO</p>	<p>During construction upon indication that a paleontological resource has been encountered</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>If the ERO determines that a potentially-significant paleontological resource may be present within the project site, the project sponsor shall retain the services of a qualified paleontological consultant with expertise in California paleontology to design and implement a Paleontological Resources Mitigation Plan (PRMMP). The PRMMP shall include a description of discovery procedures; sampling and data recovery procedures; procedures for the preparation, identification, analysis, and curation of fossil specimens and data recovered; and procedures for the preparation and distribution of a final paleontological discovery report (PDR) documenting the paleontological find.</p> <p>The PRMMP shall be consistent with the Society for Vertebrate Paleontology Standard Guidelines for the mitigation of construction-related adverse impacts to paleontological resources and the requirements of the designated repository for any fossils collected. In the event of a verified paleontological discovery, the remaining construction and soil-disturbing activities within those geological units specified as paleontologically sensitive in the PRMMP shall be monitored by the project paleontological consultant.</p> <p>The consultant's work shall be conducted in accordance with this mitigation measure and at the direction of the City's ERO. Plans and reports prepared by the consultant shall be submitted for review and approval by the ERO.</p>	<p>SFMTA and project paleontological consultant in consultation with the ERO.</p>	<p>The project paleontological consultant to consult with the ERO as indicated; completed when ERO accepts final report</p>	<p>SFMTA to retain appropriately qualified consultant to prepare PRMMP, carry out monitoring, and reporting</p>	<p>ERO to approve final PRMMP</p> <p>Project paleontological consultant shall provide brief monthly reports to ERO during monitoring or as identified in the PRMMP, and notify the ERO immediately if work should stop for data recovery during monitoring.</p> <p>The ERO to review and approve the final documentation as established in the PRMMP</p>	<p>Considered complete on approval of final PRMMP.</p> <p>Considered complete on approval of final documentation by ERO.</p>

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
Hazards and Hazardous Materials					
<p>Mitigation Measure M-HZ-1: Hazardous Materials Soil Testing</p> <p>In order to protect both construction workers and the public from exposure to hazardous materials in soils encountered during construction of the proposed project, the project sponsor agrees to adhere to the following requirements.</p>	SFMTA	Soil and groundwater test results containing any hazardous materials shall be submitted to the Department of Public Health (DPH) within 21 days of the completion of testing.	SFMTA project construction contractor shall be responsible for the implementation of Steps 1 – 3.	Department of Public Health	Considered complete on review and approval by DPH of the soil and groundwater testing results, along with maps showing the location of the excavated soil and/or groundwater containing the hazardous materials.
<p>1) Any soil excavated and then, encapsulated under concrete and/or asphalt covering within the same area as its excavation shall not require testing for the presence of hazardous materials in levels exceeding those acceptable to government agencies unless the TEP project or construction manager determines any extenuating circumstances exist, such as odors, unusual color or presence of foreign material. The reuse, remediation, or disposal of any soil tested and found to contain hazardous materials under these circumstances shall be in compliance with the requirements of the San Francisco Department of Public Health (DPH) and other agencies. The project sponsor shall be responsible for reporting the test results of any soil with hazardous material content to DPH within 21 days of the completion of testing, accompanied with a map showing the excavation location.</p>					
<p>2) Any excavated soil not reused and encapsulated under concrete and/or asphalt covering within the same area as its excavation, shall be tested for the presence of hazardous materials in levels exceeding those acceptable to government agencies, before it is moved from the area of excavation. The transportation and disposal of the soil shall be in</p>					

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
-----------------------------	-----------------------------------	---------------------	-------------------	-------------------------------------	---------------------

compliance with DPH, state, and federal requirements. The project sponsor shall be responsible for reporting the test results of any soil with hazardous material content to DPH within 21 days of the completion of testing, accompanied with a map showing the excavation location.

3) If the proposed excavation activities encounter groundwater, the groundwater shall be tested for hazardous materials. Copies of the test results shall be submitted to DPH within 21 days of the completion of testing. Any dewatering shall adhere to DPH, SFPUC, and state requirements.

In the event that a subsequent ordinance or regulations are adopted by DPH governing the handling and testing of hazardous materials encountered during construction within the public right-of-way, DPH shall be given the option to require the project sponsor to adhere to the implementation of the new ordinance or regulations in lieu of the above requirements if they provide similar safety protection for both construction workers and the public.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
MITIGATION MEASURES IN DEIR					
<i>Transportation and Circulation</i>					
<p>Mitigation Measure M-TR-8: Optimization of Intersection Operations</p> <p>The final design of program-level TTRPs that include TPS Toolkit elements from the Lane Modifications and Pedestrian Improvements categories shall integrate design elements from the following intersection geometries and traffic control measures to the greatest extent feasible without compromising the purpose of the project. Potential intersection geometry optimization measures include left or right turn pockets, turn prohibitions, restriping to add additional mixed-flow capacity, lane widening to provide for transit-only or mixed-flow lanes, and parking prohibitions. Potential traffic control measures include signalization, exclusive signal phases, and changes to the signal cycle. The final design shall ensure that transit, pedestrian, and bicycle travel are accommodated, is within the confines of feasible traffic engineering solutions, and does not conflict with overall City policies related to transportation.</p>	SFMTA	During development of detailed designs for the program-level TTRP proposals.	Optimize intersection geometries and traffic control measures	SFMTA, Planning Department	Prior to completion of detailed designs for the program-level TTRP proposals.
<p>Mitigation Measure M-TR-10: Provision of Replacement Commercial Loading Spaces</p> <p>Where feasible, the SFMTA shall install new commercial loading spaces of similar length on the same block and side of the street, or within 250 feet on adjacent side streets, of where commercial loading spaces would be permanently removed, in order to provide equally convenient loading space(s). These loading spaces shall only be replaced on streets with commercial uses.</p>	SFMTA	During development of detailed designs for the program-level TTRP proposals.	Where feasible, install new commercial loading spaces.	SFMTA with review by Planning Department,	Prior to or concurrent with the removal of on-street commercial loading spaces.

ADMINISTRATIVE DRAFT 2 – SUBJECT TO CHANGE

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-TR-26: Intersection Restriping at 16th/Bryant streets</p> <p>The SFMTA shall reconfigure the proposed changes at the intersection of 16th/Bryant streets converting the westbound approach of 16th Street at Bryant Street from what is proposed to be a shared through-right turn lane to a through lane and a dedicated right-turn pocket adjacent to the through lane, and reconfigure the eastbound approach from what is proposed to be a separate through lane and a dedicated right-turn pocket adjacent to the through lane to a shared through/right lane</p>	SFMTA	During project implementation	Reconfigure westbound and eastbound approaches of 16th Street at Bryant Street	Planning Department, SFMTA	Prior to completion of detailed design for project-level improvements at 16th/Bryant streets.
<p>Mitigation Measure M-TR-48: Enforcement of Parking Violations</p> <p>On streets where implementation of project-level TTRPs would result in a net reduction of on-street commercial loading spaces, the SFMTA shall enforce parking regulations in transit-only lanes through the use of video cameras on transit vehicles and/ or other parking enforcement activities.</p>	SFMTA	Ongoing after implementation of TTRP improvements.	Enforce parking regulations and/or install video cameras on transit vehicles.	SFMTA	Ongoing
<p>Mitigation Measure M-C-TR-1: SFMTA Monitoring of Muni Service</p> <p>The SFMTA, shall, to the extent feasible and consistent with annual budget appropriations, continue to monitor Muni service citywide, reporting as required on service goals, including the capacity utilization standard, and where needed, and as approved by decision makers and under budgetary appropriations, strive to improve upon Muni operations, including peak hour transit capacity on screenlines and corridors.</p>	SFMTA	Ongoing, after implementation of TEP improvements.	SFMTA to monitor transit service goals and proposed improvements to Muni operations.	SFMTA	Ongoing.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

Adopted Mitigation Measures	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Mitigation Measure M-C-TR-49: Explore the Implementation of Parking Management Strategies. SFMTA shall explore whether implementation of parking management strategies would be appropriate and effective in this and other parts of the City to more efficiently manage the supply of on-street parking over time.</p>	SFMTA	Ongoing during implementation of TEP.	Identify and explore new parking management strategies, particularly along the TTRP corridors	SFMTA report to SF Planning	Ongoing during project implementation.

EXHIBIT 2: MITIGATION MONITORING AND REPORTING PROGRAM (continued)

MONITORING AND REPORTING PROGRAM

IMPROVEMENT MEASURES FOR THE TRANSIT EFFECTIVENESS PROJECT

Improvement Measure I-TR-1: Construction Measures

During the construction of all TEP projects, the SFMTA shall require the following:

- 1) Construction contractors shall be prohibited from scheduling any truck trips, such as concrete mixers, heavy construction equipment and materials delivery, etc., to the construction sites during the a.m. (7 to 9 a.m.) and p.m. (4 to 6 p.m.) peak commute periods.
- 2) All construction activities shall adhere to the provisions in the City of San Francisco's Regulations for Working in San Francisco Streets (Blue Book), including those addressing sidewalk and lane closures. To minimize construction impacts on nearby businesses and residents, the SFMTA shall alert motorists, bicyclists, and nearby property owners of upcoming construction through its existing website and other available means, such as distribution of flyers, emails, and portable message or informational signs. Information provided shall include contact name(s) for the SFMTA project manager, public information officer, and/or the SFMTA General Enforcement Division contact number (311).
- 3) Construction contractors shall encourage construction workers to use carpooling and transit to the construction site in order to minimize parking demand.

