


BOARD of SUPERVISORS



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## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller

FROM: Victor Young, Assistant Clerk   
Board of Supervisors

DATE: June 23, 2020

SUBJECT: GENERAL OBLIGATION BOND  
November 3, 2020 Election

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On June 24, 2020, the Board of Supervisors' Budget and Finance Committee received the following amended legislation for the November 3, 2020, Election. These matter are being referred to you in accordance with Rules of Order 2.22.3.

### **File No. 200478**

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed \$487,500,000 to finance the acquisition or improvement of real property, including: facilities to house and/or deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; parks, open space, and recreation facilities, including green and climate resilient infrastructure; and streets, curb ramps, street structures and plazas, 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 under Administrative Code Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Bond expenditures; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

**File No. 200479**

Resolution determining and declaring that the public interest and necessity demand the acquisition or improvement of real property, including: facilities to house and/or deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; parks, open space, and recreation facilities, including green and climate resilient infrastructure; and streets, curb ramps, street structures and plazas, 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 under Administrative Code Chapter 37; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).

Please review and prepare a financial analysis of the proposed measure prior to the first Rules Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7723 or email: [victor.young@sfgov.org](mailto:victor.young@sfgov.org). To submit documentation, please email or forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller  
Peg Stevenson, City Performance Director  
Natasha Mihal, City Services Auditor

1 [General Obligation Bond Election - Health and Recovery - Not to Exceed \$487,500,000]

2  
3 **Ordinance calling and providing for a special election to be held in the City and County**  
4 **of San Francisco on Tuesday, November 3, 2020, for the purpose of submitting to**  
5 **San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed**  
6 **\$487,500,000 to finance the acquisition or improvement of real property, including:**  
7 **facilities to house and/or deliver services for persons experiencing mental health**  
8 **challenges, substance use disorder, and/or homelessness; parks, open space, and**  
9 **recreation facilities, including green and climate resilient infrastructure; and streets,**  
10 **curb ramps, street structures and plazas, and related costs necessary or convenient**  
11 **for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting**  
12 **property tax increase to residential tenants under Administrative Code Chapter 37;**  
13 **providing for the levy and collection of taxes to pay both principal and interest on such**  
14 **Bonds; incorporating the provisions of the Administrative Code relating to the Citizens’**  
15 **General Obligation Bond Oversight Committee’s review of Bond expenditures; setting**  
16 **certain procedures and requirements for the election; adopting findings under the**  
17 **California Environmental Quality Act; and finding that the proposed Bonds are in**  
18 **conformity with the General Plan, and with the eight priority policies of Planning Code,**  
19 **Section 101.1(b).**

20 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
21 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
22 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
23 **Board amendment additions** are in double-underlined Arial font.  
24 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
25 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

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

25 Section 1. Findings.

AMENDED IN COMMITTEE

7/24/2020

**FILE NO. 200478**

Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost of the repayment of such Bonds."

The ordinance fixes the maximum rate of interest on the Bonds, and provides for a levy and collection of taxes to repay both the principal and interest on the Bonds. The ordinance also describes the manner in which the Bond Special Election will be held, and the ordinance provides for compliance with applicable state and local laws. The proposed ordinance includes accountability and transparency measures.

The ordinance allows landlords to pass through to residential tenants 50% of any property tax increase to tenants under the under the Residential Rent Stabilization and Arbitration Ordinance, and authorizes the Board of Supervisors' to adopt future ordinances authorizing tenants to seek waivers from the pass-through based on financial hardship.

Background Information

Limited state and federal resources and the high cost of construction put a greater burden on local governments to contribute their own limited resources to produce more facilities to serve those struggling with behavioral health and substance use disorders, temporary shelters, and permanent supportive housing, and consequently the City and County of San Francisco's ("City's") supply of these resources has not kept pace with demand. The COV-19 Public Health Emergency brought with it City unemployment levels approaching 10% within three weeks of the first Shelter in Place Public Health Order and full or partial job loss impacts on industries with an estimated 166,936 employees, creating an urgent need to invest in projects that create jobs and support the City's economic recovery. The City's most recent 10-year capital plan identifies a deferred maintenance backlog of \$799 million for streets and General Fund facilities, and the Recreation and Parks Department's more recent facilities condition assessment shows \$950 million in deferred maintenance.

The proposed Health and Recovery Bond ("Bond") will provide a portion of the critical funding necessary to acquire or improve real property, including permanent supportive housing and shelters, and existing and potential new behavioral health facilities and institutions. The Bond will also provide a portion of the critical funding necessary to acquire or improve real property, including to improve the safety and quality of neighborhood, citywide and waterfront parks and open spaces and recreation facilities under the jurisdiction of the Recreation and Park Commission. Finally, the Bond will provide a portion of the funding necessary to acquire or improve real property, including to improve access for the disabled and the condition of the City's streets and other public right-of-way and related assets.

The Board of Supervisors found that the amount of money specified for this project is and will be too great to be paid out of the ordinary annual income and revenue of the City, and will require expenditures greater than the amount allowed therefor by the annual tax levy.

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1           A.     According to the City and County of San Francisco (“City”) Point-in-Time Count  
2 conducted in January 2019, about 8,000 people experience homelessness in the City on any  
3 given night, and over the course of an entire year, many more people experience  
4 homelessness.

5           B.     According to Department of Homelessness and Supportive Housing (“HSH”)  
6 records, in Fiscal Year 2018-2019, HSH served about 18,000 people experiencing  
7 homelessness, and of those, 4,000 have a history of both mental health and substance use  
8 disorders.

9           C.     An estimated 24,500 people inject drugs in the City and recent data indicate that  
10 39 percent of people who inject drugs in the City reported injecting methamphetamine.  
11 Methamphetamine is increasingly being consumed in public spaces, and residents are more  
12 regularly encountering individuals who present challenging psychosis-related behaviors or  
13 experience moments of mental health crisis.

14          D.     The City, through HSH, currently offers temporary shelter to approximately  
15 3,400 people per night through shelters, Navigation Centers, stabilization beds, and  
16 transitional housing -- 566 additional beds have opened since October 2018 and another 499  
17 are in development -- but additional shelter beds are needed to match the waitlist for  
18 individuals looking to access shelter.

