

17th Nov 8

160581

[Charter Amendment - Homeless Housing and Services Fund and Budget Set-Aside; Transportation Improvement Fund and Budget Set-Aside]

**Describing and setting forth a proposal to the voters ~~to~~, at an election to be held on November 8, 2016, to amend the Charter of the City and County of San Francisco, ~~at an election to be held on November 8, 2016, to~~ to: create a Homeless Housing and Services Fund and appropriate \$~~112.5~~ million to the Fund in fiscal year 2016-2017 and \$~~47.7550~~ million annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years, and create a Transportation Improvement Fund and appropriate \$~~2325.4~~ million to the Fund in fiscal year 2016-2017 and \$~~95.5101.6~~ million annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years, and authorize the City to issue indebtedness secured by monies deposited in the Transportation Improvement Fund.**

Section 1. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of the City and County by adding Sections 16.134 and 16.135, to read as follows:

NOTE: **Unchanged Charter text and uncodified text** are in plain font. **Additions** are *single-underline italics Times New Roman font*. **Deletions** are *strike-through italics Times New Roman font*. **Asterisks (\* \* \* \*)** indicate the omission of unchanged Charter subsections.

**SEC. 16.134. HOMELESS HOUSING AND SERVICES FUND.**

*(a) Creation of the Fund. There shall be a Homeless Housing and Services Fund. In fiscal year 2016-2017, the City shall appropriate \$~~112.5~~ million to the Fund. Beginning in fiscal year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall appropriate \$~~47.7550~~ million to the Fund, to be adjusted as provided in subsection (b).*

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(b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019,  
the City shall each year adjust the appropriation required under subsection (a) by the

1 the City shall each year adjust the appropriation required under subsection (a) by the  
2 percentage increase or decrease in aggregate City discretionary revenues, as determined by the  
3 Controller, based on calculations consistent from year to year. In determining aggregate City  
4 discretionary revenues, the Controller shall only include revenues received by the City that are  
5 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any  
6 lawful City purpose.

7 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the  
8 provisions of Charter Sections 8A.105, 9.113.5, 16.108, 16.109, 16.110, and 16.123-2, the value  
9 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from  
10 the Controller's calculation of aggregate discretionary revenue used to adjust required  
11 appropriations baselines and set-asides set in the Charter.

12 (d) Uses of the Fund. Monies in the Fund shall be used to provide services to the  
13 homeless, including programs to prevent homelessness, create exits from homelessness, and  
14 move homeless individuals into more stable situations. Such programs may be designed to  
15 address the needs of specific at-risk populations. Monies in the Fund may be used for both  
16 operations of these programs and capital investments required to maintain or expand system  
17 infrastructure needs.

18 (e) Term. Except as provided in subsection (f) below, this Section 16.134 shall, by  
19 operation of law, become inoperative on July 1, 2042, and on or after such date the City  
20 Attorney shall cause this Section 16.134 to be removed from the Charter.

21 (f) Early Termination. At any time before January 1, 2017, the Mayor, after consulting  
22 with his or her Budget Director and the Controller, and after taking into account the City's  
23 projected revenues and expenditures in the City's financial plans, may terminate implementation  
24 of this Section 16.134 by issuing a written notice to the Board of Supervisors and the Controller.  
25 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's

1 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.134 shall,  
2 by operation of law, become inoperative, and the City Attorney shall cause this Section to be  
3 removed from the Charter.

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5 **SEC. 16.135. TRANSPORTATION IMPROVEMENT FUND.**

6 (a) Creation of the Fund. There shall be a Transportation Improvement Fund. In fiscal  
7 year 2016-2017, the City shall appropriate \$2325.4 million to the Fund. Beginning in fiscal  
8 year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall  
9 appropriate \$95.5101.6 million to the Fund, in the amounts specified in subsection (d), to be  
10 adjusted as provided in subsection (b).

11 (b) Adjustments to the Required Appropriation. Beginning with fiscal year 2018-2019,  
12 the City shall each year adjust the appropriations required under subsections (a) and (d) by the  
13 percentage increase or decrease in aggregate City discretionary revenues, as determined by the  
14 Controller, based on calculations consistent from year to year. In determining aggregate City  
15 discretionary revenues, the Controller shall only include revenues received by the City that are  
16 unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any  
17 lawful City purpose.