SFMTA and project contractor(s)	Throughout the construction duration for any TEP component requiring construction.	SFMTA and project contractor(s) to coordinate construction related activities with DPW, the Fire Department, the Planning Department, and any other City agencies.	SFMTA	Considered complete after completion of construction activities.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 15-081

WHEREAS, The San Francisco Municipal Transportation Agency has proposed the installation of various traffic and parking modifications along the 6 Haight-Parnassus/7 Haight-Noriega Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals as follows:

- A. RESCIND – TOW AWAY NO STOPPING ANYTIME - Haight Street, south side, from 126 feet east of Stanyan Street to 144 feet easterly (midblock 7-foot bus bulb replaces farside 100 foot bus zone).
- B. ESTABLISH – TOW AWAY NO STOPPING ANYTIME - Haight Street, south side, from Stanyan Street to 144 feet easterly (7-foot bus bulb replaces farside 100 foot bus zone).
- C. ESTABLISH – TOW AWAY NO STOPPING ANYTIME - Scott Street, east side, from Haight Street to 20 feet northerly (6-foot curb bulb replaces one parking space).
- D. ESTABLISH – TOW AWAY NO STOPPING ANYTIME - Laguna Street, west side, from Haight Street to 20 feet southerly (6-foot curb bulb replaces one parking space).
- E. ESTABLISH – TOW AWAY NO STOPPING ANYTIME - Haight Street, south side, from 178 feet east of Ashbury Street to 54 feet easterly (7-foot midblock curb bulb replaces metered motorcycle parking spaces #1425, #1423, and #1421 and yellow metered parking spaces #1419 and #1417)
- F. ESTABLISH – MOTORCYCLE METERED PARKING - Haight Street, south side, from 158 feet east of Ashbury Street to 20 feet easterly (4 motorcycle spaces replace meter #1427)
- G. ESTABLISH - YELLOW METERED LOADING ZONE (7AM to 1PM, MON-FRI) - Haight Street, south side, from 232 feet east of Ashbury Street to 40 feet east of Masonic Avenue (at meters #1415, and #1413)
- H. ESTABLISH – NO LEFT TURN EXCEPT MUNI - Haight Street, eastbound, at Laguna Street.

WHEREAS, This project was analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission by Motion No. 19105 on March 27, 2014; and,

WHEREAS, Approval for the installation of various parking and traffic modifications along 6 Haight-Parnassus/7-Haight-Noriega Muni transit corridor included in the Service-Related Capital Improvements of the Muni Forward program, which was previously referred to as the Transit Effectiveness Project (TEP), relies on said FEIR, and findings and information pertaining to the FEIR is set forth in a SFMTA Resolution No. 14-041, which is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; and,

WHEREAS, As part of the Resolution No. 14-041, the SFMTA Board of Directors adopted findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings) and a Mitigation Monitoring and Reporting Program (MMRP), which Resolution, CEQA Findings, and MMRP are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference as though fully set forth; and,

WHEREAS, The SFMTA Board has reviewed the FEIR and hereby finds that since certification of the FEIR, no changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts identified and analyzed in the FEIR, and that no new information has emerged that would materially change the analyses or conclusions set forth in the FEIR. The actions approved herein would not necessitate implementation or additional or considerably different mitigation measures than those identified in the FEIR; and,

WHEREAS, The SFMTA Board previously approved the installation of new traffic signals and various parking and traffic modifications along the 6 Haight-Parnassus/7 Haight-Noriega Muni transit corridor on November 18, 2014 as part of Resolution No. 14-166; and

WHEREAS, The public has been notified about the proposed parking and traffic modifications and has been given the opportunity to comment on these modifications through the public hearing process; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves the installation of various traffic and parking modifications set forth in items A through H above along the 6 Haight-Parnassus/7 Haight-Noriega Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 2, 2015.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 16-013

WHEREAS, The San Francisco Municipal Transportation Agency has proposed parking and traffic modifications along the 22 Fillmore Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals and support the SFMTA's Vision Zero program:

- A. ESTABLISH – BUS ONLY LANE - 16th Street, westbound, from Third Street to Church Street; 16th Street, eastbound, from Bryant Street to Potrero Avenue; 16th Street, eastbound, from Vermont Street to Third Street.
- B. ESTABLISH – BUS ZONE AND SIDEWALK WIDENING - 16th Street, north side, from Church Street to 78 feet easterly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Dolores Street to 71 feet westerly (6-foot wide bus bulb– bus stop relocated to farside); 16th Street, south side, from Dolores Street to 83 feet easterly (6-foot wide bus bulb– bus stop relocated to farside); 16th Street, north side, from Valencia Street to 118 feet westerly (6-foot wide bus bulb– bus stop relocated to farside, relocates a blue zone, removes four metered parking spaces and one yellow parking zone); 16th Street, south side, from Valencia Street to 118 feet easterly (6-foot wide bus bulb– bus stop relocated to farside, removes 3 metered parking spaces and one yellow parking zone); 16th Street, north side, from Mission Street to 126 feet easterly (6-foot wide bus bulb replaces bus zone); 16th Street, south side, from Mission Street to 116 feet westerly (6-foot wide bus bulb replaces bus zone); 16th Street, south side, from Shotwell Street to 146 feet easterly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Folsom Street to 118 feet westerly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Potrero Avenue to 115 feet westerly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Rhode Island Street to 95 feet westerly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Wisconsin Street to 118 feet westerly (6-foot wide bus bulb replaces bus zone); 16th Street, north side, from Missouri Street to 118 feet westerly (6-foot wide bus bulb replaces bus zone).
- C. ESTABLISH – TOW-AWAY NO STOPPING ANYTIME AND BOARDING ISLAND - Folsom Street, east side, from 16th Street to 115 feet northerly; Folsom Street, west side, from 16th Street to 115 feet southerly (shortens existing yellow zone by 20 feet); 16th Street, north side, from Bryant Street to 200 feet easterly; 16th Street, south side, from Potrero Avenue to 100 feet westerly; Street, south side, from Rhode Island Street to 198 feet westerly; 16th Street, south side, from Wisconsin Street to 200 feet westerly; 16th Street, south side, from Missouri Street to 200 feet westerly.
- D. ESTABLISH – NO PARKING ANYTIME AND SIDEWALK WIDENING - Dolores Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, south side, from Dolores Street to 18 feet westerly (6-foot wide pedestrian bulb); Dolores Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb, removes 18 feet of passenger loading zone); 16th Street, north side, from Guerrero Street to 18 feet westerly (6-foot wide pedestrian bulb); Guerrero Street, west side, from

16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from Guerrero Street to 18 feet easterly (6-foot wide pedestrian bulb); Guerrero Street, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb, relocates 18 feet of a commercial loading zone northerly); 16th Street, south side, from Guerrero Street to 18 feet easterly (6-foot wide pedestrian bulb); Guerrero Street, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); 16th Street, south side, from Guerrero Street to 15 feet westerly (4-foot wide pedestrian bulb); Guerrero Street, west side, from 16th Street to 15 feet southerly (4-foot wide pedestrian bulb); 16th Street, north side, from Mission Street to 18 feet westerly (6-foot wide pedestrian bulb); 16th Street, north side, from Capp Street to 63 feet westerly (6-foot wide pedestrian bulb, removes 1 metered parking space); Capp Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from Capp Street to 18 feet easterly (6-foot wide pedestrian bulb, relocates a yellow metered parking space); Capp Street, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb, relocates existing blue zone northerly); 16th Street, south side, from Capp Street to 54 feet easterly (6-foot wide pedestrian bulb, removes 1 metered parking space); Capp Street, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb, removes 1 metered parking space); 16th Street, south side, from Capp Street to 20 feet westerly (6-foot wide pedestrian bulb); Capp Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb, relocates existing blue zone southerly); 16th Street, north side, from Folsom Street to 23 feet easterly (6-foot wide pedestrian bulb); 16th Street, south side, from Folsom Street to 18 feet easterly (6-foot wide pedestrian bulb); Folsom Street, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); 16th Street, south side, from Folsom Street to 21 feet westerly (6-foot wide pedestrian bulb); 16th Street, north side, from Harrison Street to 42 feet easterly (6-foot wide pedestrian bulb and bike corral); 16th Street, north side, from Harrison Street to 18 feet easterly (6-foot wide pedestrian bulb); Treat Avenue, east side, from 16th Street to 145 feet northerly (8-foot to 45-foot plaza bulb, turning Treat Avenue into a T Intersection, intersecting with Harrison Street); 16th Street, south side, from Treat Avenue to 18 feet westerly (6-foot wide pedestrian bulb); Treat Avenue, west side, from 16th Street to 114 feet southerly (16-foot to 45-foot plaza bulb, relocates a green zone, turning Treat Avenue into a T-Intersection, intersecting with Harrison Street); 16th Street, north side, from San Bruno Avenue to 18 feet westerly (6-foot wide pedestrian bulb); San Bruno Avenue, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from San Bruno Avenue to 18 feet easterly (6-foot wide pedestrian bulb); San Bruno Avenue, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, south side, from San Bruno Avenue to 18 feet easterly (6-foot wide pedestrian bulb); San Bruno Avenue, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); 16th Street, south side, from San Bruno to 18 feet westerly (6-foot wide pedestrian bulb, shortens green zone by 8 feet); San Bruno Avenue, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb, relocates blue zone and extends existing green zone 12 feet northerly); 16th Street, north side, from Kansas Street to 18 feet westerly (6-foot wide pedestrian bulb); Kansas Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from Kansas Street to 18 feet easterly (6-foot wide pedestrian bulb); Kansas Street, east side, from 16th Street to 18 feet northerly (6-