19          E.     The City administers locally and federally funded supportive housing to provide  
20 long-term affordable housing with on-site social services to people exiting chronic  
21 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,  
22 newly constructed units, and apartment buildings that operate under a master lease between  
23 private property owners and the City (“Permanent Supportive Housing”), but the City does not  
24 have a sufficient supply of Permanent Supportive Housing units to meet the demand.

25 ///

1 F. DPH provides behavioral health services in a number of settings and through a  
2 number of different mechanisms including at existing facilities such as San Francisco General  
3 Hospital, the Behavioral Health Access Center, Residential Care Facilities, community clinics,  
4 and through contracts with nonprofit service providers.

5 G. When there is not enough capacity at any one level of care or facility, longer wait  
6 times for services have a detrimental effect on the ability of people to heal and become  
7 healthier, and the City has an inadequate number of beds to help those recovering from  
8 substance use, mental health, or a dual diagnosis, with some residential care facilities having  
9 wait lists of up to seven months as of 2019.

10 H. Limited state and federal resources and the high cost of construction put a  
11 greater burden on local governments to contribute their own limited resources to produce  
12 more facilities to serve those struggling with behavioral health and substance use disorders,  
13 temporary shelters, and permanent supportive housing, and consequently the City's supply of  
14 these resources has not kept pace with demand.

15 I. The proposed Health and Recovery Bond ("Bond") will provide a portion of the  
16 critical funding necessary to acquire or improve real property, including transitional and  
17 permanent supportive housing and shelters, and existing and potential new behavioral health  
18 facilities and institutions.

19 J. On March 16, 2020, the Public Health Officers of six Bay Area counties jointly  
20 issued a Shelter in Place Public Health Order to protect the health and well-being of Bay Area  
21 residents in the face of the COVID-19 Public Health Emergency ("Public Health Emergency").

22 K. The Public Health Emergency brought with it City unemployment levels  
23 approaching 10% within three weeks of the first Shelter in Place Public Health Order and full  
24 or partial job loss impacts on industries with an estimated 166,936 employees, creating an  
25 urgent need to invest in projects that create jobs and support the City's economic recovery.

1 L. The City's most recent 10-year capital plan identifies a deferred maintenance  
2 backlog of \$799 million for streets and General Fund facilities, and the Recreation and Parks  
3 Department's more recent facilities condition assessment shows \$950 million in deferred  
4 maintenance.

5 M. Infrastructure investment is a known and tested jobs stimulus strategy with a  
6 strong multiplier effect, estimated at 5.93 jobs for every million dollars in construction  
7 spending according to the REMI Policy Insight model.

8 N. Since 2005, the City has engaged in regular, long-term capital planning to  
9 identify and advance shovel-ready projects that deliver improvements in line with adopted  
10 funding principles that prioritize legal and regulatory mandates, life safety and resilience,  
11 asset preservation and sustainability, programmatic and planned needs, and economic  
12 development.

13 O. Parks, recreation facilities, open spaces, streets, curb ramps, street structures,  
14 and plazas are all essential infrastructure for which the City is responsible and must maintain  
15 a state of good repair for public health, safety, and equitable accessibility.

16 P. Parks, recreation facilities, and open spaces offer space to relax and enjoy  
17 nature and places to play and exercise, increase residents' quality of life, support good mental  
18 and physical health, and can help people deal with trauma or find comfort in a time of distress,  
19 as a growing body of work shows that time spent outdoors in natural environments can help  
20 lower stress, depression, anxiety, diabetes, risk of preterm birth, high blood pressure, asthma,  
21 stroke, heart disease and other health improvements.

22 Q. During the Public Health Emergency, City residents have sought solace  
23 and refuge in City parks and open spaces and heavily utilized these spaces for exercise  
24 and as an alternative to private back yards, and more so in denser neighborhoods and in  
25 Equity Zones.

1 R. During the Public Health Emergency, many of the City's recreation facilities  
2 served as childcare centers for emergency and healthcare workers, helping to alleviate child  
3 care concerns for these important professionals.

4 S. A recent survey by the National Recreation and Park Association (NRPA) found  
5 that eighty-three percent (83%) of American adults agree that visiting their local parks, trails  
6 and open spaces is essential for their mental and physical well-being during the COVID-19  
7 Emergency, and fifty nine percent (59%) said that access to these amenities is very or  
8 extremely essential to their mental and physical health during this crisis.

9 T. Additionally, Urban agriculture provides proven benefits to San Franciscans by  
10 connecting City residents to the broader food system, providing green space and recreation,  
11 providing ecological benefits and green infrastructure, building community, and offering food  
12 access, public health, and workforce development potential, in particular for low-income and  
13 vulnerable communities; and

14 U. A park system as large and diverse as the City's -- over 220 parks spread over  
15 3,400 acres, and containing 181 playgrounds, 82 recreation centers and clubhouses, 37  
16 community gardens, 29 off-leash dog areas, 9 swimming pools, and numerous tennis courts,  
17 ball fields, soccer fields, and other sports and athletic venues -- requires continued and  
18 consistent investment to address dilapidated playgrounds, worn out playfields, run-down  
19 buildings, and crumbling outdoor courts.

20 V. The City is responsible for the state of good repair of more than 1,200 miles of  
21 streets, approximately 50,000 curb ramp locations, 371 street structures, and 9 plazas, which  
22 are heavily used and have longstanding deferred maintenance needs.

23 W. Streets, curb ramps, street structures, and plazas connect people to jobs,  
24 hospitals, shopping centers, and transit -- places that are vital to daily life -- and providing  
25 smooth and pot-hole free streets and pedestrian right-of-way is essential to reducing the costs



1 of road-induced damage, preventing accidents for bicyclists and drivers, and creating safe  
2 passage for pedestrians.

3 X. City staff have identified and planned several park, open space, and recreation  
4 facilities improvement projects to address public safety hazards, improve waterfront access,  
5 improve disabled access, enhance the condition of neighborhood and citywide park,  
6 recreation, and open space facilities and lands, address deferred maintenance, support  
7 population growth, enhance green infrastructure, improve climate resiliency and seismic  
8 safety, ensure equitable access to high-quality open spaces, and other issues facing the  
9 City's park system that can put people to work quickly and support local economic recovery.

10 Y. The Bond will provide a portion of the critical funding necessary to acquire or  
11 improve real property, including to improve the safety and quality of neighborhood, citywide  
12 and waterfront parks and open spaces and recreation facilities and urban agriculture sites  
13 under the jurisdiction of the Recreation and Park Commission.

