

File No. 130363

Committee Item No. 3

Board Item No. 2

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: 05/15/2013

Board of Supervisors Meeting Date: JUNE 4, 2013

Cmte Board

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Completed by: Victor Young Date May 10, 2013

Completed by: Victor Young Date 5/16/13

1 [Appropriation - General Obligation Bond Proceeds of \$133,275,000 for Road
2 Repaving and Street Safety - FY2012-2013]

3
4 **Ordinance appropriating \$133,275,000 of the 2013C Series Road Repaving and**
5 **Street Safety (RRSS) General Obligation Bond Proceeds including \$122,058,097**
6 **to the Department of Public Works and \$11,216,903 to the Municipal Transportation**
7 **Agency for resurfacing, sidewalk, curb ramp and street structure improvements,**
8 **the redesign of street streetscapes to include pedestrian and bicycle safety**
9 **improvements, and traffic signal improvements to support transit priority for**
10 **FY2012-2013 and placing these funds on Controller’s Reserve pending**
11 **the sale of the bonds.**

12
13 Note: Additions are single-underline italics Times New Roman;
14 deletions are ~~striketrough italics Times New Roman~~.
15 Board amendment additions are double underlined.
16 Board amendment deletions are ~~striketrough normal~~.

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

18 Section 1. The sources of funding outlined below are herein appropriated to
19 reflect the funding available in Fiscal Year 2012-13.
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1 **SOURCES Appropriation**

2 Index Code /

| 3 Fund | Project Code | Subobject | Description | Amount |
|---|--------------|-----------|--------------------|----------------------|
| 4 3C SIF XXX | XXX | 80111 | General Obligation | \$122,058,097 |
| 5 Road Repaving and | CSTR11 XXX | | Bond Proceeds | |
| 6 Street Safety Bond | | | | |
| 7 Fund | | | | |
| 8 | | | | |
| 9 Department of Public Works Subtotal | | | | <u>\$122,058,097</u> |
| 10 | | | | |
| 11 5N CPF XXX | XXX | 80111 | General Obligation | \$11,216,903 |
| 12 MTA – Capital | CSTR11 XXX | | Bond Proceeds | |
| 13 Projects Fund | | | | |
| 14 | | | | |
| 15 Municipal Transportation Agency Subtotal | | | | <u>\$11,216,903</u> |
| 16 | | | | |
| 17 Total Sources Appropriation | | | | <u>\$133,275,000</u> |

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19

20 Section 2. The uses of funding outlined below are herein appropriated in FY

21 2012-2013 in Subobject 06700 (Buildings, Structures, and Improvement Project-Budget),

22 Subobject 07311 (Cost of Bond Issuance, Underwriter's Discount, and Reserve Pending

23 Bond Sales), Subobject 081C4 (City Services Auditor Internal Audits for the General

24 Obligation Bond Subobject 081C4 (City Services Auditor Internal Audits for the General

25 Obligation Bond Oversight Committee and the Controller's Audit Fund), and reflect the

1 projected uses of funding to support the Department of Public Works and the Municipal
 2 Transportation Agency providing street resurfacing, sidewalk, curb ramp and street
 3 structure improvements the redesign of streetscapes to include pedestrian and bicycle
 4 safety improvements, and traffic signal improvements to support transit priority.

5
 6 **USES Appropriation**

7
 8 Department of Public Works

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| Fund | Index Code/ Project Code | Subobject | Description | Amount |
|--------------------|-----------------------------|------------------|-------------------------|-------------|
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Sidewalk Accessibility | \$4,933,673 |
| Road Repaving and | CSTR11 | Projects, and | Improvements - | |
| Street Safety Bond | CRBU00 | Improvement | Curb Ramps | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$168,058 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | CRBU00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$9,867 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | CRBU00 | Internal Audits | Controller's Audit Fund | |
| Fund | | | | |

