

File No. 180462

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date May 31, 2018

Board of Supervisors Meeting

Date \_\_\_\_\_

### Cmte Board

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| <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 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                                 |
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Completed by: Linda Wong Date May 25, 2018  
 Completed by: Linda Wong Date \_\_\_\_\_

1 [General Obligation Bonds - Seawall and Other Critical Infrastructure - \$425,000,000]

2  
3 **Resolution determining and declaring that the public interest and necessity demand**  
4 **the construction, reconstruction, acquisition, improvement, demolition, seismic**  
5 **strengthening, and repair of the Embarcadero Seawall and other critical infrastructure**  
6 **and the payment of related costs necessary or convenient for the foregoing purposes;**  
7 **finding that the estimated cost of \$425,000,000 for such improvements is and will be**  
8 **too great to be paid out of the ordinary annual income and revenue of the City and**  
9 **County and will require incurring bonded indebtedness; affirming the Planning**  
10 **Department's determination under the California Environmental Quality Act; finding the**  
11 **proposed bond is in conformity with the General Plan, and the eight priority policies of**  
12 **Planning Code, Section 101.1(b); and waiving the time limits set forth in Administrative**  
13 **Code, Section 2.34.**

14  
15 WHEREAS, The Embarcadero Seawall (the "Seawall"), which serves as the  
16 waterfront's foundation, is one of San Francisco's oldest pieces of infrastructure; and

17 WHEREAS, Constructed by the State of California over one hundred years ago, the  
18 Seawall supports San Francisco's historic piers, wharves, local businesses, maritime uses,  
19 iconic tourist destinations, recreation facilities, and restaurants, which bring an estimated 24  
20 million people to the waterfront annually; and

21 ///

22 ///

1           WHEREAS, The Seawall also supports key lifeline utility networks and infrastructure,  
2 including the Bay Area Rapid Transit (BART), Muni Metro, and ferry transportation networks;  
3 and

4           WHEREAS, The Seawall serves as a critical emergency response, evacuation and  
5 recovery area and provides flood protection to downtown San Francisco ("City")  
6 neighborhoods; and

7           WHEREAS, All told, the Seawall protects over \$100 billion of assets and economic  
8 activity; and

9           WHEREAS, Recent analysis by the City and the Port of San Francisco (the "Port")  
10 found that the Seawall will likely suffer significant damage during a major earthquake, causing  
11 widespread harm to the Embarcadero; historic buildings and piers; critical transportation,  
12 utility, and emergency response infrastructure; and the residents, workers, and visitors who  
13 depend on them. A major earthquake would likely cause the Seawall to move towards the  
14 bay, potentially by as much as five feet; this seismic risk is compounded by the accelerating  
15 risk of flooding, which occurs today during high tides and larger storm events; and

16           WHEREAS, The Seawall is named as a critical infrastructure priority in the City's  
17 Lifelines Interdependency Study published in 2014, and the Bond (as defined below) is  
18 planned for the November 2018 election as part of the General Obligation Bond Program in  
19 the City's FYs 2018-27 Capital Plan; and

20           WHEREAS, The Embarcadero Roadway encircles downtown San Francisco; and

21           WHEREAS, After a major seismic event, up to 250,000 people are expected to exit  
22 downtown towards the waterfront; and

23           WHEREAS, The Embarcadero must provide access to first responders, safe locations  
24 for people exiting downtown, and routes for transporting emergency supplies and equipment;  
25 and

1           WHEREAS, To address earthquake and flood risks to the Seawall, the Port of San  
2 Francisco is leading the Seawall Earthquake Safety and Disaster Prevention Program  
3 ("Seawall Program"), a program that will invest a projected \$2-5 billion over the next three  
4 decades to protect the San Francisco waterfront from imminent seismic risk and increasing  
5 flood risk due to sea level rise; and