14 Z. City staff have identified street repaving, curb ramp, street structures, and plaza  
15 improvement programs to address public safety hazards, reduce the backlog of deferred  
16 maintenance, improve disabled access, and equitably improve the public right-of-way that can  
17 similarly put people to work quickly.

18 AA. The Bond will provide a portion of the funding necessary to acquire or improve  
19 real property, including to improve access for the disabled and the condition of the City's  
20 streets and other public right-of-way and related assets.

21 BB. City staff have identified a capital improvement need totaling \$487,500,000 in  
22 projects and programs relating to acquiring or improving real property, including to stabilize,  
23 improve, and make permanent investments in permanent and transitional supportive housing  
24 facilities, shelters, and/or facilities that deliver services to persons experiencing mental health  
25 challenges, substance use disorder, and/or homelessness; improve the safety and quality of

1 neighborhood, citywide, and waterfront parks and open spaces and recreation facilities under  
2 the jurisdiction of the Recreation and Park Commission; and improve access for the disabled  
3 and the condition of the City's streets and other public right-of-way and related assets (as  
4 further defined in Section 3 below).

5 CC. The proposed Bond will allow the City to finance the acquisition or improvement  
6 of the Project (as defined in Section 3 herein) in the most cost-effective manner possible.

7 DD. The proposed Bond is recommended by the City's 10-year capital plan,  
8 approved each odd-numbered year by the Mayor of the City and this Board of Supervisors of  
9 the City ("Board")

10 Section 2. A special election is called and ordered to be held in the City on Tuesday,  
11 November 3, 2020, for the purpose of submitting to the electors of the City a proposition to  
12 incur bonded indebtedness of the City for the programs described in the amount and for the  
13 purposes stated (herein collectively, "Project"):

14 "HEALTH AND RECOVERY BONDS. \$487,500,000 to acquire or improve real  
15 property, including to: stabilize, improve, and make permanent investments in permanent and  
16 transitional supportive housing facilities, shelters, and/or facilities that deliver services to  
17 persons experiencing mental health challenges, substance use disorder, and/or  
18 homelessness; improve the accessibility, safety and quality of parks, open spaces and  
19 recreation facilities; improve the accessibility, safety and condition of the City's streets and  
20 other public right-of-way and related assets; and to pay related costs; with a duration of up to  
21 30 years from the time of issuance, an estimated average tax rate of \$0.014/\$100 of assessed  
22 property value, and projected average annual revenues of \$40,000,000, all subject to  
23 independent citizen oversight and regular audits; and authorizing landlords to pass-through to  
24 residential tenants in units subject to Administrative Code Chapter 37 (the "Residential Rent  
25 Stabilization and Arbitration Ordinance") 50% of the increase in the real property taxes

1 attributable to the cost of the repayment of such Bonds.”

2 The special election called and ordered to be held hereby shall be referred to in this  
3 ordinance as the "Bond Special Election."

4 Section 3. PROPOSED PROGRAM. Contractors and City departments shall  
5 comply with all applicable City laws when awarding contracts or performing work funded with  
6 the proceeds of Bonds authorized by this measure, including:

7 A. FACILITIES TO DELIVER SERVICES FOR PEOPLE EXPERIENCING  
8 MENTAL HEALTH CHALLENGES, SUBSTANCE USE DISORDER, AND/OR  
9 HOMELESSNESS: \$207,000,000 of Bond proceeds will be allocated to acquire or improve  
10 real property, including but not limited to finance the construction, acquisition, development,  
11 improvement, expansion, rehabilitation, and preservation of priority behavioral health  
12 investments such as permanent and transitional supportive housing units, shelters, locked  
13 acute and sub-acute treatment facilities, psychiatric skilled nursing facilities, residential  
14 treatment facilities, residential stepdown facilities, behavioral health respite facilities, detox  
15 and sobering facilities, a new centralized Behavioral Health Access Center, existing  
16 community health facilities that deliver behavioral health services to vulnerable populations,  
17 and facilities for long-term placements such as board and care and other residential care.

18 B. PARK, OPEN SPACE, AND RECREATION FACILITIES: \$239,000,000 of Bond  
19 proceeds will be allocated to acquire or improve real property, including but not limited to  
20 finance the construction, acquisition, development, improvement, expansion, rehabilitation,  
21 and preservation of neighborhood, citywide, and waterfront parks and open spaces and  
22 recreation facilities and urban agriculture sites under the jurisdiction of the Recreation and  
23 Park Commission.

24 This Bond finances both specific projects at specific locations and also sets up a  
25 funding mechanism to be used for certain kinds of work where specific projects at specified

1 locations are not yet identified but will be proposed following a design and planning process.  
2 The Neighborhood Parks allotment includes identified projects located at India Basin, Gene  
3 Friend Recreation Center, Herz Playground Recreation Center, Buchanan Street Mall, and  
4 Japantown Peace Plaza. The proposed Park, Open Space and Recreation Facilities funding  
5 can be summarized as follows:

6	1. Neighborhood Parks =	\$101,000,000
7	2. Citywide Parks =	\$18,000,000
8	3. Recovery Parks =	\$86,000,000
9	4. Playgrounds =	\$9,000,000
10	5. Sustainability =	\$14,000,000
11	6. Community Opportunity Fund =	\$6,000,000
12	7. Trails =	\$1,000,000
13	8. Community Gardens =	\$600,000
14	9. Contingency =	\$1,400,000
15	10. Administration =	\$2,000,000
16	Total Bond Funding for Park, Open Space, and Recreation Facilities =	
17	\$239,000,000	

18 C. STREETS, CURB RAMPS, STREET STRUCTURES AND PLAZAS:

19 \$41,500,000 of Bond proceeds will be allocated to acquire or improve real property, including  
20 but not limited to finance the repaving and reconstruction of roads, the rehabilitation and  
21 seismic improvement of street structures and plazas, and the installation and renovation of  
22 curb ramps.

23 D. CITIZENS' OVERSIGHT COMMITTEE. A portion of Bond proceeds shall be  
24 used to perform audits of Bond expenditures implied by or necessary incident to the  
25 acquisition or improvement of real property for the Project, as further described in Section 4

1 and Section 16 herein.