foot wide pedestrian bulb); Kansas Street, east side, from 16th Street to 23 feet southerly (6-foot wide pedestrian bulb); Kansas Street, west side, from 16th Street to 23 feet southerly (6-foot wide pedestrian bulb); Rhode Island Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from Rhode Island Street to 18 feet easterly (6-foot wide pedestrian bulb); Rhode Island Street, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); Rhode Island Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb, shortens yellow zone by 18 feet); De Haro Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from De Haro Street to 18 feet easterly (6-foot wide pedestrian bulb); De Haro Street, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, south side, from De Haro Street to 18 feet easterly (6-foot wide pedestrian bulb); De Haro Street, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); 16th Street, south side, from De Haro Street to 18 feet westerly (6-foot wide pedestrian bulb); De Haro Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); Wisconsin Street, west side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); 16th Street, north side, from Wisconsin Street to 18 feet easterly (6-foot wide pedestrian bulb); Wisconsin Street, east side, from 16th Street to 18 feet northerly (6-foot wide pedestrian bulb); Wisconsin Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); Connecticut Street, east side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb); 16th Street, south side, from Connecticut Street to 18 feet westerly (6-foot wide pedestrian bulb); Connecticut Street, west side, from 16th Street to 18 feet southerly (6-foot wide pedestrian bulb).

- E. ESTABLISH - TOW-AWAY NO STOPPING ANYTIME - 16th Street, south side, from Valencia Street to 20 feet westerly (daylighting); Harrison Street, east side, from 16th Street to 15 feet southerly (daylighting); 16th Street, south side, from 180 feet to 300 feet east of Bryant Street (lateral bus lane transition); 16th Street, north side, from Potrero Avenue to 100 feet easterly (right turn pocket); 16th Street, south side, from Potrero Avenue to 100 feet westerly (right turn pocket); 16th Street, south side, from 100 feet to 278 feet west of Potrero Avenue (boarding island taper and lateral travel lane transition); 16th Street, north side, from Vermont Street to 20 feet westerly (daylighting); 16th Street, south side, from Vermont Street to 20 feet westerly (daylighting); 16th Street, south side, from Kansas Street to 20 feet westerly (daylighting); Rhode Island Street, east side, from 16th Street to 20 feet southerly (daylighting); 16th Street, south side, from Wisconsin Street to 20 feet easterly (daylighting); Wisconsin Street, east side, from 16th Street to 20 feet southerly (daylighting); 16th Street, south side, from Mississippi Street to 150 feet westerly (left turn pocket).
- F. ESTABLISH – RAISED CROSSWALK - Julian Avenue, north crosswalk, at 16th Street; Hoff Avenue, south crosswalk, at 16th Street.
- G. RESCIND – BUS ZONE - 16th Street, south side, from Dolores Street to 70 feet westerly; 16th Street, north side, from Guerrero Street to 72 feet easterly; 16th Street, south side, from Guerrero Street to 65 feet westerly; 16th Street, north side, from Valencia Street to 100 feet easterly; 16th Street, south side, from Valencia Street to 80 feet westerly; Folsom Street, east side, from 16th Street to 75 feet northerly; Folsom Street, west side, from 16th Street to 80 feet southerly; 16th Street, north side, from Harrison Street to 75 feet easterly; 16th Street, south side, from Treat Avenue to 75 feet

westerly; 16th Street, north side, from 80 feet to 200 feet east of Bryant Street; 16th Street, south side, from Potrero Avenue to 150 feet westerly; 16th Street, south side, from San Bruno Avenue to 80 feet easterly; 16th Street, north side, from Vermont Street to 80 feet westerly; 16th Street, south side, from Kansas Street to 75 feet westerly; 16th Street, south side, from Rhode Island Street to 80 feet easterly; 16th Street, south side, from Wisconsin Street to 80 feet easterly; 16th Street, south side, from Missouri Street to 85 feet easterly.

- H. RESCIND – BUS POLE STOP - 16th Street, north side, from Dolores Street to 70 feet easterly.
- I. ESTABLISH – BLUE ZONE - 16th Street, north side, from Caledonia Street to 22 feet westerly; Capp Street, east side, from 18 feet to 38 feet north of 16th Street; Capp Street, west side, from 18 feet to 38 feet south of 16th Street; Valencia Street, west side, from 21 feet to 43 feet south of 15th Street (replaces one general Meter #404); South Van Ness Avenue, west side, from 16th Street 20 feet southerly; South Van Ness Avenue, east side, from 16th Street 20 feet northerly; Potrero Avenue, west side, from 10 feet to 30 feet south of 15th Street (replaces one general Meter #202); San Bruno Avenue, east side, from 18 feet to 38 feet north of 16th Street.
- J. ESTABLISH – 6-WHEEL COMMERCIAL LOADING ZONE, 9 AM TO 6 PM, MONDAY THROUGH SATURDAY - 16th Street, south side, from 6 feet to 30 feet east of Rondel Place (removes 1 general parking Meter #3035); 16th Street, south side, from 30 feet to 52 feet east of Rondel Place (removes 1 general parking Meter #3033-G).
- K. ESTABLISH – 30-MINUTE COMMERCIAL LOADING ZONE, 8 AM TO 6 PM, MONDAY THROUGH FRIDAY - Guerrero Street, east side, from 18 feet to 63 feet north of 16th Street; 16th Street, south side, from 18 feet to 38 feet east of Folsom Street (shifts existing loading zone 20 feet westerly); Folsom Street, west side, from 115 feet to 160 feet south of 16th Street (shortens existing loading zone by 20 feet); Harrison Street, east side, from 15 feet to 35 feet south of 16th Street.
- L. ESTABLISH – 30-MINUTE COMMERCIAL LOADING ZONE, 9 AM TO 6 PM, MONDAY THROUGH SATURDAY - 16th Street, north side, from 118 feet to 138 feet west of Valencia Street (shortens existing yellow metered parking space by 6 feet); 16th Street, north side, from 18 feet to 48 feet east of Capp Street (extends and shifts existing zone easterly, relocates green metered parking space 18 feet easterly).
- M. ESTABLISH – GREEN PARKING METER - 16th Street, north side, from 48 feet to 70 feet east of Capp Street (removes 1 metered parking space).
- N. ESTABLISH – GREEN ZONE - Treat Avenue, west side, from 114 feet to 154 feet south of 16th Street; San Bruno Avenue, west side, from 18 feet to 30 feet south of 16th Street.
- O. ESTABLISH – RIGHT TURN LANE - Harrison Street, west side, from 16th Street to 100 feet northerly; Harrison Street, west side, from 17th Street to 115 feet northerly.
- P. ESTABLISH – NO TURN ON RED - Valencia Street, southbound, at 16th Street.
- Q. ESTABLISH – NO TURN ON RED EXCEPT BICYCLES - 16th Street, eastbound, at Valencia Street.
- R. ESTABLISH – LEFT LANE MUST TURN LEFT - Harrison Street, northbound, at 16th Street; Harrison Street, southbound, at 16th Street.
- S. ESTABLISH – NO LEFT TURN - 16th Street, westbound and eastbound, at Guerrero Street, 16th Street, westbound and eastbound, at Valencia Street, 16th Street, westbound

and eastbound, at Folsom Street, 16th Street, westbound, at Harrison Street, 16th Street, westbound and eastbound, at Kansas Street, 16th Street, westbound and eastbound, at Rhode Island Street, 16th Street, westbound and eastbound, at De Haro Street, 16th Street, westbound and eastbound, at Carolina Street, 16th Street, westbound and eastbound, at Wisconsin Street, 16th Street, westbound, at Arkansas Street, 16th Street, westbound, at Connecticut Street, 16th Street, westbound, at Missouri Street, 16th Street, westbound, at 7th Street and Mississippi Street.

- T. ESTABLISH – NO LEFT TURN EXCEPT MUNI - 16th Street, eastbound at Harrison Street, 16th Street, westbound and eastbound, at Potrero Avenue.
- U. ESTABLISH – NO LEFT TURN, 7 AM TO 9 AM AND 4 PM TO 7 PM, MONDAY THROUGH FRIDAY - 16th Street, westbound and eastbound, at Dolores Street; 16th Street, westbound and eastbound, at Capp Street; 16th Street, westbound and eastbound, at Shotwell Street; 16th Street, westbound and eastbound, at Alabama Street; 16th Street, westbound and eastbound, at Florida Street; 16th Street, westbound and eastbound, at Bryant Street; 16th Street, westbound and eastbound, at Utah Street; 16th Street, westbound and eastbound, at San Bruno Street.
- V. ESTABLISH – NO TURN ON RED - 7th Street, southbound, at 16th Street.
- W. RESCIND – CLASS II BIKE LANES - 16th Street, westbound and eastbound, from Kansas Street to Mississippi Street and 7th Street.
- X. RESCIND – CLASS III BIKE ROUTE - 16th Street, westbound, Valencia Street to Mission Street.
- Y. ESTABLISH – CLASS II BIKE LANE - Harrison Street, northbound, from 16th Street to 17th Street; 17th Street, westbound and eastbound, from Rhode Island Street to Mississippi Street and 7th Street.
- Z. ESTABLISH – CLASS III BIKE ROUTE - 17th Street, westbound and eastbound, from Kansas Street to Rhode Island Street.