6           WHEREAS, This Board of Supervisors (this "Board") recognizes the need to improve  
7 the earthquake safety and performance of the Seawall and other critical infrastructure, provide  
8 near-term flood protection improvements, and plan for long-term resilience and sea level rise  
9 adaptation along this important stretch of the City's waterfront; and

10           WHEREAS, The Seawall Earthquake Safety Bond (the "Bond") will provide funding to  
11 the Seawall Program and other critical infrastructure; and

12           WHEREAS, The Bond sets up a financing mechanism to be used for certain kinds of  
13 work, and specific projects at specified locations will not be determined until additional design  
14 and budget development, as well as further planning and environmental review processes,  
15 are complete; now, therefore, be it

16           RESOLVED, By the Board of Supervisors:

17           Section 1.   The Board determines and declares that the public interest and necessity  
18 demand the construction, reconstruction, acquisition, improvement, demolition, seismic  
19 strengthening and repair of the Seawall and other critical infrastructure and the payment of  
20 related costs necessary or convenient for the foregoing purposes.

21           Section 2.   The estimated cost of \$425,000,000 of the Bond is and will be too great  
22 to be paid out of the ordinary annual income and revenue of the City, will require an  
23 expenditure greater than the amount allowed by the annual tax levy, and will require the  
24 incurrence of bonded indebtedness in an amount not to exceed \$425,000,000.

25    ///

1 Section 3. The Planning Department has determined that the actions contemplated  
2 in this ordinance comply with the California Environmental Quality Act, California Public  
3 Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 California Administrative  
4 Code Sections 15000 et seq., and San Francisco Administrative Code Chapter 31  
5 (collectively, "CEQA"). Said determination is on file with the Clerk of the Board of Supervisors  
6 in File No. 180462 and is incorporated herein by reference. The Board affirms this  
7 determination.

8 Section 4. The Board finds and declares that the proposed Bond is in conformity  
9 with the priority policies of Section 101.1(b) of the San Francisco Planning Code and  
10 consistent with the City's General Plan, and adopts the findings of the Planning Department,  
11 as set forth in the General Plan Referral Report dated May 24, 2018, a copy of which is on file  
12 with the Clerk of the Board of Supervisors in File No. 180462 and incorporates such findings  
13 by reference.

14 Section 5. The time limit for approval of this resolution specified in Section 2.34 of  
15 the San Francisco Administrative Code is waived.

16 Section 6. Under Section 2.40 of the San Francisco Administrative Code, the  
17 ordinance submitting this proposal to the voters shall contain a provision authorizing landlords  
18 to pass-through 50% of the resulting property tax increases to residential tenants in  
19 accordance with Chapter 37 of the San Francisco Administrative Code.

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21 ///

22 ///

23 ///

24 ///

25 ///

1 Section 7. Documents referenced in this resolution are on file with the Clerk of the  
2 Board of Supervisors in File No. 180462, which is hereby declared to be a part of this resolution  
3 as if set forth fully herein.  
4

5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA  
7 City Attorney

8 By: Kenneth David Roux  
9 Kenneth David Roux  
10 Deputy City Attorney  
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**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

May 24, 2018

**TO:** Budget and Finance Committee

**FROM:** Budget and Legislative Analyst



**SUBJECT:** May 31, 2018 Special Budget and Finance Committee Meeting

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	18-0454	General Obligation Bond Election - Seawall and Other Critical Infrastructure - \$425,000,000 .....	1

<p><b>Items 1, 2 and 3</b>  <b>Files 18-0454, 18-0461 &amp; 18-0462</b></p>	<p><b>Department:</b>                  Port Commission (Port)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed ordinance (File 18-0454) and resolutions (Files 18-0461 and 0462) (1) call for a ballot proposition on the November 6, 2018 San Francisco ballot to incur bonded debt of \$425,000,000 to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening, and repair of the Embarcadero Seawall; (2) amend the FY 2018-27 Capital Plan to increase the proposed Seawall Bond amount from \$350,000,000 to \$425,000,000; (3) determine the public interest and necessity of the project; (4) find that the cost is too great for the ordinary revenues and require incurring bonded indebtedness; (5) affirm the Planning Department’s determinations under the California Environmental Quality Act; and (6) find the proposed bond in conformity with the priority policies of the Planning Code and the General Plan, and waive established time limits.