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| Index Code/ | | | | |
|---|--------------|-----------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$4,992 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | CRBU00 | Internal Audits | General Obligation Bond | |
| Fund | | | Oversight Committee | |
| Sidewalk Accessibility Improvements - Curb Ramps Subtotal | | | | \$5,116,590 |

| Index Code/ | | | | |
|--------------------|--------------|------------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Sidewalk Accessibility | \$2,831,596 |
| Road Repaving and | CSTR11 | Projects, and | Improvements - | |
| Street Safety Bond | SWBU00 | Improvement | Sidewalks | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$96,454 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | SWBU00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$5,663 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | SWBU00 | Internal Audits | Controller's Audit Fund | |
| Fund | | | | |

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| Index Code/ | | | | |
|--|--------------|-----------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$2,865 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | SWBU00 | Internal Audits | General Obligation Bond | |
| Fund | | | Oversight Committee | |
| Sidewalk Accessibility Improvements - Sidewalks Subtotal | | | | \$2,936,578 |

| Index Code/ | | | | |
|--------------------|--------------|------------------|-------------------------|--------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Street Resurfacing | \$73,645,231 |
| Road Repaving and | CSTR11 | Projects, and | | |
| Street Safety Bond | SRBU00 | Improvement | | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$2,508,619 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | SRBU00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$147,290 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | SRBU00 | Internal Audits | Controller's Audit Fund | |
| Fund | | | | |

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| Index Code/ | | | | |
|-------------------------------------|--------------|-----------------|-------------------------|--------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$74,513 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | SRBU00 | Internal Audits | General Obligation Bond | |
| Fund | | | Oversight Committee | |
| Street Resurfacing Project Subtotal | | | | \$76,375,653 |

| Index Code/ | | | | |
|--------------------|--------------|------------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Street Improvements - | \$4,916,500 |
| Road Repaving and | CSTR11 | Projects, and | Hope SF | |
| Street Safety Bond | SRSF00 | Improvement | | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$167,474 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | SRSF00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$9,833 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | SRSF00 | Internal Audits | Controller's Audit Fund | |
| Fund | | | | |

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| Index Code/ | | | | |
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| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$4,974 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | SRSF00 | Internal Audits | General Obligation Bond | |
| Fund | | | Oversight Committee | |
| Street Improvements - Hope SF Project Subtotal | | | | <u>\$5,098,781</u> |

| Index Code/ | | | | |
|--------------------|--------------|------------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Street Structures | \$1,684,500 |
| Road Repaving and | CSTR11 | Projects, and | | |
| Street Safety Bond | SSBU00 | Improvement | | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$57,380 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | SSBU00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$3,369 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | SSBU00 | Internal Audits | Controller's Audit Fund | |

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|------------------------------------|--------------|-----------------|-------------------------|-------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$1,704 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | SSBU00 | Internal Audits | General Obligation Bond | |
| | | | Oversight Committee | |
| Street Structures Project Subtotal | | | | \$1,746,953 |

| Index Code/ | | | | |
|--------------------|--------------|------------------|-------------------------|--------------|
| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 06700 Buildings, | Streetscape, Bike, and | \$29,683,033 |
| Road Repaving and | CSTR11 | Projects, and | Pedestrian | |
| Street Safety Bond | SCBU00 | Improvement | | |
| Fund | | Project Budget | | |
| 3C SIF XXX | XXXXXX | 07311 | Cost of Issuance, | \$1,011,110 |
| Road Repaving and | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Street Safety Bond | SCBU00 | Cost | and Reserve Pending | |
| Fund | | | Bond Sale | |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$59,366 |
| Road Repaving and | CSTR11 | Controller | 0.2% allocation for the | |
| Street Safety Bond | SCBU00 | Internal Audits | Controller's Audit Fund | |

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| Fund | Project Code | Subobject | Description | Amount |
| 3C SIF XXX | XXXXXX | 081C4 | City Services Auditor | \$30,033 |
| Road Repaving and | CSTR11 | Controller | 0.1% allocation for the | |
| Street Safety Bond | SCBU00 | Internal Audits | General Obligation Bond | |
| | | | Oversight Committee | |
| Streetscape, Bike, and Pedestrian Project Subtotal | | | | <u>\$30,783,542</u> |
| Department of Public Works Subtotal | | | | <u>\$122,058,097</u> |