2 Section 4. BOND ACCOUNTABILITY MEASURES.

3 The Bonds shall include the following administrative rules and principles:

4 A. OVERSIGHT. The proposed Bond funds shall be subject to approval processes  
5 and rules described in the San Francisco Charter and Administrative Code. Pursuant to  
6 Administrative Code Section 5.31, the Citizens' General Obligation Bond Oversight  
7 Committee shall conduct an annual review of Bond spending, and shall provide an annual  
8 report of the Bond program to the Mayor and the Board.

9 B. TRANSPARENCY. The City shall create and maintain a web page outlining and  
10 describing the bond program, progress, and activity updates. The City shall also hold an  
11 annual public hearing and review on the bond program and its implementation before the  
12 Capital Planning Committee and the Citizens' General Obligation Bond Oversight Committee.

13 Section 5. The estimated cost of the bond-financed portion of the project described  
14 in Section 2 above was fixed by the Board by the following resolution and in the amount  
15 specified below:

16 Resolution No. \_\_\_\_\_, on file with the Clerk of the Board in File No.

17 200479 \$487,500,000.

18 Such resolution was passed by two-thirds or more of the Board and approved by the  
19 Mayor. In such resolution it was recited and found by the Board that the sum of money  
20 specified is too great to be paid out of the ordinary annual income and revenue of the City in  
21 addition to the other annual expenses or other funds derived from taxes levied for those  
22 purposes and will require expenditures greater than the amount allowed by the annual tax  
23 levy.

24 The method and manner of payment of the estimated costs described in this ordinance  
25 are by the issuance of Bonds by the City not exceeding the principal amount specified.

1           Such estimate of costs as set forth in such resolution is adopted and determined to be  
2 the estimated cost of such bond-financed improvements and financing, respectively.

3           Section 6.    The Bond Special Election shall be held and conducted and the votes  
4 received and canvassed, and the returns made and the results ascertained, determined, and  
5 declared as provided in this ordinance and in all particulars not recited in this ordinance such  
6 election shall be held according to the laws of the State of California (“State”) and the Charter  
7 of the City (“Charter”) and any regulations adopted under State law or the Charter, providing  
8 for and governing elections in the City, and the polls for such election shall be and remain  
9 open during the time required by such laws and regulations.

10          Section 7.    The Bond Special Election is consolidated with the General Election  
11 scheduled to be held in the City on Tuesday, November 3, 2020 (“General Election”). The  
12 voting precincts, polling places, and officers of election for the General Election are hereby  
13 adopted, established, designated, and named, respectively, as the voting precincts, polling  
14 places, and officers of election for the Bond Special Election called, and reference is made to  
15 the notice of election setting forth the voting precincts, polling places, and officers of election  
16 for the General Election by the Director of Elections to be published in the official newspaper  
17 of the City on the date required under the laws of the State.

18          Section 8.    The ballots to be used at the Bond Special Election shall be the ballots to  
19 be used at the General Election. The word limit for ballot propositions imposed by Municipal  
20 Elections Code Section 510 is waived. On the ballots to be used at the Bond Special Election,  
21 in addition to any other matter required by law to be printed thereon, shall appear the following  
22 as a separate proposition:

23                 "HEALTH AND RECOVERY BONDS. To finance the acquisition or improvement of  
24 real property, including to: stabilize, improve, and make permanent investments in supportive  
25 housing facilities, shelters, and/or facilities that deliver services to persons experiencing

1 mental health challenges, substance use disorder, and/or homelessness; improve the  
2 accessibility, safety and quality of parks, open spaces and recreation facilities; improve the  
3 accessibility, safety and condition of the City's streets and other public right-of-way and  
4 related assets; and to pay related costs; shall the City and County of San Francisco issue  
5 \$487,500,000 in general obligation bonds with a duration of up to 30 years from the time of  
6 issuance, an estimated average tax rate of \$0.014/\$100 of assessed property value, and  
7 projected average annual revenues of \$40,000,000, subject to independent citizen oversight  
8 and regular audits?"

9 The City's current debt management policy is to keep the property tax rate for City  
10 general obligation bonds below the 2006 rate by issuing new bonds as older ones are retired  
11 and the tax base grows, though this property tax rate may vary based on other factors.

12 Each voter to vote in favor of the foregoing bond proposition shall mark the ballot in the  
13 location corresponding to a "YES" vote for the proposition, and to vote against the proposition  
14 shall mark the ballot in the location corresponding to a "NO" vote for the proposition.

15 Section 9. If at the Bond Special Election it shall appear that two-thirds of all the  
16 voters voting on the proposition voted in favor of and authorized the incurring of bonded  
17 indebtedness for the purposes set forth in such proposition, then such proposition shall have  
18 been accepted by the electors, and the Bonds authorized shall be issued upon the order of  
19 the Board. Such Bonds shall bear interest at a rate not exceeding that permitted by law.

20 The votes cast for and against the proposition shall be counted separately and when  
21 two-thirds of the qualified electors, voting on the proposition, vote in favor, the proposition  
22 shall be deemed adopted.

23 Section 10. The actual expenditure of Bond proceeds provided for in this ordinance  
24 shall be net of financing costs.

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1 Section 11. For the purpose of paying the principal and interest on the Bonds, the  
2 Board shall, at the time of fixing the general tax levy and in the manner for such general tax  
3 levy provided, levy and collect annually each year until such Bonds are paid, or until there is a  
4 sum in the Treasury of the City, or other account held on behalf of the Treasurer of the City,  
5 set apart for that purpose to meet all sums coming due for the principal and interest on the  
6 Bonds, a tax sufficient to pay the annual interest on such Bonds as the same becomes due  
7 and also such part of the principal thereof as shall become due before the proceeds of a tax  
8 levied at the time for making the next general tax levy can be made available for the payment  
9 of such principal.

10 Section 12. This ordinance shall be published in accordance with any State law  
11 requirements, and such publication shall constitute notice of the Bond Special Election and no  
12 other notice of the Bond Special Election hereby called need be given.