**Key Points**

- The Embarcadero Seawall, which is over 100 years old, protects San Francisco’s waterfront, transportation infrastructure, and business activity. The Port of San Francisco (Port) determined that the Seawall would likely be significantly damaged in a major earthquake, a risk increased by flooding due to sea level rise. The Embarcadero is both a key evacuation route and access route for first responders in the event of a disaster. Phase 1 of the Seawall Program, which includes seismic improvements, flood protections, and mitigation and enhancement measures, is estimated to cost approximately \$500,000,000 through 2027. The Port is unable to fund this through its typical revenues.
- The proposed ordinance and resolutions would place a proposition on the November 6, 2018 San Francisco election ballot to incur \$425,000,000 of bonded debt for the Seawall program. The remainder of the Seawall program would be funded by various Federal, State, and City sources. The California State Constitution requires two-thirds voter approval for the City to issue General Obligation bonds.

**Fiscal Impact**

- The General Obligation bonds, if approved by voters, would provide \$425,000,000 of revenue to the Port for Phase 1 of the Seawall Program. Repayment of the bonds, including interest, would require approximately \$730,400,000 of debt service over 25 years. Using FY 2017-18 assessments, property taxpayers would each pay an average of approximately \$13.23 annually per \$100,000 of assessed value to repay the bonds.

**Recommendation**

- Approval of the proposed ordinance and resolutions is a policy decision for the Board of Supervisors.



**MANDATE STATEMENT**

According to Article 16, Section 18(a) of the State of California Constitution, no county, city, town, township, board of education, or school district, shall incur any indebtedness or liability for any purpose exceeding in any year the income and revenue provided for such year, without the approval of two-thirds of the voters of the public entity voting at an election to be held for that purpose. Section 9.105 of the City's Charter provides that the Board of Supervisors is authorized to approve the issuance and sale of General Obligation bonds in accordance with State law or local procedures adopted by ordinance.

City Administrative Code Section 2.34 requires that a resolution of public interest and necessity for the acquisition, construction or completion of any municipal improvement be adopted by the Board of Supervisors not less than 141 days before the election at which such proposal will be submitted to the voters. These time limits may be waived by resolution of the Board of Supervisors.

**BACKGROUND**

The Embarcadero Seawall, which is over 100 years old, supports San Francisco's piers, wharves, businesses, tourist destinations, recreational amenities, and key infrastructure, including Bay Area Rapid Transit, Muni Metro, and ferry networks. The Seawall also provides flood protection to downtown San Francisco, protecting over \$100 billion of assets and economic activity.

Analysis conducted by the Port of San Francisco (Port) determined that the Seawall would likely be significantly damaged in a major earthquake. The risk is compounded by increased likelihood of flooding due to sea level rise. The Embarcadero is both a key evacuation route and access route for first responders in the event of a disaster. The Seawall is named as a critical infrastructure priority and as part of the General Obligation Bond Program in the City's FY 2018-27 Capital Plan. Phase 1 of the Seawall Program, which includes seismic improvements, flood protections, and mitigation and enhancement measures, is estimated to cost approximately \$500,000,000 through 2027.