18 (c) Appropriations Excluded from Discretionary Revenues. Notwithstanding the  
19 provisions of Charter Sections 8A.105, 9.113.5, 16.108, 16.109, 16.110, and 16.123-2, the value  
20 of appropriations to the Fund, as calculated in subsections (a) and (b), shall be excluded from  
21 the Controller's calculation of aggregate discretionary revenue used to adjust required  
22 appropriations baselines and set-asides set in the Charter.

23 (d) Uses of the Fund. Monies in the Fund shall be used to improve the transportation  
24 network in San Francisco through investments in the following categories and amounts:

1                   (1) Transit Service and Affordability. Expenditures in this category 1 shall  
2 prioritize measures be used to mitigate identified deficiencies in transit service to low-income and  
3 transit-dependent communities and to provide transit service affordability for low- and  
4 moderate-income youth, seniors, and people with disabilities. Appropriations for this purpose  
5 shall equal 10 percent of appropriations to the Fund in that fiscal year., and to supplement the  
6 Municipal Transportation Agency's Reserves to protect against service cuts in future years.

7                   (2) Muni fleet, facilities, and infrastructure repair and improvement.  
8 Expenditures in this category 2 shall prioritize measures to mitigate identified deficiencies in  
9 transit service to low income and transit dependent communities. Appropriations for this  
10 purpose shall equal 20 percent of appropriations to the Fund in that fiscal year.

11                   (3) Transit optimization and expansion. Appropriations for this purpose shall  
12 equal 12.4 percent of appropriations to the Fund in that fiscal year.

13                   (2) Muni Fleet, Facilities, and Infrastructure Repair and Improvement.  
14 Expenditures in this category 2 may be used to keep Muni's fleet of buses, historic street cars,  
15 trains, and paratransit vehicles in a state of good repair through timely vehicle replacement and  
16 rehabilitation, and to expand the fleet through the acquisition of additional vehicles and larger  
17 vehicles. Expenditures in this category also may be used to repair and maintain Municipal  
18 Transportation Agency facilities, including stations and associated escalators and elevators, and  
19 to fix or replace rails, overhead wires and associated fixed guideway infrastructure for light rail,  
20 trolley coaches, historic streetcars, and cable cars.

21                   In any fiscal year in which the Municipal Transportation Agency would otherwise  
22 be required to adopt service reductions as part of its budget, the Agency may transfer up to  
23 25 percent of the annual percentage allocation of funds that would otherwise go to this category  
24 to the Transit Service and Affordability category in subsection (d)(1) to offset those service  
25 reductions, in an amount not to exceed the cost of maintaining the services.

1                   Appropriations for this purpose shall equal 18.8 percent of appropriations to the  
2 Fund in that fiscal year.

3                   (3) Transit Optimization and Expansion. Expenditures in this category 3 may be  
4 used to plan, design and deliver projects to improve the efficiency and enhance the service of the  
5 existing transit system, as well as to expand the capacity of the system, and to provide planning,  
6 design and capital funding for supportive transportation infrastructure for transit-oriented  
7 development.

8                   Appropriations for this purpose shall equal 109.4 percent of appropriations to the  
9 Fund in that fiscal year.

10                   (4) Regional transit. Appropriations for this purpose shall equal 15(4) Regional  
11 Transit and Smart System Management. Expenditures in this category 4 may be used to improve  
12 reliability and increase capacity in regional transit systems serving San Francisco.  
13 Expenditures in this category also may be used to fund long-range regional network planning  
14 and design studies and/or capital improvements. Expenditures in this category also may be used  
15 to fund technology-enabled system corridor management strategies for regional highways and  
16 associated surface arterial approach/distribution streets, and to fund demand management  
17 strategies to promote sustainable travel choices.

18                   Appropriations for this purpose shall equal 14.1 percent of appropriations to the  
19 Fund in that fiscal year.