Municipal Transportation Agency

| Index Code/ | | | | |
|------------------------|--------------|------------------|-------------------------|--------------|
| Fund | Project Code | Subobject | Description | Amount |
| 5N CPF XXX | XXXXXX | 06700 Buildings, | Traffic Signal and | \$10,815,900 |
| MTA - Capital Projects | CSTR11 | Projects, and | Street Improvements | |
| Fund | TSPK00 | Improvement | | |
| | | Project Budget | | |
| 5N CPF XXX | XXXXXX | 07311 | Cost of Issuance, | \$368,428 |
| MTA - Capital Projects | CSTR11 | Bond Issuance | Underwriter's Discount, | |
| Fund | TSPK00 | Cost | and Reserve Pending | |
| | | | Bond Sale | |

| Fund | Index Code/ Project Code | Subobject | Description | Amount |
|--|-----------------------------|-----------------|-------------------------|-----------------------------|
| 5N CPF XXX | XXXXXX | 081C4 | City Services Auditor | \$21,632 |
| MTA - Capital Projects | CSTR11 | Controller | 0.2% allocation for the | |
| Fund | TSPK00 | Internal Audits | Controller's Audit Fund | |
| 5N CPF XXX | XXXXXX | 081C4 | City Services Auditor | \$10,943 |
| MTA - Capital Projects | CSTR11 | Controller | 0.1% allocation for the | |
| Fund | TSPK00 | Internal Audits | General Obligation Bond | |
| | | | Oversight Committee | |
| Municipal Transportation Agency Subtotal | | | | <u>\$11,216,903</u> |
| Total USES Appropriation | | | | <u><u>\$133,275,000</u></u> |

Section 3. The uses of funding outlined above for \$133,275,000 are herein placed Controller's Reserve pending the sale of the General Obligation Bonds.

Section 4. The Controller is authorized to apply funds appropriated by this ordinance to abate advanced expenditures incurred by the General Fund for projects supported by the Road Repaving and Street Safety bonds that are eligible to be reimbursed by bond proceeds.

1 Section 5. The Controller is authorized to record transfers between funds and
2 adjust the accounting treatment of sources and uses appropriated in this ordinance as
3 necessary to conform with Generally Accepted Accounting Principles.
4

5 Section 6. The Series 2013C Bonds are subject to accountability requirements
6 under the City's Administrative Code and the Bond Ordinance. The deadline for submission
7 of the Accountability Report under Administrative Code section 2.71(b) is hereby waived
8 with respect to the Series 2013C Bonds.
9

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

14
15 By: BEHT
16 Deputy City Attorney

FUNDS AVAILABLE
Ben Rosenfield, Controller

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By: [Signature]
April 22, 2013

Items 2 and 3
Files 13-0381 and 13-0363

Department:
 Department of Public Works
 Municipal Transportation Agency
 Controller's Office of Public Finance

EXECUTIVE SUMMARY

Legislative Objectives

- File 13-0381: Resolution authorizing and directing the sale of not-to-exceed \$133,275,000 of Road Repaving and Street Safety General Obligation Bonds, 2011, Series 2013C.
- File 13-0363: Ordinance appropriating \$133,275,000 of bond proceeds to fund resurfacing, sidewalk, curb ramp and street structure improvements, redesign of streetscapes for pedestrian and bicycle safety improvements and traffic signal improvements to support transit priority, including \$122,058,097 for the Department of Public Works and \$11,216,903 for the Municipal Transportation Agency and placing these funds on Controller's Reserve pending the sale of the bonds.