Due to the project scale, the Port is unable to fund the Seawall Program through its operating revenues. In addition to anticipated funding from the United States Army Corps of Engineers (USACE), the State of California, and various City departments, the Port estimates that issuance of \$425,000,000 of General Obligation bonds is needed to fund the Seawall Program. The City's Capital Planning Committee at their April 16, 2018 meeting recommended a November 2018 ballot measure to authorize \$425,000,000 in General Obligation bonds to reconstruct the Seawall.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance (File 18-0454) and resolutions (File 18-0461 and 18-0462) would:

- i. Place a proposition on the November 6, 2018 San Francisco election ballot to incur \$425,000,000 of bonded debt for the Seawall Program;

- ii. Authorize landlords to pass through 50 percent of the property tax increase to residential tenants;
- iii. Amend the FY 2018-27 Capital Plan to increase the proposed Seawall Bond from \$350,000,000 to \$425,000,000 to fund Phase 1 of the Seawall Program;
- iv. Find the Seawall Program is in the public interest and necessity and that the estimated project cost is too large to be funded by ordinary revenues and will require bonded indebtedness;
- v. Affirm the Planning Department’s determination under the California Environmental Quality Act (CEQA);
- vi. Find that the proposed bond conforms with the eight priority policies of the Planning Code and the General Plan; and
- vii. Waive the time requirements of Administrative Code Section 2.34.

The California State Constitution requires two-thirds voter approval for the City to issue General Obligation bonds. If the bonds are approved and issued, the Citizen’s General Obligation Bond Oversight Committee would annually review expenditures to ensure that funds are used appropriately. An overview of possible uses of funds is shown in Table 1 below.

**Table 1: Possible Uses of Bond Funding**

Investment Category	Possible Uses
<b>Project Implementation</b>	<ul style="list-style-type: none"> <li>• Program development, planning, and pre-design</li> <li>• Design, engineering, and other soft costs</li> <li>• Construction management</li> </ul>
<b>Earthquake Improvements</b>	<ul style="list-style-type: none"> <li>• Ground strengthening and liquefaction remediation</li> <li>• Bulkhead wall, wharf, and pier retrofits and replacements</li> <li>• Bulkhead building retrofits and seismic joints</li> <li>• Pier building retrofits</li> <li>• Critical facility retrofits and replacements</li> <li>• Utility replacements, relocations, and bypasses</li> <li>• Matching funds for public and private sources</li> <li>• Other life safety improvements</li> </ul>
<b>Flood Protection Measures</b>	<ul style="list-style-type: none"> <li>• Flood walls and barriers</li> <li>• Surface grade changes</li> <li>• Flood proofing</li> <li>• Planning for future adaptation</li> <li>• Enhanced foundation for future adaptation</li> <li>• Other flood control improvements</li> </ul>
<b>Mitigation &amp; Enhancement</b>	<ul style="list-style-type: none"> <li>• Public access enhancements</li> <li>• Transportation and mobility improvements</li> <li>• Environmental benefits</li> <li>• Other public benefits</li> </ul>

**FISCAL IMPACT**

The ballot measure authorized by the proposed ordinance and resolution, if approved by voters, would provide \$425,000,000 in bond proceeds to the Port to fund Phase 1 of the Seawall program. According to Mr. Vishal Trivedi, Controller's Office Financial Analyst, bonds would likely be issued in three separate sales over an approximate five-year period, and structured as 20 year bonds. Interest and principal payments are estimated to be \$730,400,000 over 25 years. Based on the citywide total assessed value of properties in FY 2017-18, property taxpayers would each pay an average of approximately \$13.23 per \$100,000 of assessed value annually, over the course of 25 years. For residential rental properties, one half of the property tax assessment to repay the bonds may be passed on to tenants.

City policy, defined in the 2018-27 Capital Plan, requires that the issuance of new General Obligation bonds will not increase the property tax rate above FY 2005-06 levels. According to Mr. Trivedi, if the voters approve the proposed \$425,000,000 in new General Obligation Bond authority, the City's property tax rate for all outstanding General Obligation Bond authority is expected to be maintained within the FY 2005-06 policy constraints.

According to Ms. Katharine Petrucione, Port Chief Financial Officer, the Port will be unable to provide a detailed project list until CEQA analysis is performed. An approximate sources and uses of funds for the total \$500,000,000 Seawall Program Phase 1 is shown in Table 2 below.