13 Section 13. The Board, having reviewed the proposed legislation, makes the following  
14 findings in compliance with the California Environmental Quality Act ("CEQA"), California  
15 Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative  
16 Code, Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code,  
17 Chapter 31. The Board, finds, affirms and declares:

18 A. FACILITIES TO DELIVER SERVICES FOR PEOPLE EXPERIENCING  
19 MENTAL HEALTH CHALLENGES, SUBSTANCE USE DISORDER, AND/OR  
20 HOMELESSNESS: The proposed funding described in Section 3A of this Ordinance is  
21 excluded from CEQA because such funding is not defined as a "project" under CEQA  
22 Guidelines section 15378(b)(4), but is the creation of a government funding mechanism that  
23 does not involve any commitment to any specific projects at any specific locations.

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1           B.     PARK, OPEN SPACE, AND RECREATION FACILITIES

2                   (i) For the improvements to the India Basin Open Space (as defined in Section  
3 3B of this ordinance), the Board of Supervisors, in Motion No. 18-136, affirmed certification of  
4 the India Basin Mixed-Use Project Final Environmental Impact Report (State Clearinghouse  
5 Number 2016062003) and, in Ordinance No. 252-18, adopted findings under CEQA related to  
6 approvals in furtherance of the project and Development Agreement, including adoption of a  
7 Mitigation Monitoring and Reporting Program (“MMRP”), and a Statement of Overriding  
8 Considerations. The Planning Department determined that no further environmental review for  
9 this proposal is required because there are no changes to the approved Project or its  
10 surrounding circumstances that would necessitate additional environmental review, for the  
11 reasons set forth in its Memorandum dated June 19, 2020. The findings contained in  
12 Ordinance No. 258-18, including the MMRP, and the Planning Department Memorandum  
13 dated June 19, 2020, are hereby incorporated into this Ordinance as though fully set forth  
14 herein. For purposes of this Ordinance, the Board relies on said actions and their supporting  
15 documents, copies of which are in Board of Supervisors File Nos. 180842 and 180681 and  
16 incorporates these documents by reference;

17                   (ii) Four other Neighborhood Park projects, the Gene Friend Recreation Center,  
18 the Herz Playground Recreational Center, Buchanan Street Mall, and the Japantown Peace  
19 Plaza, each have been determined to be categorically exempt under CEQA. The separate  
20 projects located at the Gene Friend Recreation Center and the Herz Recreational Center were  
21 each determined to be exempt as Category 32 exemptions for Infill Development Projects,  
22 and the separate projects located at the Buchanan Street Mall and the Japantown Peace  
23 Plaza were each determined to be exempt as a Category 1 exemption as a minor alteration to  
24 an existing facility, with Buchanan Street Mall also determined to be exempt as a Category 4  
25 exemption as a minor alteration to existing land, as set forth in the Planning Department’s

1 memorandum dated June 19, 2020, which determinations are hereby affirmed and adopted by  
2 this Board for the reasons set forth in the Planning Department’s Memorandum dated June  
3 19, 2020; and

4 (iii) The remaining proposed Parks, Open Space and Recreation Facilities  
5 funding identified in Section 3B2 to 3B10 (the “Program Funding”) is excluded from CEQA  
6 because the Program Funding is not defined as a "project" under CEQA Guidelines section  
7 15378(b)(4), but is the creation of a government funding mechanism that does not involve any  
8 commitment to any specific projects at any specific locations.

9 C. STREETS, CURB RAMPS, STREET STRUCTURES AND PLAZAS: The  
10 proposed funding described in Section 3C of this Ordinance is excluded from CEQA because  
11 such funding is not defined as a "project" under CEQA Guidelines section 15378(b)(4), but is  
12 the creation of a government funding mechanism that does not involve any commitment to  
13 any specific projects at any specific locations.

14 D. CITIZENS’ OVERSIGHT COMMITTEE: The funding described in Section 3D of  
15 this Ordinance is excluded from CEQA because the funding is not defined as a "project" under  
16 CEQA Guidelines section 15378(b)(5), but is organizational activity that does not result in a  
17 direct or indirect impact on the environment.

18 Section 14. The Board finds and declares that the proposed Bonds (a) were referred  
19 to the Planning Department in accordance with Section 4.105 of the San Francisco Charter  
20 and Section 2A.53(f) of the Administrative Code, (b) are in conformity with the priority policies  
21 of Section 101.1(b) of the San Francisco Planning Code, and (c) are consistent with the City’s  
22 General Plan, and adopts the findings of the Planning Department, as set forth in the General  
23 Plan Referral Report dated May 15, 2020, a copy of which is on file with the Clerk of the  
24 Board in File No. 200478 and incorporates such findings by this reference.

25 ///

1           Section 15. Under Section 53410 of the California Government Code, the Bonds shall  
2 be for the specific purpose authorized in this ordinance and the proceeds of such Bonds will  
3 be applied only for such specific purpose. The City will comply with the requirements of  
4 Sections 53410(c) and 53410(d) of the California Government Code.

5           Section 16. The Bonds are subject to, and incorporate by reference, the applicable  
6 provisions of Administrative Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond  
7 Oversight Committee"). Under Administrative Code Section 5.31, to the extent permitted by  
8 law, 0.1% of the gross proceeds of the Bonds shall be deposited in a fund established by the  
9 Controller's Office and appropriated by the Board of Supervisors at the direction of the  
10 Citizens' General Obligation Bond Oversight Committee to cover the costs of such committee.

11           Section 17. The time requirements specified in Administrative Code Section 2.34 are  
12 waived.

13           Section 18. The City hereby declares its official intent to reimburse prior expenditures  
14 of the City incurred or expected to be incurred prior to the issuance and sale of any series of  
15 the Bonds in connection with the Project. The Board hereby declares the City's intent to  
16 reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project  
17 (the "Expenditures" and each, an "Expenditure") made on and after that date that is no more  
18 than 60 days prior to the passage of this ordinance. The City reasonably expects on the date  
19 hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

20           Each Expenditure was and will be either (a) of a type properly chargeable to a capital  
21 account under general federal income tax principles (determined in each case as of the date  
22 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring  
23 item that is not customarily payable from current revenues. The maximum aggregate principal  
24 amount of the Bonds expected to be issued for the Project is \$487,500,000. The City shall  
25 make a reimbursement allocation, which is a written allocation by the City that evidences the

1 City’s use of proceeds of the applicable series of Bonds to reimburse an Expenditure, no later  
2 than 18 months after the later of the date on which the Expenditure is paid or the related  
3 portion of the Project is placed in service or abandoned, but in no event more than three years  
4 after the date on which the Expenditure is paid. The City recognizes that exceptions are  
5 available for certain “preliminary expenditures,” costs of issuance, certain de minimis  
6 amounts, expenditures by “small issuers” (based on the year of issuance and not the year of  
7 expenditure) and Expenditures for construction projects of at least five years.