Key Points

- San Francisco voters approved \$248,000,000 for Road Repaving and Street Safety General Obligation Bonds on November 8, 2011 to repave City streets and improve curbs, sidewalks, traffic signals and streetscapes. The City has sold \$74,295,000 in a prior bond sale. The proposed resolution (File 13-0381) would authorize the second sale of not-to-exceed \$133,275,000, resulting in total sale of Road Repaving and Street Safety Bonds of \$207,570,000, and an unsold balance of \$40,430,000.

Fiscal Impact

- The proposed resolution authorizing the sale of not-to-exceed \$133,275,000 of Road Repaving and Street Safety Bonds are conservatively projected to have an annual interest rate of 6.0 percent over approximately 20 years, including estimated total debt service payments of \$226,646,246, including \$96,621,246 in interest and a par amount of \$130,025,000 in principal, with estimated average annual debt service payments of \$11,332,312. Debt service would be paid from increased Property Taxes, such that an owner of a residence with an assessed value of \$500,000 would pay additional average Property Taxes of approximately \$23.25 per year.
- The requested not-to-exceed \$133,275,000 bonds are projected to be sold for a par amount of \$130,025,000, including project funds totaling \$128,510, issuance and related oversight costs of \$1,514,568 and a Reserve Pending Sale of Bond of \$3,250,000, which will allow for fluctuations in market conditions.

Policy Issues

- The proposed resolution authorizing the sale of the Series 2013C Bonds would allow the Department of Public Works and the Municipal Transportation Agency to waive the deadlines for submitting their Bond Accountability Reports. The Bond Accountability Report is anticipated to be submitted to the Clerk of the Board of Supervisors by June 1, 2013.

Recommendation

- Approve the proposed resolution and ordinance.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Charter Section 9.105 provides that the issuance and sale of General Obligation bonds is subject to approval of the Board of Supervisors. Charter Section 9.105 also provides that amendments to the appropriation ordinance, as finally adopted, are to be adopted in the same manner as other ordinances, subject to the Controller certifying the availability of funds.

Administrative Code Section 2.71 requires City departments to submit Bond Accountability Reports to the Clerk of the Board, Controller, Treasurer, Director of Public Finance and the Budget and Legislative Analyst 60 days prior to approval by the Board of Supervisors of the sale of any subsequent series of bonds.

Background

On November 8, 2011, San Francisco voters approved \$248,000,000 of Road Repaving and Street Safety General Obligation Bonds, 2011 (Proposition B), to:

- Repair and repave City streets and remove potholes;
- Strengthen and seismically upgrade street structures;
- Redesign street corridors by adding or improving pedestrian signals, lighting, sidewalk extensions, bicycle lanes, trees and landscaping;
- Construct and renovate curb ramps and sidewalks to increase accessibility and safety; and
- Construct and renovate traffic signals to improve Muni service and traffic flow.

Table 1 below identifies the voter-approved total proposed \$248 million of 2011 Road Repaving and Street Safety General Obligation Bonds.

Table 1: Road Repaving and Street Safety Bond Allocation

| | Department of Public Works | San Francisco Municipal Transportation Agency | Bond Issuance and Audit Costs | Total |
|----------------------------------|----------------------------|---|-------------------------------|----------------------|
| Street Resurfacing | \$146,541,500 | | | \$146,541,500 |
| Street Structures | 6,884,500 | | | 6,884,500 |
| Streetscape, Bike and Pedestrian | 49,175,000 | | | 49,175,000 |
| Curb Ramps | 13,769,000 | | | 13,769,000 |
| Sidewalks | 7,868,000 | | | 7,868,000 |
| Traffic Signal and Streets | | 19,670,000 | | 19,670,000 |
| Bond Issuance and Audit Costs | | | 4,092,000 | 4,092,000 |
| Total | \$224,238,000 | \$19,670,000 | \$4,092,000 | \$248,000,000 |

On January 24, 2012, the Board of Supervisors approved two resolutions (Resolution Nos. 24-12 and 25-12) to (a) authorize the overall issuance of \$248,000,000 for the 2011 Road Repaving and Street Safety General Obligation Bonds, and (b) authorize the initial sale of not-to-exceed \$76,500,000 of Road Repaving and Street Safety Bonds, Series 2012C. On March 8, 2012, the

City sold \$74,295,000 of the Road Repaving and Street Safety General Obligation Bonds, Series 2012C.