WHEREAS, This project was analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission in Motion No. 19105 on March 27, 2014; and,

WHEREAS, Approval for parking and traffic modifications to implement various projects along the 22 Fillmore Muni transit corridor included in the Service-Related Capital Improvements of the Muni Forward program, which was previously referred to as the Transit Effectiveness Project (TEP), relies on said FEIR, and information pertaining to the FEIR is set forth in a SFMTA Resolution No 14-041, which is on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference; and,

WHEREAS, As part of the Resolution No. 14-041, the SFMTA Board of Directors adopted approval findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings) and a Mitigation Monitoring and Reporting Program (MMRP), which Resolution, CEQA Findings, and MMRP are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference as though fully set forth; and,

WHEREAS, The San Francisco Planning Department has reviewed the proposed project

changes to the TTRP.22 Expanded Alternative described here (Modified Expanded Alternative) and determined that the proposed project is within the scope of the TEP FEIR, with no new significant effects identified, no substantial increase in significant effects already identified, and no new mitigation is required for the Modified Expanded Alternative; and,

WHEREAS, The Modified Expanded Alternative includes all of the same parking and traffic improvements that are included in the Moderate Alternative, and it also includes the implementation of new transit only lanes on 16th Street, which is not part of the Moderate Alternative. The transit only lanes on 16th Street, will allow buses to travel through the corridor more efficiently; and,

WHEREAS, Due to the transit only lanes, the Moderate Expanded Alternative will provide more reliable 22 Fillmore service on one of the busiest lines. Therefore, SFMTA will have fewer needs for last-minute service adjustments on this line, a more stable service environment for resource-need assessment, and will be able to more reliably and effectively allocate transit resources and deliver service overall, which are the objectives of the TEP; and,

WHEREAS, The SFMTA Board has reviewed the FEIR and hereby finds that since certification of the FEIR, no changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts identified and analyzed in the FEIR, and that no new information has emerged that would materially change the analysis or conclusions set forth in the FEIR. The actions approved herein would not necessitate implementation of additional or considerably different mitigation measures that those identified in the FEIR; and,

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That the SFMTA Board rejects the TTRP.22 Moderate Alternative as infeasible, and approves the proposed Modified Expanded project; and, be it further,

RESOLVED, That the SFMTA Board of Directors amends Transportation Code, Division II, Section 601 to designate transit/taxi only lanes on 16th Street from Third Street to Church Street in the westbound direction (inbound), Bryant Street to Potrero Avenue in the eastbound direction (outbound), and Vermont Street to Third Street in the eastbound (outbound) direction; and, be it further,

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves these parking and traffic modifications set forth in items A through Z above along the 22 Fillmore Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals and support the SFMTA's Vision Zero program.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 19, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION 16-013

[Transportation Code – 16th Street Transit Only Lanes]

Resolution amending the Transportation Code to designate transit vehicle only lanes on 16th Street from Third Street to Church Street in the westbound (inbound) direction, and Bryant Street to Potrero Avenue in the eastbound (outbound) direction, and Vermont Street to Third Street in the eastbound (outbound) direction.

NOTE: Additions are single-underline Times New Roman;
deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 600 of Division II of the Transportation Code is hereby amended by amending Section 601, to read as follows:

Sec. 601. DESIGNATED TRANSIT-ONLY AREAS.

(a) The locations listed in this Section 601 are designated as Transit-only Areas. Any vehicle operating within a Transit-only Area during times that the Transit-only Area is enforced is in violation of Transportation Code, Division I, Section 7.2.72 (Driving in Transit-only Area).

(1) **Cable Car Lanes On Powell Street Between California Street and Sutter Street.** Except as to cable cars, Municipal Railway vehicles, and authorized emergency vehicles, no vehicle may operate within, over, upon or across the cable car lanes, or make any left or U-turn on the exclusive cable car lanes on Powell Street between California and Sutter Streets except to pass a disabled vehicle.

(2) **West Portal Avenue Between 15th Avenue and Sloat Boulevard.** Except as to streetcars and Municipal Railway vehicles, no vehicle may operate within Transit-only Areas on West Portal Avenue between 15th Avenue and Sloat Boulevard.

(3) **Exclusive Commercial Vehicle/Transit Area on Sansome**

Street. Except as to buses, taxis, authorized emergency vehicles, and commercial vehicles, no vehicle may operate within the Transit-only Area running southbound on Sansome Street between Washington Street and Bush Street.

(4) **Exclusive Transit/Taxi/Commercial Vehicle Area on Powell**

Street from Ellis Street to Geary Street in the northbound (outbound) direction, and from O'Farrell Street to Ellis Street in the southbound (inbound) direction. Except as to buses, taxis, authorized emergency vehicles, and commercial vehicles, no vehicle may operate within the Transit/Taxi/Commercial Vehicle-only Area on Powell Street from Ellis Street to Geary Street in the northbound (outbound) direction, and from O'Farrell Street to Ellis Street in the southbound (inbound) direction.

(5) **Judah Street, from 9th Avenue to 20th Avenue.** Except as to

streetcars and Municipal Railway vehicles, no vehicle may operate within Transit-only Areas on Judah Street from 9th Avenue to 20th Avenue.

(6) **Van Ness Avenue, from Filbert Street to Market Street.** Except

as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from Filbert Street to Market Street.

(7) **Van Ness Avenue, from Filbert Street to Lombard Street.**

Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from Filbert Street to Lombard Street southbound.

(8) **South Van Ness Avenue, from Market Street to Mission Street.**

Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on South Van Ness Avenue from Market Street to Mission Street.

(9) **Other Transit-Only Areas.** Except for buses, taxicabs, vehicles preparing to make a turn, vehicles entering into or existing from a stopped position at the curb, and vehicles entering into or exiting from a driveway, no vehicle may operate in the following Transit-only Areas during the times indicated:

Hours of Operation	Street	From	To
All Times	1st St.	Market St.	Howard St.
	3rd St.	Townsend St.	Market St.
	4th St.	Harrison St.	Townsend St.
	4th St.	Market St.	Howard St.
	<u>16th St. (Inbound)</u>	<u>Third St.</u>	<u>Church St.</u>
	<u>16th St. (Outbound)</u>	<u>Bryant St.</u>	<u>Potrero Ave.</u>
	<u>16th St. (Outbound)</u>	<u>Vermont St.</u>	<u>Third St.</u>
	Church St.	16th St.	Duboce Ave.
	Clay St.	Sansome St.	Davis St.
	Fremont St.	Mission St.	Market St.
	Geary St.	Market St.	Powell St.
	Geary St.	Mason St.	Gough St.
	Geneva Ave. (Outbound)	Delano Ave.	280 Freeway Overpass
	Judah St.	20th Ave.	La Playa St.
	Market St. (Inbound)	12th St.	3rd St.
	Market St. (Outbound)	So. Van Ness Ave.	3rd St.
	Mission St. (Inbound)	Randall St.	Cesar Chavez St.
	Mission St. (Outbound)	11th St.	South Van Ness Ave.
	Mission St. (Outbound)	Duboce Ave.	Randall St.
	O'Farrell St.	Gough St.	Hyde St.
	O'Farrell St.	Jones St.	Powell St.
	Otis St. (Outbound)	South Van Ness Ave.	Duboce Ave.
	Post St.	Gough St.	Grant St.
	Potrero Ave. (SB)	25th St.	18th St.
Stockton St.	Bush St.	Geary St.	
Sutter St.	Gough St.	Kearny St.	
7:00 AM-7:00 PM, Monday-Friday	Sacramento St.	Drumm St.	Kearny St.
7:00 AM-7:00 PM, Monday-Saturday	Stockton St.	Geary St.	O'Farrell St.

7:00 AM-6:00 PM, Monday-Friday	Mission St. (Inbound)	5th St.	Beale St.
	Mission St. (Outbound)	Main St.	4th St.
7:00 AM-9:00 PM, Monday-Friday	Mission St. (Inbound)	11th St.	5th St.
	O'Farrell St.	Hyde St.	Jones St.
	Clay St.	Powell St.	Battery St.
4:00 PM-6:00 PM, Monday-Friday	Mission St. (Inbound)	11th St.	5th St.
	Mission St. (Outbound)	4th St.	11th St.
	Geary St.	Mason St.	Powell St.
	Sacramento St.	Kearny St.	Larkin St.
3:00 PM-6:00 PM, Monday-Friday	Sutter St.	Sansome St.	Kearny St.
3:00 PM-7:00 PM, Monday-Friday	Bush St.	Montgomery St.	Battery St.
	4th St.	Howard St.	Clementina

Section 2. Effective Date. This ordinance shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

By: _____
JOHN I. KENNEDY
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of January 19, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 16-128

WHEREAS, The San Francisco Municipal Transportation Agency has proposed parking and traffic modifications along the 5/5R Fulton Rapid corridor to support 60-foot articulated electric trolley buses on Muni's 5R Fulton Rapid route as follows:

- A. RESCIND – BUS ZONE - Fulton Street, south side, from Masonic Avenue to 70 feet westerly
- B. ESTABLISH – TOW-AWAY, NO STOPPING ANYTIME - Fulton Street, south side, from Masonic Avenue to 60 feet westerly (right-turn only except Muni)
- C. ESTABLISH – RIGHT LANE MUST TURN RIGHT EXCEPT MUNI - Fulton Street, eastbound, at Masonic Avenue
- D. ESTABLISH – BUS ZONE - Fulton Street, south side, from Masonic Avenue to 100 feet easterly (removes five unmetered parking spaces); Fulton Street, north side, from 6th Avenue to 105 feet westerly (prohibits parking across driveway, extends existing 75-foot bus zone to 105 feet); Fulton Street, north side, from 8th Avenue to 100 feet westerly (removes one unmetered parking space, extends existing 75-foot bus zone to 100 feet); Fulton Street, south side, from 10th Avenue to 100 feet easterly (removes one unmetered parking space, extends existing 90-foot bus zone to 100 feet); Fulton Street, south side, from 18th Avenue to 100 feet easterly (removes one unmetered parking space, extends existing 80-foot bus zone to 100 feet); Fulton Street, north side, from 18th Avenue to 105 feet westerly (removes one unmetered parking space and prohibits parking across one driveway, extends existing 75-foot bus zone to 105 feet); Fulton Street, south side, from 22nd Avenue to 100 feet easterly (removes one unmetered parking space, extends existing 75-foot bus zone to 100 feet); Fulton Street, north side, from 22nd Avenue to 105 feet westerly (removes one unmetered parking space and prohibits parking across one driveway, extends existing 75-foot bus zone to 105 feet); Fulton Street, south side, from 30th Avenue to 100 feet easterly (removes one unmetered parking space, extends existing 80-foot bus zone to 100 feet); Fulton Street, north side, from 30th Avenue to 100 feet westerly (prohibits parking across driveway, extends existing 80-foot bus zone to 100 feet); Fulton Street, north side, from 36th Avenue to 100 feet westerly (prohibits parking across driveway, extends existing 75-foot bus zone to 100 feet); and,

WHEREAS, This project was analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission in Motion No. 19105 on March 27, 2014; and,

WHEREAS, Approval for traffic and parking modifications to implement various projects along the 5/5R Fulton Rapid Muni transit corridor included in the Service-Related Capital Improvements of the Muni Forward program, which was previously referred to as the Transit Effectiveness Project (TEP), relies on said FEIR, and information pertaining to the FEIR is set forth in a SFMTA Resolution No 14-041, which is on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference; and,

WHEREAS, As part of the Resolution No. 14-041, the SFMTA Board of Directors adopted approval findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings) and a Mitigation Monitoring and Reporting Program (MMRP), which Resolution, CEQA Findings, and MMRP are on file with the

Secretary to the SFMTA Board of Directors and are incorporated herein by reference as though fully set forth; and,

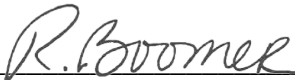
WHEREAS, The SFMTA Board has reviewed the FEIR and hereby finds that since certification of the FEIR, no changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts identified and analyzed in the FEIR, and that no new information has emerged that would materially change the analyses or conclusions set forth in the FEIR. The actions approved herein would not necessitate implementation of additional or considerably different mitigation measures that those identified in the FEIR; and,

WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors adopts the attached Mitigation Monitoring and Reporting Program as conditions of approval; and be it further,

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves these parking and traffic modifications, as set forth in items A through D above, along the 5/5R Fulton Rapid corridor.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 20, 2016.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 16-132

WHEREAS, The San Francisco Municipal Transportation Agency has proposed the installation of parking and traffic modifications along the L Taraval rapid Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals as follows:

- A. ESTABLISH – TRANSIT ONLY LANE - Taraval Street, westbound, from 15th Avenue to 46th Avenue; Taraval Street, eastbound, from 17th Avenue to 46th Avenue.
- B. ESTABLISH – TRAFFIC SIGNALS - Taraval Street at 17th Avenue (replaces four-way STOP control); Taraval Street at 18th Avenue (replaces four-way STOP control); Taraval Street at 22nd Avenue (replaces four-way STOP control); Taraval Street at 24th Avenue (replaces four-way STOP control); Taraval Street at 28th Avenue (replaces four-way STOP control).
- C. ESTABLISH – NO LEFT TURN - Taraval Street, westbound, at Sunset Boulevard; Taraval Street, eastbound, at Sunset Boulevard; Taraval Street, eastbound, at 36th Avenue; Taraval Street, westbound at 37th Avenue.
- D. ESTABLISH – RIGHT TURN ONLY - 23rd Avenue, northbound, at Taraval Street; 36th Avenue, northbound, at Taraval Street; 36th Avenue, southbound, at Taraval Street; 37th Avenue, northbound, at Taraval Street; 37th Avenue, southbound, at Taraval Street.
- E. ESTABLISH – TRANSIT STOP - Taraval Street, south side, west of 15th Avenue (rescinds farside transit stop and relocates to nearside of intersection).
- F. RESCIND – TRANSIT STOP - 15th Avenue, east side, north of Ulloa Street; 15th Avenue, west side, north of Ulloa Street; Taraval Street, north side, east of 17th Avenue; Taraval Street, south side, west of 17th Avenue; Taraval Street, north side, east of 22nd Avenue; Taraval Street, south side, west of 24th Avenue; Taraval Street, north side, east of 28th Avenue; Taraval Street, south side, west of 28th Avenue; Taraval Street, north side, east of 35th Avenue.
- G. ESTABLISH – TRANSIT BOARDING ISLANDS AND TOW-AWAY NO STOPPING ANYTIME - Taraval Street, north side, from 18th Avenue to 19th Avenue (removes 6 metered parking spaces #808, 810, 812, 814, 816, 818 and 1 passenger loading zone for transit boarding island with high-level accessible platform with ramp); Taraval Street, south side, from 19th Avenue to 20th Avenue (removes 9 metered parking spaces #905, 907, 909, 911, 913, 917, 919, 923, 925 for transit boarding island with high-level accessible platform with ramp); Taraval Street, north side, from 25th Avenue to 26th Avenue (removes 9 metered parking spaces #1502, 1504-G, 1508, 1512, 1514, 1520, 1522, 1524, 1526 for transit boarding island); Taraval Street, south side, from 26th Avenue to 27th Avenue (removes 9 metered parking spaces #1601, 1603, 1605, 1611, 1617, 1619, 1621, 1623, 1625 for transit boarding island); Taraval Street, north side, from 28th Avenue to 140 feet westerly (removes 2 white zone parking spaces, 1 blue zone parking space, and metered parking space #1812 for transit high-level accessible boarding platform with ramp); Taraval Street, north side, from 30th Avenue to 220 feet easterly (removes 7 parking spaces for transit boarding island); Taraval Street, south side, from 30th Avenue to 31st Avenue (removes 9 parking spaces for transit boarding island with high-level accessible platform with ramp); Taraval Street, north

side, from 32nd Avenue to 220 feet easterly (removes 8 parking spaces for transit boarding island); Taraval Street, south side, from 32nd Avenue to 220 feet westerly (removes 8 parking spaces for transit boarding island); Taraval Street, north side, from 40th Avenue to 220 feet easterly (removes 4 parking spaces for transit boarding island); Taraval Street, south side, from 40th Avenue to 220 feet westerly (removes 10 parking spaces for transit boarding island); Taraval Street, north side, from 42nd Avenue to 220 feet easterly (removes 7 parking spaces for transit boarding island); Taraval Street, north side, from 42nd Avenue to 140 feet westerly (removes 3 parking spaces for transit high-level accessible boarding island with ramp); Taraval Street, south side, from 42nd Avenue to 140 feet easterly (removes 4 parking spaces for transit high-level accessible boarding island with ramp); Taraval Street, south side, from 42nd Avenue to 220 feet westerly (removes 10 parking spaces for transit boarding island); Taraval Street, north side, from 44th Avenue to 220 feet easterly (removes 5 parking spaces for transit boarding island); Taraval Street, south side, from 44th Avenue to 220 feet westerly (removes 7 parking spaces for transit boarding island); Taraval Street, north side, from 45th Avenue to 46th Avenue (removes 8 parking spaces for transit boarding island).