8 Section 19. Landlords may pass through to residential tenants under the Residential  
9 Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37) 50% of any  
10 property tax increase that may result from the issuance of Bonds authorized by this ordinance.  
11 The City may enact ordinances authorizing tenants to seek waivers from the pass-through  
12 based on financial hardship.

13 Section 20. The appropriate officers, employees, representatives, and agents of the  
14 City are hereby authorized and directed to do everything necessary or desirable to accomplish  
15 the calling and holding of the Bond Special Election, and to otherwise carry out the provisions  
16 of this ordinance.

17 Section 21. Documents referenced in this ordinance are on file with the Clerk of the  
18 Board of Supervisors in File No. 200478, which is hereby declared to be a part of this  
19 ordinance as if set forth fully herein.

20  
21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA,  
City Attorney

23  
24 By: /s/ Kenneth David Roux  
KENNETH DAVID ROUX  
Deputy City Attorney

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**LEGISLATIVE DIGEST**

[General Obligation Bond Election - Health and Recovery - Not to Exceed \$487,500,000]

**Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 3, 2020, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed \$487,500,000 to finance the acquisition or improvement of real property, including: facilities to house and/or deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; parks, open space, and recreation facilities, including green and climate resilient infrastructure; and streets, curb ramps, street structures and plazas, 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 under Administrative Code Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such Bonds; incorporating the provisions of the Administrative Code relating to the Citizens' General Obligation Bond Oversight Committee's review of Bond expenditures; setting certain procedures and requirements for the election; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1(b).**

Existing Law

General Obligation Bonds of the City and County of San Francisco may be issued only with the assent of two-thirds of the voters voting on the proposition.

Ballot Proposition

This ordinance authorizes the following ballot proposition to be placed on the November 3, 2020 ballot:

"HEALTH AND RECOVERY BONDS. \$487,500,000 to acquire or improve real property, including to: stabilize, improve, and make permanent investments in permanent and transitional supportive housing facilities, shelters, and/or facilities that deliver services to persons experiencing mental health challenges, substance use disorder, and/or homelessness; improve the accessibility, safety and quality of parks, open spaces and recreation facilities; improve the accessibility, safety and condition of the City's streets and other public right-of-way and related assets; and to pay related costs; with a duration of up to 30 years from the time of issuance, an estimated average tax rate of \$0.014/\$100 of assessed property value, and projected average annual revenues of \$40,000,000, all subject to independent citizen oversight and regular audits; and authorizing landlords to pass-through to residential tenants in units subject to Administrative Code Chapter 37 (the "Residential Rent Stabilization and

AMENDED IN COMMITTEE

7/24/2020

**FILE NO. 200478**

Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost of the repayment of such Bonds."

The ordinance fixes the maximum rate of interest on the Bonds, and provides for a levy and collection of taxes to repay both the principal and interest on the Bonds. The ordinance also describes the manner in which the Bond Special Election will be held, and the ordinance provides for compliance with applicable state and local laws. The proposed ordinance includes accountability and transparency measures.

The ordinance allows landlords to pass through to residential tenants 50% of any property tax increase to tenants under the under the Residential Rent Stabilization and Arbitration Ordinance, and authorizes the Board of Supervisors' to adopt future ordinances authorizing tenants to seek waivers from the pass-through based on financial hardship.

Background Information

Limited state and federal resources and the high cost of construction put a greater burden on local governments to contribute their own limited resources to produce more facilities to serve those struggling with behavioral health and substance use disorders, temporary shelters, and permanent supportive housing, and consequently the City and County of San Francisco's ("City's") supply of these resources has not kept pace with demand. The COV-19 Public Health Emergency brought with it City unemployment levels approaching 10% within three weeks of the first Shelter in Place Public Health Order and full or partial job loss impacts on industries with an estimated 166,936 employees, creating an urgent need to invest in projects that create jobs and support the City's economic recovery. The City's most recent 10-year capital plan identifies a deferred maintenance backlog of \$799 million for streets and General Fund facilities, and the Recreation and Parks Department's more recent facilities condition assessment shows \$950 million in deferred maintenance.

The proposed Health and Recovery Bond ("Bond") will provide a portion of the critical funding necessary to acquire or improve real property, including permanent supportive housing and shelters, and existing and potential new behavioral health facilities and institutions. The Bond will also provide a portion of the critical funding necessary to acquire or improve real property, including to improve the safety and quality of neighborhood, citywide and waterfront parks and open spaces and recreation facilities under the jurisdiction of the Recreation and Park Commission. Finally, the Bond will provide a portion of the funding necessary to acquire or improve real property, including to improve access for the disabled and the condition of the City's streets and other public right-of-way and related assets.

The Board of Supervisors found that the amount of money specified for this project is and will be too great to be paid out of the ordinary annual income and revenue of the City, and will require expenditures greater than the amount allowed therefor by the annual tax levy.

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1 [General Obligation Bonds – Health and Recovery - Not to Exceed \$487,500,000]

2  
3 **Resolution determining and declaring that the public interest and necessity demand**  
4 **the acquisition or improvement of real property, including: facilities to house and/or**  
5 **deliver services for persons experiencing mental health challenges, substance use**  
6 **disorder, and/or homelessness; parks, open space, and recreation facilities, including**  
7 **green and climate resilient infrastructure; and streets, curb ramps, street structures**  
8 **and plazas, and related costs necessary or convenient for the foregoing purposes;**  
9 **authorizing landlords to pass-through 50% of the resulting property tax increase to**  
10 **residential tenants under Administrative Code Chapter 37; adopting findings under the**  
11 **California Environmental Quality Act; and finding that the proposed Bonds are in**  
12 **conformity with the General Plan, and with the eight priority policies of Planning Code,**  
13 **Section 101.1(b).**

14  
15 WHEREAS, According to the City and County of San Francisco (“City”) Point-in-Time  
16 Count conducted in January 2019, about 8,000 people experience homelessness in the City  
17 on any given night, and over the course of an entire year, many more people experience  
18 homelessness; and