DETAILS OF PROPOSED LEGISLATION

File 13-0381: The proposed resolution would authorize and direct the sale of a not-to-exceed \$133,275,000 aggregate principal amount of Road Repaving and Street Safety General Obligation Bonds, Series 2013C.

File 13-0363: The proposed ordinance would appropriate \$133,275,000 bond proceeds to fund resurfacing, sidewalk, curb ramp and street structure improvements, redesign of streetscapes for pedestrian and bicycle safety improvements and traffic signal improvements to support transit priorities, including \$122,058,097 for the Department of Public Works and \$11,216,903 for the MTA and place these funds on Controller's Reserve pending the sale of the bonds.

The proposed resolution (File 13-0381) would:

- Authorize the execution, authentication and registration of the Series 2013C Road Repaving and Street Safety Bonds as well as transfers, exchanges and redemption of the bonds;
- Restrict use of the bond proceeds to the public purpose for which the bonds were intended;
- Authorize the Director of Public Finance to determine the sale date, interest rates, principal amount of the bonds, maturity and redemption dates, with the provision that interest rates cannot exceed 12 percent and the maturity date cannot extend after June 15, 2033;
- Require establishment of a Series 2013C Bond Account for payment of principal and interest; and a special Series 2013C Project Subaccount for acquisition, renovation, and construction of bond-funded projects;
- Approve the appointment of the Depository Trust Company as the securities depository, and authorize the Treasurer to appoint fiscal and other agents;
- Provide for defeasance of the bonds, other tax covenants and other terms and provisions;
- Approve the (a) Official Notice of Sale, which announces the date, time and terms of the competitive bond sale; and the (b) Notice of Intention to Sell Bonds;
- Approve the Preliminary Official Statement, describing the sources and uses of funds, security for the Bonds, risk factors, and tax and other legal matters and authorize the Controller or Director of Public Finance to revise the Preliminary Official Statement;
- Approve the Continuing Disclosure Certificate, which provides for City covenants to provide certain financial information and operating data relating to the City;
- Authorize City officials who have responsibility for executing documents related to the Series 2013C Bonds, including the Controller, Director of Public Finance, and Treasurer, to modify the documents as necessary, except that the Series 2013C Bond amount cannot exceed \$133,275,000; and

- Subject the Series 2013C Bonds to deposit 0.1% of gross bond proceeds into the specified fund for compliance with the reporting requirements of the Citizens' General Obligation Bond Oversight Committee; and
- Authorize the Board of Supervisors to incorporate California Environmental Quality Act (CEQA) findings and determinations for individual projects, for approval of use of bond proceeds to finance each project.

Ms. Nadia Sesay, Director of Public Finance advises that the Office of Public Finance anticipates selling the subject not-to-exceed \$133,275,000 Series 2013C Road Repaving and Street Safety General Obligation Bonds on June 5, 2013. The proposed ordinance (File 13-0363) would appropriate the entire \$133,275,000 bond sale proceeds, as shown in Table 2 below, subject to technical adjustments pending the results of the completed sale.

Table 2: Road Repaving and Street Safety Bond Appropriation Sources and Uses

| | Department of Public Works | San Francisco Municipal Transportation Agency | Total |
|--|----------------------------|---|----------------------|
| Sources | | | |
| Bond Proceeds | \$122,058,097 | \$11,216,903 | \$133,275,000 |
| Uses | | | |
| <u>Department of Public Works(DPW)</u> | | | |
| Curb Ramps | 4,933,673 | | |
| Sidewalks | 2,831,596 | | |
| Street Resurfacing | 73,645,231 | | |
| Street Improvement-Hope SF | 4,916,500 | | |
| Street Structures | 1,684,500 | | |
| Street, Bike & Pedestrian | 29,683,033 | | |
| <u>Municipal Transportation Agency</u> | | | |
| Signal & Street Improvements | | 10,815,900 | 10,815,900 |
| Subtotal Project Costs | \$117,694,533 | \$10,815,900 | \$128,510,433 |
| <u>Related Issuance Costs</u> | | | |
| Bond Issuance | 4,009,095 | 368,428 | 4,377,523 |
| City Services Auditor (0.2%) | 235,388 | 21,632 | 257,020 |
| Oversight Committee (0.1%) | 119,081 | 10,943 | 130,024 |
| Subtotal Issuance Costs | 4,363,564 | 401,003 | 4,764,567 |
| Total | \$122,058,097 | \$ 11,216,903 | \$133,275,000 |

