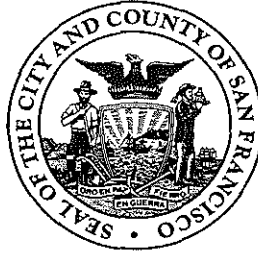


BOARD of SUPERVISORS



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

June 1, 2016

File No. 160581

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On May 24, 2016, Mayor Lee and Supervisors Avalos, Wiener, and Farrell introduced legislation for the following proposed Charter Amendment for the November 8, 2016, Election:

File No. 160581 Charter Amendment - Homeless Housing and Services Fund; Transportation Improvement Fund - Budget Set-Asides

Charter Amendment (First Draft) to amend the Charter of the City and County of San Francisco to: create a Homeless Housing and Services Fund and appropriate \$11,500,000 to the Fund in FY2016-2017 and \$47,750,000 annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years, and create a Transportation Improvement Fund and appropriate \$23,000,000 to the Fund in FY2016-2017 and \$95,500,000 annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years, at an election to be held of November 8, 2016.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Derek Evans".

By: Derek Evans, Assistant Clerk
Rules Committee

Attachment

c: John Rahaim, Director, Planning Department
AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Environmental Planner
Jeanie Poling, Environmental Planner

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment. It is a funding mechanism involving no commitment to any specific projects at any specific location.

1 [Charter Amendment - Homeless Housing and Services Fund; Transportation Improvement Fund
2 - Budget Set-Asides]

3 **Describing and setting forth a proposal to the voters to amend the Charter of the City and**
4 **County of San Francisco, at an election to be held on November 8, 2016, to: create a**
5 **Homeless Housing and Services Fund and appropriate \$11.5 million to the Fund in fiscal**
6 **year 2016-2017 and \$47.75 million annually to the Fund, adjusted for changes in**
7 **discretionary City revenues, for the next 24 years, and create a Transportation**
8 **Improvement Fund and appropriate \$23 million to the Fund in fiscal year 2016-2017 and**
9 **\$95.5 million annually to the Fund, adjusted for changes in discretionary City revenues, for**
10 **the next 24 years.**

11
12 Section 1. The Board of Supervisors hereby submits to the qualified voters of the City
13 and County, at an election to be held on November 8, 2016, a proposal to amend the Charter of
14 the City and County by adding Sections 16.134 and 16.135, to read as follows:

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

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

20 *(a) Creation of the Fund. There shall be a Homeless Housing and Services Fund. In*
21 *fiscal year 2016-2017, the City shall appropriate \$11.5 million to the Fund. Beginning in fiscal*
22 *year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall*
23 *appropriate \$47.75 million to the Fund, to be adjusted as provided in subsection (b).*

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

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

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

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

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

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

1 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
2 removed from the Charter.

3
4 **SEC. 16.135. TRANSPORTATION IMPROVEMENT FUND.**

5 (a) Creation of the Fund. There shall be a Transportation Improvement Fund. In fiscal
6 year 2016-2017, the City shall appropriate \$23 million to the Fund. Beginning in fiscal
7 year 2017-2018 and each year thereafter through fiscal year 2041-2042, the City shall
8 appropriate \$95.5 million to the Fund, in the amounts specified in subsection (d), to be adjusted
9 as provided in subsection (b).

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

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

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

24 (1) Transit Service and Affordability. Expenditures in this category 1 shall
25 prioritize measures to mitigate identified deficiencies in transit service to low-income and

1 transit-dependent communities and to provide transit service affordability for low- and
2 moderate-income youth, seniors, and people with disabilities. Appropriations for this purpose
3 shall equal 10 percent of appropriations to the Fund in that fiscal year.

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

8 (3) Transit optimization and expansion. Appropriations for this purpose shall
9 equal 10 percent of appropriations to the Fund in that fiscal year.

10 (4) Regional transit. Appropriations for this purpose shall equal 15 percent of
11 appropriations to the Fund in that fiscal year.

12 (5) Vision Zero Safer and Complete Streets. Appropriations for this purpose
13 shall equal 10 percent of appropriations to the Fund in that fiscal year.

14 (6) Street resurfacing. Appropriations for this purpose shall equal 35 percent of
15 appropriations to the Fund in that fiscal year.