- H. ESTABLISH – TRANSIT BOARDING ISLAND EXTENSION AND TOW-AWAY NO STOPPING ANYTIME - Taraval Street, south side, from 21st Avenue to 120 feet westerly (removes 2 metered parking spaces #1103, 1105 for extension of boarding island); Taraval Street, north side, at 23rd Avenue (removes 3 metered parking spaces #1216, 1220, 1222 for extension of boarding island); Taraval Street, north side, from 36th Ave to 140 feet easterly (removes 5 parking spaces for boarding island extension through intersection); Taraval Street, south side, at 37th Avenue to 38th Avenue (removes 3 parking spaces for boarding island extension through intersection).
- I. ESTABLISH – SIDEWALK WIDENING AND – NO PARKING ANYTIME - Taraval Street, south side, from 15th Avenue to 24 feet easterly (for a 6-foot wide pedestrian bulb); 15th Avenue, east side, from Taraval Street to 123 feet southerly (removes 4 parking spaces for a 9-foot wide transit bulb); Taraval Street, south side, from 15th Avenue to 116 feet westerly (for a 20-foot wide transit bulb); 15th Avenue, west side, from Taraval Street to 23 feet southerly (for a 4-foot wide pedestrian bulb); Taraval Street, south side, from 20th Avenue to 23 feet westerly (for a 6-foot wide pedestrian bulb); 20th Avenue, west side, from Taraval Street to 23 feet southerly (removes metered green parking space #2403-G for a 6-foot wide pedestrian bulb); Taraval Street, north side, from 20th Avenue to 23 feet easterly (for a 6-foot wide pedestrian bulb); 20th Avenue, east side, from Taraval Street to 23 feet northerly (removes metered parking space #2368 for pedestrian bulb); Taraval Street, north side, from 21st Avenue to 23 feet easterly (for a 6-foot wide pedestrian bulb); 21st Avenue, east side, from Taraval Street to 23 feet northerly (removes parking meter space #2370 for 6-foot wide pedestrian bulb); Taraval Street, north side, from 22nd Avenue to 23 feet easterly (removes metered parking space #1128 for pedestrian bulb); 22nd Avenue, east side, from Taraval Street to 23 feet northerly (removes metered parking space #2368 for pedestrian bulb); Taraval Street, south side, from 22nd Avenue to 23 feet westerly (removes metered yellow parking space #1201 for pedestrian bulb); 22nd Avenue, west side, from Taraval Street to 19 feet southerly (for a 6-foot wide pedestrian bulb); Taraval Street, south side, from 24th Avenue to 23 feet westerly (removes metered parking space #1401 for pedestrian bulb); 24th Avenue, west side, from Taraval Street to 23 feet southerly (removes 2 parking spaces for pedestrian bulb); Taraval Street, north side, from 24th Avenue to 23 feet easterly (removes metered parking space #1326 for pedestrian bulb); 24th Avenue, east side, from Taraval Street to 23 feet northerly (removes 2 parking spaces for a 6-foot wide pedestrian bulb); Taraval Street, south side, from 33rd Avenue to 23 feet westerly (removes 1 parking

space for a 6-foot wide pedestrian bulb); 33rd Avenue, west side, from Taraval Street to 23 feet southerly (for a 6-foot wide pedestrian bulb); Taraval Street, north side, from 33rd Avenue to 23 feet easterly (removes 1 parking space for a 6-foot wide pedestrian bulb); 33rd Avenue, east side, from Taraval Street to 23 feet northerly (removes 1 parking space for a 6-foot wide pedestrian bulb); Taraval Street, south side, from 38th Avenue to 23 feet westerly (for a 6-foot wide pedestrian bulb); 38th Avenue, west side, from Taraval Street to 23 feet southerly (removes 1 parking space for a 6-foot wide pedestrian bulb); Taraval Street, north side, from 38th Avenue to 23 feet easterly (for a 6-foot wide pedestrian bulb); 38th Avenue, east side, from Taraval Street to 23 feet northerly (for a 6-foot wide pedestrian bulb).

- J. ESTABLISH – PASSENGER LOADING ZONE DURING POSTED SERVICE HOURS - 36th Avenue, east side, from Taraval Street to 40 feet northerly (relocates passenger loading zone from 2540 Taraval Street).
- K. ESTABLISH - GREEN METERED PARKING, 30-MINUTE LIMIT, 9 AM TO NOON AND 2 PM TO 5 PM MONDAY THROUGH FRIDAY AND 9 AM TO 5 PM SATURDAY AND PART TIME PASSENGER LOADING ZONE, NOON TO 2 PM MONDAY THROUGH FRIDAY AND 5 PM TO 10 PM EVERYDAY - 18th Avenue, west side, from Taraval Street to 27 feet northerly (relocates passenger zone at 800 Taraval Street to metered space #2399).
- L. ESTABLISH – GREEN ZONE, 9 AM TO 6 PM MONDAY THROUGH SATURDAY - 28th Avenue, west side, from 60 feet to 110 feet northerly (extends existing green zone by 50 feet); 36th Avenue, east side, from 40 feet to 100 feet north of Taraval Street (shifts existing 60' green zone north to accommodate passenger loading zone relocation).
- M. ESTABLISH – YELLOW METER LOADING ZONE, 30-MINUTE TIME LIMIT, 9 AM TO 6 PM MONDAY THROUGH FRIDAY - 26th Avenue, west side, from Taraval Street to 25 feet southerly (relocates yellow metered loading space #1605 from 1617 Taraval Street).
- N. ESTABLISH – YELLOW METER LOADING ZONE, 30-MINUTE TIME LIMIT, 9 AM TO 6 PM MONDAY THROUGH SATURDAY - 20th Avenue, east side, from 73 feet to 95 feet south of Taraval Street (converts general meter parking space #2410).
- O. ESTABLISH – YELLOW METERED LOADING ZONE, 30-MINUTE TIME LIMIT, 7 AM TO 1 PM MONDAY THROUGH SATURDAY - 18th Avenue, west side, from 49 feet to 77 feet north of Taraval Street (relocates yellow metered loading space #818 from 870 Taraval Street to metered space # 2395).
- P. ESTABLISH – GENERAL METERED PARKING, 2-HOUR TIME LIMIT, 9 AM TO 6 PM SATURDAY - 17th Avenue, west side, from Taraval Street to 100 feet northerly; 17th Avenue, east side, from 22 feet to 86 feet north of Taraval Street; 17th Avenue, west side, from Taraval Street to 80 feet southerly; 19th Avenue, west side, from 32 feet to 136 feet north of Taraval Street (SFMTA 7/7/2015 Board of Directors meeting approved the relocation of the 28-19th Avenue bus stop from nearside to farside of intersection); 19th Avenue, east side, 171 feet to 380 feet north of Taraval Street; 19th Avenue, east side, 35 feet to 53 feet south of Taraval Street; 21st Avenue, west side, from 73 feet to 105 feet north of Taraval Street; 22nd Avenue, west side, from 95 feet to 118 feet north of Taraval Street; 25th Avenue, west side, from Taraval Street to 85 feet southerly; 25th Avenue, east side, from Taraval Street to 100 feet southerly; 25th Avenue, west side, from Taraval Street to 25 feet northerly; 25th Avenue, east side, from Taraval Street to 80 feet northerly; 26th Avenue, west side, from Taraval Street to 40 feet northerly; 26th Avenue, east side, from Taraval Street to 95 feet southerly; 26th Avenue, east side, from Taraval Street to 85 feet northerly; 27th Avenue, west side, from Taraval Street to 40 feet northerly; 27th Avenue, east side, from Taraval Street to 40 feet southerly; 29th Avenue, east side, from 40 feet to 60 feet south

of Taraval Street.

- Q. ESTABLISH – PERPENDICULAR PARKING - Santiago Street, south side, from 21st Avenue to 22nd Avenue; Santiago Street, south side, from 27th Avenue to 28th Avenue; Santiago Street, south side, from 30th Avenue to 31st Avenue; Santiago Street, south side, from 32nd Avenue to 33rd Avenue; Santiago Street, south side, from 40th Avenue to 41st Avenue; Santiago Street, south side, from 41st Avenue to 42nd Avenue; Santiago Street, south side, from 42nd Avenue to 43rd Avenue; Santiago Street, south side, from 45th Avenue to 46th Avenue; Ulloa Street, north side, from 16th Avenue to 17th Avenue; Ulloa Street, south side, from 25th Avenue to 26th Avenue; Ulloa Street, north side, from 28th Avenue to 29th Avenue; Ulloa Street, north side, from 32nd Avenue to 33rd Avenue; Ulloa Street, north side, from 41st Avenue to 42nd Avenue; Ulloa Street, north side, from 43rd Avenue to 44th Avenue.
- R. ESTABLISH – PERPENDICULAR PARKING AND GENERAL METER 2 HOUR PARKING, 9 AM TO 6 PM MONDAY THROUGH SATURDAY - Taraval Street, south side, from 14th Avenue to 93 feet westerly (converts 4 parallel metered spaces # 401, 403, 405, 409 to 10 perpendicular metered spaces).
- S. ESTABLISH – 45 DEGREE ANGLED PARKING - 30th Avenue, west side, from Ulloa Street to 70 feet northerly; 31st Avenue, east side, from Ulloa Street to 107 feet northerly; 34th Avenue, west side, from Taraval Street to 47 feet southerly; 35th Avenue, west side, from Taraval Street to 75 feet southerly; 38th Avenue, west side, from Ulloa Street to 60 feet northerly; 39th Avenue, west side, from Ulloa Street to 72 feet northerly; 42nd Avenue, west side, from Taraval Street to 60 feet southerly; 45th Avenue, east side, from Ulloa Street to 72 feet southerly; 45th Avenue, east side, from Vicente Street to 72 feet northerly; 47th Avenue, east side, from Taraval Street to 60 feet southerly; Funston Avenue, west side, from Taraval Street to 130 feet southerly.
- T. ESTABLISH – 45 DEGREE ANGLED PARKING AND UNMETERED GENERAL PARKING, 1-HOUR TIME LIMIT, 7 AM TO 6 PM MONDAY THROUGH SATURDAY - 31st Avenue, west side, from Taraval Street to 60 feet southerly; 32nd Avenue, west side, from Taraval Street to 83 feet southerly; 46th Avenue, east side, from Taraval Street to 70 feet northerly.
- U. ESTABLISH – UNMETERED GENERAL PARKING, 1 HOUR TIME LIMIT, 7 AM TO 6 PM MONDAY THROUGH SATURDAY - 29th Avenue, west side, from Taraval Street to 60 feet northerly; 30th Avenue, west side, from Taraval Street to 23 feet southerly; 31st Avenue, east side, from Taraval Street to 60 feet northerly; 31st Avenue, east side, from 53 feet to 88 feet south of Taraval Street; 31st Avenue, west side, from Taraval Street to 100 feet northerly; 32nd Avenue, east side, from 20 feet to 75 feet north of Taraval Street; 32nd Avenue, east side, from 25 feet to 70 feet south of Taraval Street; 32nd Avenue, west side, from Taraval Street to 75 feet northerly; 33rd Avenue, west side, from Taraval Street to 80 feet northerly; 33rd Avenue, west side, from 35 feet to 70 feet south of Taraval Street; 33rd Avenue, east side, from 23 feet to 72 feet north of Taraval Street; 33rd Avenue, east side, from 22 feet to 85 feet south of Taraval Street; 38th Avenue, west side, from 40 feet to 100 feet north of Taraval Street; 40th Avenue, west side, from Taraval Street to 21 feet northerly; 41st Avenue, east side, from Taraval Street to 60 feet northerly; 46th Avenue, west side, from Taraval Street to 100 feet northerly; Taraval Street, north side, from 29th Avenue to 20 feet westerly; Taraval Street, south side, from 29th Avenue to 30th Avenue; Taraval Street, north side, from 41st Avenue to 20 feet westerly; Taraval Street, south side, from 41st Avenue to 55 feet westerly; Taraval Street, south side, from 46th Avenue to 90 feet easterly.