Source: File 13-0363

Table 3 below summarizes the total \$248,000,000 Road Repaving and Street Safety General Obligation Bonds authorization, the \$74,295,000 initial Road Repaving and Street Safety General Obligation Bonds sold to date, the proposed not-to-exceed \$133,275,000 second issuance and the remaining \$40,430,000 authorized and unsold bonds.

Table 3: Road Repaving and Street Safety Bond Allocation

| | Department of Public Works | Municipal Transportation Agency | Bond Issuance and Oversight Costs | Total Bond Sale |
|--|----------------------------------|---------------------------------------|---|----------------------|
| Total Bond Authorization | \$224,228,000 | \$19,670,000 | \$4,092,000 | \$248,000,000 |
| Total Bond Sales To Date | 68,780,556 | 4,720,000 | 794,444 | 74,295,000 |
| Proposed Bond Sale June 2013 | 117,694,532 | 10,815,900 | 4,764,568 | 133,275,000 |
| Total Bond Sales To Date and Proposed Bond Sale | 186,475,088 | 15,535,900 | 5,559,012 | 207,570,000 |
| Remaining Authorized and Unsold Bonds | \$37,752,912 | \$4,134,100 | (\$1,467,012) | \$40,430,000 |

Although the Bond Issuance and Audit Costs in Table 3 above reflect a negative estimated balance of \$1,467,012, Ms. Sesay advises that the total estimated \$4,764,568 bond issuance and related oversight costs for the proposed bond sale includes \$3,250,000 for a Reserve Pending Bond Sale, in order to allow sufficient flexibility for the Office of Public Finance depending on market conditions.

According to Mr. John Thomas, Project Manager at DPW the entire \$248 million of 2011 Road Repaving and Street Safety General Obligation Bond funds are anticipated to be expended between April 2012 and the summer of 2017, with the subject requested not-to-exceed \$133,275,000 to be expended between June 2013 and June 2016. According to the most recent Status Report presented by DPW to the Citizens General Obligation Bond Oversight Committee, as of March 21, 2013, \$50,022,968 or 68% of the initial available \$73,500,556 of project funds have already been expended or encumbered.

Mr. Thomas advises that of the 28 total street resurfacing projects, 3 are substantially completed, 13 are under construction and 12 projects are in various stages of contract bid and award. These 12 projects will be funded with the proceeds from the upcoming bond sale. Mr. Thomas notes that all construction contracts are based on a formal lowest responsive bid award process. Under the Curb Ramp Program, (a) over 500 curb ramps of the planned 1,500 curb ramps have been completed, (b) an additional 330 curb ramps are currently in design, and (c) over 800 additional curb ramps are currently being evaluated for upcoming design and construction. The Sidewalk Inspection & Repair Program has exceeded its goal of inspecting 200 square blocks per year. Under the Structures Program, DPW has completed five smaller projects, currently has two other projects under construction and DPW has begun repair on three bridges. Mr. Thomas advises that the Streetscape Program, which includes pedestrian and bicycle safety projects, has initiated

10 projects and plans to initiate an additional 14 Streetscape projects with the subject funding. In addition, Mr. Thomas reports that the SFMTA has replaced 57 of the planned 110 traffic signals and is more than 15% completed with the design of new traffic signals at various locations.