**Table 2: Sources and Uses of Seawall Program, Phase 1**

Sources	Amount
General Obligation Bonds	\$425,000,000
Port Capital	8,000,000
San Francisco Municipal Transportation Agency	1,000,000
Planning Department	1,000,000
USACE	10,000,000
State Sources*	55,000,000
<b>Total Sources</b>	<b>\$500,000,000</b>

Uses	Amount
Port Staff Costs	\$9,215,893
Public Outreach	1,695,270
USACE <sup>1</sup>	6,262,550
Planning/Engineering	38,477,718
Final Design	43,700,000
Construction	355,591,891
<i>Subtotal</i>	<i>\$454,943,321</i>
Contingency (10%)	45,056,678
<b>Total Uses</b>	<b>\$500,000,000</b>

*\*State sources pending legislative action*

**POLICY CONSIDERATION**

Approval of the proposed resolution (File 18-0462) requires two-thirds or more of the Board of Supervisors approval and approval by the Mayor. In addition, approval of this \$425,000,000 General Obligation Bond would require approval by at least two-thirds of San Francisco voters.

**RECOMMENDATION**

Approval of the proposed ordinance and resolution is a policy decision for the Board of Supervisors.

<sup>1</sup> According to Ms. Petrucione, USACE is currently evaluating the feasibility of implementing a flood protection project along the Embarcadero. A decision on the project, which would use both USACE and Port funds, is expected in Fall 2018.



# SAN FRANCISCO PLANNING DEPARTMENT

## General Plan Referral

*Date:* May 24, 2018  
*Case No.* Case No. 2018-007023GPR  
2018 San Francisco Seawall Earthquake Safety Bond

*Block/Lot No.:* Various, Citywide  
*Project Sponsor:* San Francisco Port Commission  
Pier 1, The Embarcadero  
San Francisco, CA 94111

*Applicant:* Diane Oshima  
San Francisco Port Commission  
Pier 1, The Embarcadero  
San Francisco, CA 94111  
(415) 274-0553  
Diane.oshima@sfgov.org

*Staff Contact:* Ben Caldwell – (415) 575-9131  
[ben.caldwell@sfgov.org](mailto:ben.caldwell@sfgov.org)

*Recommendation:* Finding the proposed 2018 San Francisco Seawall Earthquake Safety Bond, on balance, is **in conformity** with the General Plan

*Recommended By:*   
John Rahaim, Director of Planning

### PROJECT DESCRIPTION

The Port of San Francisco is proposing a \$425 million General Obligation (GO) Bond for the November, 2018 ballot. The purpose of the GO Bond is to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure along the San Francisco waterfront. This General Plan Referral is for the Bond itself. If the bond is approved by the voters, subsequent bond-funded projects should be referred to the Planning Department to determine whether they require a General Plan referral(s), pursuant to Section 4.105 of the Charter and Sections 2A.52 and 2A.53 of the Administrative Code, or other authorization.

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415.558.6378

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Planning  
Information:  
415.558.6377

**ENVIRONMENTAL REVIEW**

The Planning Department has determined that the proposed amendment is not a project under CEQA per Guidelines Sections 15060(c) and 15378 because there is no direct or indirect physical change in the environment.

**GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION**

The proposed GO bond is, on balance, in conformity with the General Plan, as described in the body of this report. If the bond is approved and funds for seawall reconstruction-related projects become available, some projects may require project-level General Plan referrals, as required by San Francisco Charter §4.105 and § 2A.53 of the Administrative Code; Environmental Review; and/or other discretionary actions by the Planning Department.