20                   (5) Vision Zero Safer and Complete Streets. Appropriations for this purpose  
21 shall equal 10 percent of appropriations to the Fund in that fiscal year. Expenditures in this  
22 category 5 may be used to fund infrastructure improvements that promote users' safety, and to  
23 fund public safety education and evaluation. Safety upgrades may be paired with streetscape  
24 enhancements. Expenditures in this category also may be used to keep traffic infrastructure and  
25 signals in a state of good repair through replacement and upgrade of deteriorated or obsolete

1 signal hardware, to bring advanced technology to the traffic signal system allowing real-time  
2 traffic management, and transit and emergency vehicle signal priority.

3 ~~(6) Street resurfacing.~~ Appropriations for this purpose shall equal 3512.4  
4 percent of appropriations to the Fund in that fiscal year.

5 (6) Street resurfacing. Expenditures in this category 6 may be used maintain  
6 City streets through timely repair and resurfacing programs and preventative maintenance.

7 Appropriations for this purpose shall equal 32.9 percent of appropriations to the  
8 Fund in that fiscal year.

9 (e) Administration of the Fund. In addition to the requirements set forth in this  
10 Section 16.135, all expenditures from the Fund shall be subject to the budget and fiscal  
11 provisions of the Charter.

12 (1) Appropriations in categories (1) and (2) in subsection (d) shall be allocated  
13 to the Municipal Transportation Agency (MTA), or its successor agency, for the purposes  
14 specified. Appropriations

15 (2) The Controller shall transfer allocations in categories (3), (4), and (5) above  
16 shall be allocated to the County Transportation Authority (CTA), or its successor agency, for the  
17 purposes specified, subject to the approval of the Board of Supervisors.

18 (3) Appropriations in category (6) shall be allocated to the Department of Public  
19 Works, or its successor agency, for the purposes specified.

20 (4) In any fiscal year in which the Municipal Transportation Agency (MTA)  
21 would otherwise be required to adopt service reductions as part of its budget, the MTA may  
22 transfer up to 25% of the appropriations otherwise required to go to category (2) to category (1)  
23 to offset those service reductions, in an amount not to exceed the cost of maintaining the  
24 services.

1 (f) Term. Except as provided in subsection (g)(5) In any fiscal year following the  
2 adoption by the voters of a vehicle license fee increase, if the City appropriates from any other  
3 legally available sources an amount for street resurfacing equal to the amount that would  
4 otherwise be allocated under subsection (d)(6) for that year, the City may proportionately  
5 redistribute the allocation to subsection (d)(6) among the other categories in subsections (d)(1)  
6 through (5).

7 (6) Beginning in fiscal year 2031-2032, the Board of Supervisors may, by  
8 ordinance passed a by a two-thirds' vote and with the approval of the Mayor, alter the  
9 percentages to be allocated to each category in subsections (d)(1) through (6) for that fiscal  
10 year.

11 (7) The Controller shall audit the Fund and expenditures from the Fund at every  
12 5 years, or more often in his or her discretion.

13 (f) Revenue Bond Authority. In order to carry out the purposes of this Section 16.135,  
14 the Board may from time to time authorize the issuance of lease revenue bonds under Charter  
15 Sections 9.107 or lease financing arrangements under Charter Section 9.108, secured by monies  
16 deposited the Fund, for the purpose of improving the transportation network in San Francisco as  
17 provided in categories (1), (2), and (6) in subsection (d) above. The Controller is authorized to  
18 issue lease revenue bonds or other lease financing arrangements as authorized by the County  
19 Transportation Authority, secured by monies deposited into the Fund, for the purpose of  
20 improving the transportation network in San Francisco as provided in categories (3), (4), and  
21 (5) in subsection (d) above.

22 (g) Term. Except as provided in subsection (h) below, this Section 16.135 shall, by  
23 operation of law, become inoperative on July 1, 2042, and on or after such date the City  
24 Attorney shall cause this Section 16.135 to be removed from the Charter.



1 (gh) Early Termination. At any time before January 1, 2017, the Mayor, after consulting  
2 with his or her Budget Director and the Controller, and after taking into account the City's  
3 projected revenues and expenditures in the City's financial plans, may terminate implementation  
4 of this Section 16.135 by issuing a written notice to the Board of Supervisors and the Controller.  
5 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's

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10 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.135 shall,  
11 by operation of law, become inoperative, and the City Attorney shall cause this Section to be  
12 removed from the Charter.

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

17 By: \_\_\_\_\_  
18 THOMAS J. OWEN  
19 Deputy City Attorney

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