FISCAL IMPACTS

Not-to-Exceed versus Par Amount of Bonds

According to Ms. Nadia Sesay, Director of Public Finance in the Controller's Office, the requested not-to-exceed \$133,275,000 bonds are projected to be sold for a par amount of \$130,025,000, which would result in project funds totaling \$128,510,432 as shown in Table 2 above and issuance and related oversight costs totaling \$1,514,568 and Reserve Pending Sale of Bond amount of \$3,250,000. The par amount of \$130,025,000 is \$3,250,000 less than the requested authorized not-to-exceed \$133,275,000 in both the proposed resolution (File 13-0377) and ordinance (File 13-0371). Ms. Sesay advises that the additional \$3,250,000 is to allow for fluctuations in market conditions from the time of approval until the actual time of the sale of the bonds. If the additional funds are not required, the Controller's Office will make the necessary technical adjustments based on the actual sale results.

Estimated Debt Service Payments

Ms. Sesay advises that the estimated \$130,025,000 Road Repaving and Street Safety Bonds are conservatively projected to have an annual interest rate of 6.0 percent over 20 years, resulting in estimated total debt service payments of \$226,646,246, including \$96,621,246 in interest and a par amount of \$130,025,000 in principal, with estimated average annual debt service payments of \$11,332,312.

Repayment of such annual debt service will be recovered through increases to the annual Property Tax rate, which, according to the Controller's Office, would average \$0.047 per \$1,000 of assessed valuation over the anticipated 20-year term of the bonds. The owner of a residence with an assessed value of \$500,000, assuming a homeowner's exemption of \$7,000, would pay average annual additional Property Taxes to the City of \$23.25 per year if the anticipated par amount of \$130,025,000 of Road Repaving and Street Safety Bonds are sold.

Three General Obligation Bond Issuances on June 5, 2013

The requested not-to-exceed \$133,275,000 of Road Repaving and Street Safety Bonds would be on Controller's Reserve pending the sale of the bonds, which as noted above is anticipated to occur on June 5, 2013. As shown in Table 2 below, the subject \$133,275,000 Road Repaving and Street Safety Bonds Series 2013C would also be sold with the \$74,030,000 Clean and Safe Neighborhood Parks General Obligation Bonds Series 2013A, and the \$31,905,000 Earthquake Safety and Emergency Response General Obligation Bonds Series 2013B for a total not-to-exceed authorization of \$239,210,000. As shown in Table 4 below, together, the anticipated par amount for these three General Obligation Bonds would be \$233,385,000, which together are

anticipated to result in increased average annual Property Taxes of \$41.74 for a \$500,000 assessed value home.

Table 4: Summary of Three General Obligation Bonds to be Sold on June 5, 2013

| General Obligation Bonds | Requested Not to exceed Amount | Anticipated Par Amount | Anticipated Average Annual Property Tax Impact on \$500,000 Home |
|---|--------------------------------|------------------------|--|
| Clean and Safe Neighborhood Parks (Series 2013A) | \$74,030,000 | \$72,230,000 | \$12.92 |
| Earthquake Safety and Emergency Response (Series 2013B) | 31,905,000 | 31,130,000 | 5.57 |
| Road Repaving and Street Safety (Series 2013C) | 133,275,000 | 130,025,000 | 23.25 |
| Total | \$239,210,000 | \$233,385,000 | \$41.74 |

POLICY ISSUES

The proposed resolution authorizing the sale of the Series 2013C Bonds would waive the deadline for submitting the Bond Accountability Report

Administrative Code Section 2.71 requires that a Bond Accountability Report be submitted by City departments to the Clerk of the Board, Controller, Treasurer, Director of Public Finance and the Budget and Legislative Analyst 60 days prior to approval by the Board of Supervisors of the sale of any subsequent series of bonds. In accordance with Administrative Code Section 2.72, the Bond Accountability Report includes: (a) certification from an authorized representative that the information in the report is correct; (b) cumulative amount of bond proceeds available and expended on the project; (c) brief description of each project line item for which bond proceeds have been expended; (d) the amount of bond proceeds expended on each project line item; (e) identification of completed and uncompleted project line items; (f) identification of any project line item not included in a proposed expenditure report; (g) certification that each project identified is in conformity with the voter authorization; and (h) identification of any project line time.