**COMMERCE AND INDUSTRY ELEMENT****OBJECTIVE 2**

**MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.**

**POLICY 2.1**

**Seek to retain existing commercial and industrial activity and to attract new such activity to the city.**

**POLICY 2.2**

**Seek revenue measures which will spread the cost burden equitably to all users of city services.**

*The Seawall GO Bond would provide capital funding for potential reconstruction and adaptation projects that would ensure the continued health and soundness of the city's economic base, a significant portion of which is located in an area that depends on the seawall's soundness and stability. The bond structure is intended to equitably spread the significant cost burden for replacing this critical piece of waterfront infrastructure to all users.*

**POLICY 5.5**

**Assure adequate funding for capital investments as well as operational expenses of the port.**

*The Seawall GO Bond will help ensure there is adequate funding for capital as well as operational expenses of the Port, by providing significant new capital investment funding for a major capital infrastructure need that is beyond the Port's ability to fund in its annual capital budget.*

**COMMUNITY SAFETY ELEMENT**

**OBJECTIVE 1**

**REDUCE STRUCTURAL AND NONSTRUCTURAL HAZARDS TO LIFE SAFETY AND MINIMIZE PROPERTY DAMAGE RESULTING FROM FUTURE DISASTERS.**

**POLICY 1.13**

Reduce the risks presented by the City's most vulnerable structures, particularly privately owned buildings, and provide assistance to reduce those risks.

**POLICY 1.15**

Abate structural and non-structural hazards in City-owned structures.

**POLICY 1.16**

Preserve, consistent with life safety considerations, the architectural character of buildings and structures important to the unique visual image of San Francisco, and increase the likelihood that architecturally and historically valuable structures will survive future earthquakes.

**POLICY 1.18**

Identify and replace vulnerable and critical lifelines in high-risk areas.

**POLICY 1.21**

Ensure plans are in place to support populations most at risk during breaks in lifelines.

*The Seawall GO Bond would help directly address the risks presented by one of the City's most vulnerable pieces of infrastructure, a critical lifeline on which millions depend. If approved, the bond would help ensure plans are in place to support populations most at risk if the seawall were to fail in a disaster. Potential bond projects could help protect some of the Port's most historically significant structures.*

**OBJECTIVE 2**

**BE PREPARED FOR THE ONSET OF DISASTER BY PROVIDING PUBLIC EDUCATION AND TRAINING ABOUT EARTHQUAKES AND OTHER NATURAL AND MAN-MADE DISASTERS, BY READYING THE CITY'S INFRASTRUCTURE, AND BY ENSURING THE NECESSARY COORDINATION IS IN PLACE FOR A READY RESPONSE.**

**POLICY 2.1**

Promote greater public awareness of disaster risks, personal and business risk reduction, and personal and neighborhood emergency response - a "culture of preparedness."

**POLICY 2.11**

Ensure the City's designated system of emergency access routes is coordinated with regional activities for both emergency operations and evacuation.

**POLICY 2.12**

Utilize the City's and the region's bus and rail transit network to facilitate response and recovery during and after a disaster.

**POLICY 2.13**

**Continue coordination with water transit agencies, ferries and private boat operators to facilitate water transportation as emergency transport.**

**POLICY 2.19**

**Seek funding for preparedness projects.**

*The Seawall GO Bond would help educate the public about the risks presented by one of the City's most vulnerable pieces of infrastructure, and would directly fund important preparedness projects. It would provide capital funding for projects that would help assure the continued viability of the city's emergency routes, and its many waterfront rail, transit and water transportation networks and facilities, which serve as critical emergency transport.*

**ENVIRONMENTAL PROTECTION ELEMENT**

**OBJECTIVE 3**

**MAINTAIN AND IMPROVE THE QUALITY OF THE BAY, OCEAN, AND SHORELINE AREAS.**

**POLICY 3.2**

**Promote the use and development of shoreline areas consistent with the General Plan and the best interest of San Francisco.**

*The Seawall GO Bond would provide capital funding for reconstruction and adaptation projects that would help ensure that San Francisco's world-class bayfront and shoreline, including the Embarcadero, can continue to be maintained, used, protected, and improved for the benefit of its citizens for generations.*