16 (e) Administration of the Fund. Appropriations in categories (1) and (2) in
17 subsection (d) shall be allocated to the Municipal Transportation Agency (MTA), or its successor
18 agency, for the purposes specified. Appropriations in categories (3), (4), and (5) above shall be
19 allocated to the County Transportation Authority (CTA), or its successor agency, for the
20 purposes specified, subject to the approval of the Board of Supervisors. Appropriations in
21 category (6) shall be allocated to the Department of Public Works, or its successor agency, for
22 the purposes specified. In any fiscal year in which the Municipal Transportation Agency (MTA)
23 would otherwise be required to adopt service reductions as part of its budget, the MTA may
24 transfer up to 25% of the appropriations otherwise required to go to category (2) to category (1)
25

1 to offset those service reductions, in an amount not to exceed the cost of maintaining the
2 services.

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

6 (g) Early Termination. At any time before January 1, 2017, the Mayor, after consulting
7 with his or her Budget Director and the Controller, and after taking into account the City's
8 projected revenues and expenditures in the City's financial plans, may terminate implementation
9 of this Section 16.135 by issuing a written notice to the Board of Supervisors and the Controller.
10 The termination shall be irrevocable and apply to this entire Section. Upon the Mayor's
11 submittal of the notice to the Controller and the Board of Supervisors, this Section 16.135 shall,
12 by operation of law, become inoperative, and the City Attorney shall cause this Section to be
13 removed from the Charter.

14
15
16 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

17
18 By:



THOMAS J. OWEN
Deputy City Attorney

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LEGISLATIVE DIGEST
(First Draft - May 24, 2016)

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

Describing and setting forth a proposal to the voters to amend the Charter of the City and County of San Francisco, at an election to be held on November 8, 2016, to: create a Homeless Housing and Services Fund and appropriate \$11.5 million to the Fund in fiscal year 2016-2017 and \$47.75 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 \$23 million to the Fund in fiscal year 2016-2017 and \$95.5 million annually to the Fund, adjusted for changes in discretionary City revenues, for the next 24 years.

Existing Law

The City currently does not have a special fund or mandatory level of funding for homeless housing and services. The City has a Municipal Transportation Fund for operations of the Municipal Transportation Agency (MTA); the Municipal Transportation Fund receives various transit- and transportation-related revenues as well as an annual baseline appropriation. The City currently does not have a special fund or mandatory level of funding for street resurfacing.

Amendments to Current Law

The proposal is a charter amendment that would establish two new special funds/budget set-asides in the Charter.

First, the proposal would create a Homeless Housing and Services Fund. In fiscal year 2016-2017, the City would appropriate \$11.5 million to the Fund. Beginning in fiscal year 2017-2018 and for the next 24 years, the City would appropriate \$47.75 million to the Fund. The amount of the appropriation would be adjusted annually for changes in discretionary City revenues. Monies in the Fund would be used to provide services to the homeless, including programs to prevent homelessness, create exits from homelessness, and move homeless individuals into more stable situations. Such programs could be designed to address the needs of specific at-risk populations. Monies in the Fund could be used for both operations of these programs and capital investments required to maintain or expand system infrastructure needs.

The Fund would end on June 30, 2042. Up until January 1, 2017, the Mayor would have the one-time authority to terminate the Fund immediately, based on his or her review of the City's financial condition.

Appropriations to the Fund would not be counted as aggregate discretionary City revenues for purposes of adjusting other appropriations baselines and set-asides set in the Charter.

Second, the proposal would create a Transportation Improvement Fund. In fiscal year 2016-2017, the City would appropriate \$23 million to the Fund. Beginning in fiscal year 2017-2018 and for the next 24 years, the City would appropriate \$95.5 million to the Fund. The amount of the appropriation would be adjusted annually for changes in discretionary City revenues.

Monies in the Fund would be used to improve the transportation network in San Francisco through investments in the following categories and amounts:

(1) Transit Service and Affordability (Municipal Transportation Agency). Expenditures in this category 1 would prioritize measures to mitigate identified deficiencies in transit service to low-income and transit-dependent communities and to provide transit service affordability for low- and moderate-income youth, seniors, and people with disabilities. Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

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

(3) Transit optimization and expansion (County Transportation Authority). Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

(4) Regional transit (County Transportation Authority). Appropriations for this purpose would equal 15 percent of appropriations to the Fund in that fiscal year.

(5) Vision Zero Safer and Complete Streets (County Transportation Authority). Appropriations for this purpose would equal 10 percent of appropriations to the Fund in that fiscal year.

(6) Street resurfacing (Department of Public Works). Appropriations for this purpose would equal 35 percent of appropriations to the Fund in that fiscal year.

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

The Fund would end on June 30, 2042. Up until January 1, 2017, the Mayor would have the one-time authority to terminate the Fund immediately, based on his or her review of the City's financial condition.

Appropriations to the Fund would not be counted as aggregate discretionary City revenues for purposes of adjusting other appropriations baselines and set-asides set in the Charter.

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