19 WHEREAS, According to Department of Homelessness and Supportive Housing  
20 (“HSH”) records, in Fiscal Year 2018-2019, HSH served about 18,000 people experiencing  
21 homelessness, and of those, 4,000 have a history of both mental health and substance use  
22 disorders; and

23 WHEREAS, An estimated 24,500 people inject drugs in the City and recent data  
24 indicate that 39 percent of people who inject drugs in the City reported injecting  
25 methamphetamine. Methamphetamine is increasingly being consumed in public spaces, and

1 residents are more regularly encountering individuals who present challenging psychosis-  
2 related behaviors or experience moments of mental health crisis; and

3 WHEREAS, The City, through HSH, currently offers temporary shelter to approximately  
4 3,400 people per night through shelters, Navigation Centers, stabilization beds, and  
5 transitional housing -- 566 additional beds have opened since October 2018 and another 499  
6 are in development -- but additional shelter beds are needed to match the waitlist for  
7 individuals looking to access shelter; and

8 WHEREAS, The City administers locally and federally funded supportive housing to  
9 provide long-term affordable housing with on-site social services to people exiting chronic  
10 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,  
11 newly constructed units, and apartment buildings that operate under a master lease between  
12 private property owners and the City (“Permanent Supportive Housing”), but the City does not  
13 have a sufficient supply of Permanent Supportive Housing units to meet the demand; and

14 WHEREAS, DPH provides behavioral health services in a number of settings and  
15 through a number of different mechanisms including at existing facilities such as San  
16 Francisco General Hospital, the Behavioral Health Access Center, Residential Care Facilities,  
17 community clinics, and through contracts with nonprofit service providers; and

18 WHEREAS, When there is not enough capacity at any one level of care or facility,  
19 longer wait times for services have a detrimental effect on the ability of people to heal and  
20 become healthier, and the City has an inadequate number of beds to help those recovering  
21 from substance use, mental health, or a dual diagnosis, with some residential care facilities  
22 having wait lists of up to seven months as of 2019; and

23 WHEREAS, Limited state and federal resources and the high cost of construction put a  
24 greater burden on local governments to contribute their own limited resources to produce  
25 more facilities to serve those struggling with behavioral health and substance use disorders,



1 temporary shelters, and permanent supportive housing, and consequently the City’s supply of  
2 these resources has not kept pace with demand; and

3 WHEREAS, The proposed Health and Recovery Bond (“Bond”) will provide a portion of  
4 the critical funding necessary to acquire or improve real property, including permanent  
5 supportive housing and shelters, and existing and potential new behavioral health facilities  
6 and institutions; and

7 WHEREAS, On March 16, 2020, the Public Health Officers of six Bay Area counties  
8 jointly issued a Shelter in Place Public Health Order to protect the health and well-being of  
9 Bay Area residents in the face of the COVID-19 Public Health Emergency (“Public Health  
10 Emergency”); and

11 WHEREAS, The Public Health Emergency brought with it City unemployment levels  
12 approaching 10% within three weeks of the first Shelter in Place Public Health Order and full  
13 or partial job loss impacts on industries with an estimated 166,936 employees, creating an  
14 urgent need to invest in projects that create jobs and support the City’s economic recovery;  
15 and

16 WHEREAS, The City’s most recent 10-year capital plan identifies a deferred  
17 maintenance backlog of \$799 million for streets and General Fund facilities, and the  
18 Recreation and Parks Department’s more recent facilities condition assessment shows \$950  
19 million in deferred maintenance; and

20 WHEREAS, Infrastructure investment is a known and tested jobs stimulus strategy with  
21 a strong multiplier effect, estimated at 5.93 jobs for every million dollars in construction  
22 spending according to the REMI Policy Insight model; and

23 WHEREAS, Since 2005, the City has engaged in regular, long-term capital planning to  
24 identify and advance shovel-ready projects that deliver improvements in line with adopted  
25 funding principles that prioritize legal and regulatory mandates, life safety and resilience,

1 asset preservation and sustainability, programmatic and planned needs, and economic  
2 development; and

3 WHEREAS, Parks, recreation facilities, open spaces, streets, curb ramps, street  
4 structures, and plazas are all essential infrastructure for which the City is responsible and  
5 must maintain a state of good repair for public health, safety, and equitable accessibility; and

6 WHEREAS, Parks, recreation facilities, and open spaces offer space to relax and enjoy  
7 nature and places to play and exercise, increase residents' quality of life, support good mental  
8 and physical health, and can help people deal with trauma or find comfort in a time of distress,  
9 as a growing body of work shows that time spent outdoors in natural environments can help  
10 lower stress, depression, anxiety, diabetes, risk of preterm birth, high blood pressure, asthma,  
11 stroke, heart disease and other health improvements; and

12 WHEREAS, During the Public Health Emergency, City residents have sought solace  
13 and refuge in City parks and open spaces and heavily utilized these spaces for exercise and  
14 as an alternative to private back yards, and more so in denser neighborhoods and in Equity  
15 Zones; and

16 WHEREAS, During the Public Health Emergency, many of the City's recreation  
17 facilities served as childcare centers for emergency and healthcare workers, helping to  
18 alleviate child care concerns for these important professionals; and

19 WHEREAS, A recent survey by the National Recreation and Park Association (NRPA)  
20 found that eighty-three percent (83%) of American adults agree that visiting their local parks,  
21 trails and open spaces is essential for their mental and physical well-being during the COVID-  
22 19 Emergency, and fifty nine percent (59%) said that access to these amenities is very or  
23 extremely essential to their mental and physical health during this crisis; and

24 WHEREAS, Urban agriculture provides proven benefits to San Franciscans by  
25 connecting City residents to the broader food system, providing green space and recreation,

1 providing ecological benefits and green infrastructure, building community, and offering food  
2 access, public health, and workforce development potential, in particular for low-income and  
3 vulnerable communities; and

4 WHEREAS, A park system as large and diverse as the City's -- over 220 parks spread  
5 over 3,400 acres, and containing 181 playgrounds, 82 recreation centers and clubhouses, 37  
6 community gardens, 29 off-leash dog areas, 9 swimming pools, and numerous tennis courts,  
7 ball fields, soccer fields, and other sports and athletic venues -- requires continued and  
8 consistent investment to address dilapidated playgrounds, worn out playfields, run-down  
9 buildings, and crumbling outdoor courts; and