**RECREATION AND OPEN SPACE ELEMENT**

**POLICY 1.4**

**Maintain and repair recreational facilities and open spaces to modern maintenance standards.**

**POLICY 1.10**

**Ensure that open space is safe and secure for the City's entire population.**

**POLICY 1.12**

**Preserve historic and culturally significant landscapes, sites, structures, buildings and objects.**

*The Seawall GO Bond would provide capital funding for reconstruction and adaptation projects that would help ensure that San Francisco's bayfront and shoreline open space will be well-maintained, safe, and secure for the City's entire population and visitors. It would protect important historic waterfront sites and buildings from damage that could ensue from the failure of the aged seawall in an earthquake.*



**PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1**

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

**Eight Priority Policies Findings**

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

The proposed project is found to be consistent with the eight priority policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.  
*The Bond will not displace or restrict access to any existing neighborhood-serving or restrict future opportunities.*
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.  
*The Bond would have no adverse effect on the City's housing stock or on neighborhood character.*
3. That the City's supply of affordable housing be preserved and enhanced.  
*The Bond would have no impact on the City's supply of affordable housing.*
4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.  
*The Bond would not impact commuter traffic or parking. The proposed bond, if approved, would help ensure the viability of BART and MUNI transit service in an earthquake, as well as protect BART and MUNI service and infrastructure from long-term climate change impacts. Specific projects that included any changes to the transportation network or transit service along the waterfront would be subject to separate authorization and approval.*
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.  
*The Bond would not affect the existing economic base in this area. If approved, the Bond would help ensure the continued long-term economic viability of San Francisco's waterfront, including its*

*industrial and service sectors, by helping strengthen the aging seawall on which the physical viability of its waterfront-specific sectors rely.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

*The Bond directly supports achieving the greatest possible preparedness against injury and loss of life in an earthquake. If approved, it would improve the City's ability to respond to injuries caused by earthquakes and other emergencies by providing funding to begin directly addressing critical needs to one of its oldest, most important and most vulnerable pieces of infrastructure.*

7. That landmarks and historic buildings be preserved.

*The Bond would not affect landmarks or historic buildings. If approved, the Bond would help protect waterfront landmarks and historic buildings from an earthquake, major disaster, or the impacts of climate change. Specific projects that included any changes to landmarks or buildings of historic significance along the waterfront would be subject to separate authorization and approval.*

8. That our parks and open space and their access to sunlight and vistas be protected from development.

*The Bond would have no adverse effect on parks and open space or their access to sunlight and vista. Individual projects that could make changes to waterfront open space would be subject to separate General Plan Referral(s) and/or other City authorization and approval.*

<b>RECOMMENDATION:</b>	<b>Finding the Project, on balance, in-conformity with the General Plan</b>
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**Attachments:**

- Final Seawall GO Bond Report 4.24.18
- Seawall GO Bond Ordinance
- 2010419 Resolution Go Bond Seawall and Other Critical Infrastructure
- Seawall GO Bond Legislative Digest

cc: Brad Benson, Port

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

May 11, 2018

File No. 180454 & 180462

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On May 1, 2018, Mayor Farrell introduced legislations for the following proposed Charter Amendments for the November 6, 2018, Election:

**File No. 180454**

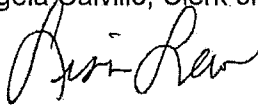
Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 6, 2018, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$425,000,000 to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; affirming the Planning Department's determination under the California Environmental Quality Act, and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the Citizens' Bond Oversight Committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

File No. 180462

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening, and repair of the Embarcadero Seawall and other critical infrastructure and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$425,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; affirming the Planning Department's determination under the California Environmental Quality Act; finding the proposed bond is in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and waiving the time limits set forth in Administrative Code, Section 2.34.