WHEREAS, This project was analyzed in the Transit Effectiveness Project Final Environmental Impact Report (FEIR) certified by the San Francisco Planning Commission in Motion No. 19105 on March 27, 2014; and,

WHEREAS, Approval for traffic and parking modifications to implement various projects along the L Taraval Muni transit corridor included in the Service-Related Capital Improvements of the Muni Forward program, which was previously referred to as the Transit Effectiveness Project (TEP), relies on said FEIR, and information pertaining to the FEIR is set forth in a SFMTA Resolution No 14-041, which is on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference; and,

WHEREAS, As part of the Resolution No. 14-041, the SFMTA Board of Directors adopted approval findings under the California Environmental Quality Act (CEQA), the CEQA Guidelines, and Chapter 31 of the Administrative Code (CEQA Findings) and a Mitigation Monitoring and Reporting Program (MMRP), which Resolution, CEQA Findings, and MMRP are on file with the Secretary to the SFMTA Board of Directors and are incorporated herein by reference as though fully set forth; and,

WHEREAS, SFMTA staff proposes to adopt the proposed project's Modified Expanded Alternative, which includes parking and traffic improvements from both the Modified and Expanded Alternatives; and,

WHEREAS, With more reliable light rail transit service on one of the busiest lines, SFMTA will have fewer needs for last-minute service adjustments, a more stable service environment for resource-need assessment, and will be able to more reliably and effectively allocate transit resources and deliver service overall; and,

WHEREAS, The SFMTA Board has reviewed the FEIR and hereby finds that since certification of the FEIR, no changes have occurred in the proposed project or in the circumstances under which the project would be implemented that would cause new significant impacts or a substantial increase in the severity of impacts identified and analyzed in the FEIR, and that no new information has emerged that would materially change the analysis or conclusions set forth in the FEIR. The actions approved herein would not necessitate implementation of additional or considerably different mitigation measures that those identified in the FEIR; and,

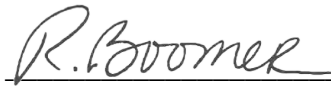
WHEREAS, The public has been notified about the proposed modifications and has been given the opportunity to comment on those modifications through the public hearing process; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amends Transportation Code, Division II, Section 601 to designate transit-only lanes on Taraval Street between 15th Avenue and 46th Avenue westbound (outbound) direction, and Taraval Street between 17th Avenue and 46th Avenue eastbound (inbound) direction; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors adopts the Mitigation Monitoring and Reporting Program as a condition of approval; and be it further

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors approves these parking and traffic modifications set forth in items A through U above along the L Taraval Muni transit corridor included in the Muni Forward Service-Related Capital Improvements and Travel Time Reduction Proposals and support the SFMTA's Vision Zero program.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 20, 2016.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

RESOLUTION 16-132

[Transportation Code – Taraval Street Transit Only Lanes]

Resolution amending the Transportation Code to designate transit-only lanes on Taraval Street westbound (outbound) direction between 15th Avenue and 46th Avenue, and Taraval Street eastbound (inbound) direction between 46th Avenue and 17th Avenue.

NOTE: Additions are single-underline Times New Roman; deletions are ~~strike-through Times New Roman~~.

The Municipal Transportation Agency Board of Directors of the City and County of San Francisco enacts the following regulations:

Section 1. Article 600 of Division II of the Transportation Code is hereby amended by revising Section 601, to read as follows:

SEC. 601. DESIGNATED TRANSIT-ONLY AREAS.

(a) The locations listed in this Section 601 are designated as Transit-only Areas. Any vehicle operating within a Transit-only Area during times that the Transit-only Area is enforced is in violation of Transportation Code, Division I, Section 7.2.72 (Driving in Transit-only Area).

(1) **Cable Car Lanes On Powell Street Between California Street and Sutter Street.** Except as to cable cars, Municipal Railway vehicles, and authorized emergency vehicles, no vehicle may operate within, over, upon or across the cable car lanes, or make any left or U-turn on the exclusive cable car lanes on Powell Street between California and Sutter Streets except to pass a disabled vehicle.

(2) **West Portal Avenue Between 15th Avenue and Sloat Boulevard.** Except as to streetcars and Municipal Railway vehicles, no vehicle may operate within Transit-only Areas on West Portal Avenue between 15th Avenue and Sloat Boulevard.

(3) **Exclusive Commercial Vehicle/Transit Area on Sansome Street.**

Except as to buses, taxis, authorized emergency vehicles, and commercial vehicles, no vehicle may operate within the Transit-only Area running southbound on Sansome Street between Washington Street and Bush Street.

(4) **Exclusive Transit/Taxi/Commercial Vehicle Area on Powell Street from Ellis Street to O'Farrell Street in the Northbound (Outbound) Direction, and from O'Farrell Street to Ellis Street in the Southbound (Inbound) Direction.** Except as to buses, taxis, authorized emergency vehicles, and commercial vehicles, no vehicle may operate within the Transit/Taxi/Commercial Vehicle-only Area on Powell Street from Ellis Street to O'Farrell Street in the northbound (outbound) direction, and from O'Farrell Street to Ellis Street in the southbound (inbound) direction.

(5) **Judah Street, from 9th Avenue to 20th Avenue.** Except as to streetcars and Municipal Railway vehicles, no vehicle may operate within Transit-only Areas on Judah Street from 9th Avenue to 20th Avenue.

(6) **Van Ness Avenue, from Filbert Street to Market Street.** Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from Filbert Street to Market Street.

(7) **Van Ness Avenue, from Filbert Street to Lombard Street.** Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from Filbert Street to Lombard Street southbound.

(8) **Van Ness Avenue, from Chestnut Street to 150 Feet North of Bay Street.** Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from Chestnut Street to 150 feet north of Bay Street northbound.

(9) **Van Ness Avenue, from North Point Street to Chestnut Street.** Except as to Municipal Railway and Golden Gate Transit vehicles and authorized

emergency vehicles, no vehicle may operate within the Transit-only Areas on Van Ness Avenue from North Point Street to Chestnut Street southbound.

(10) **South Van Ness Avenue, from Market Street to Mission Street.**

Except as to Municipal Railway and Golden Gate Transit vehicles and authorized emergency vehicles, no vehicle may operate within the Transit-only Areas on South Van Ness Avenue from Market Street to Mission Street.

(11) **Other Transit-Only Areas.** Except for buses, taxicabs, vehicles preparing to make a turn, vehicles entering into or existing from a stopped position at the curb, and vehicles entering into or exiting from a driveway, no vehicle may operate in the following Transit-only Areas during the times indicated:

Hours of Operation	Street	From	To
All times	1st St.	Market St.	Howard St.
	3rd St.	Townsend St.	Market St.
	4th St.	Harrison St.	Townsend St.
	4th St.	Market St.	Howard St.
	16th St. (Inbound)	Third St.	Church St.
	16th St. (Outbound)	Bryant St.	Potrero Ave.
	16th Street Outbound	Vermont	Third
	Church St.	16th St.	Duboce Ave.
	Clay St.	Sansome St.	Davis St.
	Fremont St.	Mission St.	Market St.
	Geary St.	Market St.	Powell St.
	Geary St.	Mason St.	Gough St.
	Geneva Ave. (Outbound)	Delano Ave.	280 Freeway Overpass
	Judah St.	20th Ave.	La Playa St.
	Market St. (Inbound)	12th St.	3rd St.
	Market St. (Outbound)	So. Van Ness Ave.	3rd St.
	Mission St. (Inbound)	Randall St.	Cesar Chavez St.
	Mission St. (Outbound)	11th St.	South Van Ness Ave.
	Mission St. (Outbound)	Duboce Ave.	Randall St.
	O'Farrell St.	Gough St.	Hyde St.