To date, neither DPW nor SFMTA has submitted a Bond Accountability Report. Mr. Thomas advises that the Bond Accountability Report is currently being prepared and is anticipated to be completed by June 1, 2013. Therefore, Section 24 of the proposed resolution requests that these provisions be waived; and instead, the proposed resolution states that these Bond Accountability

Reports for the subject Series 2013C bonds will "be submitted within 60 days (or as soon thereafter as possible) of any supplemental budgetary appropriation approval".

CEQA Findings

The proposed resolution (File 13-0381) states that the Board of Supervisors affirms and incorporates the California Environmental Quality Act (CEQA) findings and determinations, such that the use of the subject bond proceeds to finance the individual projects are subject to approval by the Board of Supervisors of any required environmental review under CEQA. Mr. Thomas advises that the street resurfacing program, traffic signal infrastructure, sidewalk and curb ramp programs have received Categorical Exemptions from CEQA requirements. In addition, Mr. Thomas advises that the streetscape projects are being reviewed individually with City Planning and a separate CEQA public process will be completed for these.

RECOMMENDATION

Approve the proposed resolution and ordinance.



Capital Planning Committee

Naomi M. Kelly, City Administrator, Chair

MEMORANDUM

April 15, 2013

To: Supervisor David Chiu, Board President

From: Naomi Kelly, City Administrator and Capital Planning Committee Chair

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

Naomi Kelly

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Regarding: Authorizations to Issue and Related Supplemental Appropriation Requests for the 2010 Earthquake Safety and Emergency Response (ESER) General Obligation (G.O.) Bond (\$32,800,000), the 2011 Road Repaving and Street Safety G.O. Bond (\$137,000,000), and the 2012 Clean and Safe Neighborhood Parks G.O. Bond (\$76,100,000).

In accordance with Section 3.21 of the Administrative Code, on April 15, 2013, the Capital Planning Committee (CPC) reviewed three authorizations of debt issuance and related supplemental appropriation requests.

1. Board File Number 130368 **Authorization to issue up to \$32,800,000 in G.O. Bonds and approval of related supplemental appropriation request for the Earthquake Safety and Emergency Response (ESER) Bond Program**

Recommendation: Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments: The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauschuber, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

2. Board File Number 130363

Authorization to issue up to \$137,000,000 in G.O. Bonds and approval of related supplemental appropriation request for the Road Repaving and Street Safety Bond Program

Recommendation:

Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments:

The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauschuber, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

3. Board File Number 130371

Authorization to issue up to \$76,100,000 in G.O. Bonds and approval of related supplemental appropriation request for the Clean and Safe Neighborhood Parks Bond Program

Recommendation:

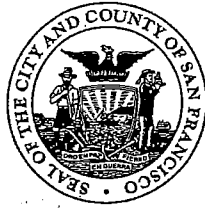
Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments:

The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauschuber, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *je*
RE: Appropriation – General Obligation Bond Proceeds of \$133,275,000 for
Road Repaving and Street Safety – FY2012-2013
DATE: April 23, 2013

Attached for introduction to the Board of Supervisors is the ordinance appropriating \$133,275,000 of the 2013C Series Road Repaving and Street Safety (RRSS) General Obligation Bond Proceeds including \$122,058,097 to the Department of Public Works and \$11,216,903 to the Municipal Transportation Agency for resurfacing, sidewalk, curb ramp and street structure improvements, the redesign of street streetscapes to include pedestrian and bicycle safety improvements, and traffic signal improvements to support transit priority for Fiscal Year 2012-2013 and placing these funds on Controller's Reserve pending the sale of the bonds.

Please note this item is cosponsored by Supervisors Wiener and Yee.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

cc. Supervisor Scott Wiener
Supervisor Norman Yee

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