These legislations are being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*for*   
By: Linda Wong, Assistant Clerk  
Budget and Finance Committee

Attachment

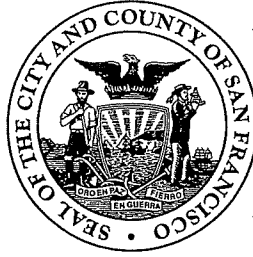
c: Joy Navarrete, Environmental Planner  
Laura Lynch, Environmental Planner

Not defined as a "project" under CEQA, because it is only the creation of a government funding mechanism and does not involve any commitment to any specific project, as defined in CEQA Guidelines Section 15378(b)(4).

**REVIEWED**

*By Joy Navarrete at 3:13 pm, May 23, 2018*

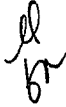
BOARD of SUPERVISORS



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## MEMORANDUM

TO: Andres Power, Liaison to the Board of Supervisors, Mayor's Office  
Jon Givner, Deputy City Attorney, Office of the City Attorney  
John Arntz, Director, Department of Elections  
LeeAnn Pelham, Executive Director, Ethics Commission  
Naomi Kelly, City Administrator, Office of the City Administrator  
Elaine Forbes, Executive Director, Port of San Francisco  
Scott Schroeder, Controller-Treasurer, Bay Area Rapid Transit  
Ed Reiskin, Executive Director, Municipal Transportation Agency  
Robert Collins, Executive Director, Rent Board  
Phil Ginsburg, General Manager, Recreation and Parks Department

FROM:  Linda Wong, Assistant Clerk, Budget and Finance Committee  
Board of Supervisors

DATE: May 11, 2018

SUBJECT: CHARTER AMENDMENTS INTRODUCED  
November 6, 2018 Election

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The Board of Supervisors' Budget and Finance Committee has received the following Charter Amendments for the November 6, 2018, Election, introduced by Mayor Farrell on May 1, 2018. These matters are being referred to you in accordance with Rules of Order 2.22.4.

**File No. 180454**

**Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 6, 2018, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$425,000,000 to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such**

proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; affirming the Planning Department's determination under the California Environmental Quality Act, and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan; consolidating the special election with the general election; establishing the election precincts, voting places, and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the Citizens' Bond Oversight Committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

File No. 180462

Resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening, and repair of the Embarcadero Seawall and other critical infrastructure and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$425,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; affirming the Planning Department's determination under the California Environmental Quality Act; finding the proposed bond is in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b); and waiving the time limits set forth in Administrative Code, Section 2.34.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns, please call me at (415) 554-7719 or email: [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Shahde Tavakoli, Mayor's Office  
Kyle Kundert, Ethics Commission


Lynn Khaw, Office of the City Administrator  
Lihmeei Leu, Office of the City Administrator  
Daley Dunham, Port of San Francisco  
Janet Martinsen, Municipal Transportation Agency  
Kate Breen, Municipal Transportation Agency  
Dillon Auyoung, Municipal Transportation Agency  
Viktoriya Wise, Municipal Transportation Agency  
Sarah Madland, Recreation and Parks Department

OFFICE OF THE MAYOR  
SAN FRANCISCO




MARK FARRELL  
MAYOR

180462

TO:  Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Mayor Farrell  
RE: Planning Code –Review for Downtown and Affordable Housing Projects;  
Notification Requirements; Review of Alterations to Historical Landmarks  
and in Conservation Districts  
DATE: May 1, 2018

Attached for introduction to the Board of Supervisors is a resolution determining and declaring that the public interest and necessity demand the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure and the payment of related costs necessary or convenient for the foregoing purposes; finding that the estimated cost of \$425,000,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; affirming the Planning Department's determination under the California Environmental Quality Act and finding the proposed bond is in conformity with the priority policies of Planning Code, Section 101.1(b) and with the General Plan and waiving the time limits set forth in Administrative Code, Section 2.34.

Should you have any questions, please contact Andres Power (415) 554-5168.

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2018 MAY -1 AM 11:57  
BY 

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200  
SAN FRANCISCO, CALIFORNIA 94102-4681  
TELEPHONE: (415) 554-6141