	O'Farrell St.	Jones St.	Powell St.
	Otis St. (Outbound)	South Van Ness Ave.	Duboce Ave.
	Post St.	Gough St.	Grant St.
	Potrero Ave. (SB)	25th St.	18th St.
	Stockton St.	Bush St.	Geary St.
	Sutter St.	Gough St.	Kearny St.
	<u>Taraval St. (Inbound)</u>	<u>46th Ave.</u>	<u>17th Ave.</u>
	<u>Taraval St. (Outbound)</u>	<u>15th Ave.</u>	<u>46th Ave.</u>
7:00 AM-7:00 PM, Monday-Friday	Sacramento St.	Drumm St.	Kearny St.
7:00 AM-7:00 PM, Monday-Saturday	Stockton St.	Geary St.	O'Farrell St.
7:00 AM-6:00 PM, Monday-Friday	Mission St. (Inbound)	5th St.	Beale St.
	Mission St. (Outbound)	Main St.	4th St.
7:00 AM-9:00 PM, Monday-Friday	Mission St. (Inbound)	11th St.	5th St.
	O'Farrell St.	Hyde St.	Jones St.
	Clay St.	Powell St.	Battery St.
4:00 PM-6:00 PM, Monday-Friday	Mission St. (Inbound)	11th St.	5th St.
	Mission St. (Outbound)	4th St.	11th St.
	Geary St.	Mason St.	Powell St.
	Sacramento St.	Kearny St.	Larkin St.
3:00 PM-6:00 PM, Monday-Friday	Sutter St.	Sansome St.	Kearny St.
3:00 PM-7:00 PM, Monday-Friday	Bush St.	Montgomery St.	Battery St.
	4th St.	Howard St.	Clementina

Section 2. Effective Date. This ordinance shall become effective 31 days after enactment. Enactment occurs when the San Francisco Municipal Transportation Agency Board of Directors approves this ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the San Francisco Municipal Transportation Agency Board of Directors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, letters, punctuation marks, charts, diagrams, or any other constituent parts of the Transportation Code that are

explicitly shown in this ordinance as additions or deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

By: _____
JOHN I. KENNEDY
Deputy City Attorney

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of September 20, 2016.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

n:\legana\as2016\1600790\01132013.docx

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Jose Cisneros, Treasurer, Office of the Treasurer and Tax
Anna Van Degna, Director, Office of Public Finance

FROM: Linda Wong, Assistant Clerk
Budget and Finance Committee

DATE: June 15, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation introduced:

File No. 200582

Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate principal amount of one or more series of taxable or tax-exempt bonds to be designated generally as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if consisting of multiple series, to be designated as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-1 and City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable), or such alternate designation as may be approved by the Director of Public Finance; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive and/or negotiated sale; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form of Purchase Contract; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of said bonds; approving the form of the Continuing Disclosure Certificate; approving the form of the Placement Agent Agreement; approving the form of Paying Agent Agreement; authorizing and approving modifications to documents, as defined herein; declaring the City's official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Reports; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds, as defined herein.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: linda.wong@sfgov.org.

c: Molly Cohen, Office of the Treasurer and Tax Collector

From: [Kittler, Sophia \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Peacock, Rebecca \(MYR\)](#); [Kirkpatrick, Kelly \(MYR\)](#); [Groffenberger, Ashley \(MYR\)](#); [Trivedi, Vishal \(CON\)](#); [Sandler, Risa \(CON\)](#)
Subject: Mayor - Resolution - General Obligation Bonds - Transportation and Road Improvement Bonds, 2014 - Not to Exceed \$140,000,000
Date: Tuesday, June 2, 2020 6:51:44 PM
Attachments: [01451369.docx](#)
[Form of Appendix A May 2020.pdf](#)
[Form of Bond Purchase Agreement GO Bonds Series 2020B.pdf](#)
[Form of Notice of Intention to Sell GO Bonds Series 2020B.pdf](#)
[Form of Official Notice of Sale GO Bonds Series 2020B.pdf](#)
[Form of Paying Agent Agreement GO Bonds Series 2020B.pdf](#)
[Form of Placement Agent Agreement GO Bonds Series 2020B.pdf](#)
[Form of Preliminary Official Statement GO Bonds Series 2020B.pdf](#)
[OPF Memo to Board - Transportation 2014 GO Series 2020B vF.pdf](#)
[Resolution - \[General Obligation Bonds - Transportation and Road Improvement Bonds, 2014 - Not to Exceed \\$140,000,000\].pdf](#)

Please find attached for introduction to the Board of Supervisors a **Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate principal amount of one or more series of taxable or tax-exempt bonds to be designated generally as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if consisting of multiple series, to be designated as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-1 and City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable), or such alternate designation as may be approved by the Director of Public Finance; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive and/or negotiated sale; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form of Purchase Contract; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of said bonds; approving the form of the Continuing Disclosure Certificate; approving the form of the Placement Agent Agreement; approving the form of Paying Agent Agreement; authorizing and approving modifications to documents, as defined herein; declaring the City's official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Reports; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds, as defined herein.**

Risa Sandler from CON and Kelly Kirkpatrick from the Mayor's Budget office are copied to authorize on the Controller and Mayor's behalf.

Sophia

Sophia Kittler

Office of Mayor London N. Breed

415 554 6153

From: [Trivedi, Vishal \(CON\)](#)
To: [BOS Legislation, \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [Wong, Linda \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Cc: [Boilard, Chelsea \(BOS\)](#)
Subject: FW: [Resolution] General Obligation Bonds Transportation and Road Improvements, 2014 – Series 2020B
Date: Monday, June 1, 2020 5:42:48 PM
Attachments: [01451369.docx](#)
[Resolution - \[General Obligation Bonds - Transportation and Road Improvement Bonds, 2014 - Not to Exceed \\$140,000,000\].pdf](#)
[OPF Memo to Board - Transportation 2014 GO Series 2020B vF.pdf](#)
[Form of Official Notice of Sale GO Bonds Series 2020B.pdf](#)
[Form of Notice of Intention to Sell GO Bonds Series 2020B.pdf](#)
[Form of Bond Purchase Agreement GO Bonds Series 2020B.pdf](#)
[Form of Placement Agent Agreement GO Bonds Series 2020B.pdf](#)
[Form of Paying Agent Agreement GO Bonds Series 2020B.pdf](#)
[Form of Preliminary Official Statement GO Bonds Series 2020B.pdf](#)
[Form of Appendix A May 2020.pdf](#)

To the Clerk of the Board:

I am forwarding your office the following documents regarding a resolution that is expected to be introduced at tomorrow's Board of Supervisors meeting, approving the sale of 2014 Transportation and Road Improvement GO Bonds. The full list of documents is in the email below. Please let me know if you need anything more.

We respectfully request that the item be placed on the agenda and heard along with the already-introduced appropriation ordinance ([File #200516](#)) at the Budget and Finance Committee hearing of Wednesday, June 24, 2020.

Thank you!

Regards,

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Phone | 415.554.4862 Email | vishal.trivedi@sfgov.org

From: Trivedi, Vishal (CON)
Sent: Monday, June 01, 2020 5:37 PM
To: Peacock, Rebecca (MYR) <rebecca.peacock@sfgov.org>; Kittler, Sophia (MYR) <sophia.kittler@sfgov.org>; Patil, Lillian (MYR) <Lillian.Patil@sfgov.org>; Taufic, Camilla (MYR) <camilla.taufic@sfgov.org>; Kirkpatrick, Kelly (MYR) <Kelly.Kirkpatrick@sfgov.org>
Cc: Brewer, Luke (CON) <luke.brewer@sfgov.org>; Van Degna, Anna (CON) <anna.vandegna@sfgov.org>; Katz, Bridget (CON) <bridget.katz@sfgov.org>; Pereira Tully, Marisa (CON) <marisa.pereira.tully@sfgov.org>; Rosenfield, Ben (CON) <ben.rosenfield@sfgov.org>; Allersma, Michelle (CON) <michelle.allersma@sfgov.org>; Campbell, Severin (BUD) <severin.campbell@sfgov.org>; Menard, Nicolas (BUD) <nicolas.menard@sfgov.org>; Wu, Charlotte (MTA) <Charlotte.Wu@sfmta.com>; Leung, Charles (MTA) <Charles.Leung@sfmta.com>; Rewers, Jonathan (MTA) <Jonathan.Rewers@sfmta.com>; Goldberg, Joel (MTA) <Joel.Goldberg@sfmta.com>; BLAKE, MARK (CAT) <Mark.Blake@sfcityatty.org>
Subject: RE: [Resolution] General Obligation Bonds Transportation and Road Improvements, 2014 –

Series 2020B

Dear Mayor's Office colleagues and interested parties,

Please find attached a resolution and supporting documents approving the sale of Series 2020B General Obligation Bonds for the 2014 Transportation and Road Improvement general obligation bond program, to be introduced at tomorrow's Board of Supervisors meeting. The legislation and documents will need to be conveyed to the Board of Supervisors and the Clerk of Board by the Mayor's Office:

1. OPF Memo to Board of Supervisors
2. Resolution authorizing the sale of not-to-exceed \$140,000,000 Transportation and Road Improvement Series 2020B Bonds (both Word and .pdf versions from the City Attorney's Office)
3. Form of Official Notice of Sale
4. Form of Notice of Intention to Sell
5. Form of Bond Purchase Agreement
6. Form of Placement Agent Agreement
7. Form of Paying Agent Agreement
8. Form of Preliminary Official Statement (POS)
9. Form of Appendix A

We respectfully request to hear this item along with the already-introduced appropriation ordinance ([File #200516](#)) at the Budget & Finance Committee hearing of June 24, 2020. Please let me know if you have any questions or need any further information.

Thank you,

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Phone | 415.554.4862 Email | vishal.trivedi@sfgov.org