10 WHEREAS, The City is responsible for the state of good repair of more than 1,200  
11 miles of streets, approximately 50,000 curb ramp locations, 371 street structures, and 9  
12 plazas, which are heavily used and have longstanding deferred maintenance needs; and

13 WHEREAS, Streets, curb ramps, street structures, and plazas connect people to jobs,  
14 hospitals, shopping centers, and transit -- places that are vital to daily life -- and providing  
15 smooth and pot-hole free streets and pedestrian right-of-way is essential to reducing the costs  
16 of road-induced damage, preventing accidents for bicyclists and drivers, and creating safe  
17 passage for pedestrians; and

18 WHEREAS, City staff have identified and planned several park, open space, and  
19 recreation facilities improvement projects to address public safety hazards, improve waterfront  
20 access, improve disabled access, enhance the condition of neighborhood and citywide park,  
21 recreation, and open space facilities and lands, address deferred maintenance, support  
22 population growth, enhance green infrastructure, improve climate resiliency and seismic  
23 safety, ensure equitable access to high-quality open spaces, and other issues facing the  
24 City's park system that can put people to work quickly and support local economic recovery;  
25 and

1           WHEREAS, The Bond will provide a portion of the critical funding necessary to acquire  
2 or improve real property, including to improve the safety and quality of neighborhood, citywide  
3 and waterfront parks and open spaces and recreation facilities under the jurisdiction of the  
4 Recreation and Park Commission; and

5           WHEREAS, City staff have identified street repaving, curb ramp, street structures, and  
6 plaza improvement programs to address public safety hazards, reduce the backlog of  
7 deferred maintenance, improve disabled access, and equitably improve the public right-of-way  
8 that can similarly put people to work quickly; and

9           WHEREAS, The Bond will provide a portion of the funding necessary to acquire or  
10 improve real property, including to improve access for the disabled and the condition of the  
11 City's streets and other public right-of-way and related assets; and

12           WHEREAS, City staff have identified a capital improvement need totaling  
13 \$487,500,000 in projects and programs relating to acquiring or improving real property,  
14 including to stabilize, improve, and make permanent investments in permanent and  
15 transitional supportive housing facilities, shelters, and/or facilities that deliver services to  
16 persons experiencing mental health challenges, substance use disorder, and/or  
17 homelessness; improve the safety and quality of neighborhood, citywide, and waterfront parks  
18 and open spaces and recreation facilities, and urban agriculture sites under the jurisdiction of  
19 the Recreation and Park Commission; and improve access for the disabled and the condition  
20 of the City's streets and other public right-of-way and related assets; and sites or properties  
21 otherwise specified in the ordinance submitting this proposal to the voters (collectively,  
22 "Project"); and

23           WHEREAS, The Bond will allow the City to finance the acquisition or improvement of  
24 the Project in the most cost-effective manner possible; and

25 ///

1           WHEREAS, The Bond is recommended by the City's 10-year capital plan, approved  
2 each odd-numbered year by the Mayor of the City and the Board of Supervisors of the City  
3 ("Board"); be it

4           RESOLVED, The Board determines and declares that the public interest and necessity  
5 demand the acquisition or improvement of real property, including facilities to house and/or  
6 deliver services for persons experiencing mental health challenges, substance use disorder,  
7 and/or homelessness; parks, open space, and recreation facilities, including green and  
8 climate resilient infrastructure; and streets, curb ramps, street structures and plazas, and  
9 related costs necessary or convenient for the foregoing purposes; and, be it

10          FURTHER RESOLVED, The estimated cost of \$487,500,000 for the Bond is and will  
11 be too great to be paid out of the ordinary annual income and revenue of the City, will require  
12 an expenditure greater than the amount allowed by the annual tax levy, and will require the  
13 incurrence of bonded indebtedness in an amount not to exceed \$487,500,000; and, be it

14          FURTHER RESOLVED, The Board, having reviewed the proposed legislation, makes  
15 the following findings in compliance with the California Environmental Quality Act ("CEQA"),  
16 California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 15 Cal.  
17 Administrative Code, Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco  
18 Administrative Code, Chapter 31. The Board, finds, affirms and declares:

19           A.     FACILITIES TO HOUSE AND/OR DELIVER SERVICES FOR PEOPLE  
20 EXPERIENCING MENTAL HEALTH CHALLENGES, SUBSTANCE USE DISORDER,  
21 AND/OR HOMELESSNESS:

22           The proposed funding described in Section 3A of the Ordinance is excluded from  
23 CEQA because such funding is not defined as a "project" under CEQA Guidelines section  
24 15378(b)(4), but is the creation of a government funding mechanism that does not involve any  
25 commitment to any specific projects at any specific locations.

1           B.     PARK, OPEN SPACE, AND RECREATION FACILITIES:

2                     (i) For the improvements to the India Basin Open Space (as defined in Section  
3 3B of the Ordinance), the Board of Supervisors, in Motion No. 18-136, affirmed certification of  
4 the India Basin Mixed-Use Project Final Environmental Impact Report (State Clearinghouse  
5 Number 2016062003) and, in Ordinance No. 252-18, adopted findings under CEQA related to  
6 approvals in furtherance of the project and Development Agreement, including adoption of a  
7 Mitigation Monitoring and Reporting Program (“MMRP”), and a Statement of Overriding  
8 Considerations. The Planning Department determined that no further environmental review  
9 for this proposal is required because there are no changes to the approved Project or its  
10 surrounding circumstances that would necessitate additional environmental review, for the  
11 reasons set forth in its Memorandum dated June 19, 2020. The findings contained in  
12 Ordinance No. 258-18, including the MMRP, and the Planning Department Memorandum  
13 dated June 19, 2020, are hereby incorporated into the Ordinance as though fully set forth  
14 therein. For purposes of the Ordinance, the Board relies on said actions and their supporting  
15 documents, copies of which are in Board of Supervisors File Nos. 180842 and 180681 and  
16 incorporates these documents by reference;

17                     (ii) Four other Neighborhood Park projects, the Gene Friend Recreation Center,  
18 the Herz Playground Recreational Center, Buchanan Street Mall, and the Japantown Peace  
19 Plaza, each have been determined to be categorically exempt under CEQA. The separate  
20 projects located at the Gene Friend Recreation Center and the Herz Recreational Center were  
21 each determined to be exempt as Category 32 exemptions for Infill Development Projects,  
22 and the separate projects located at the Buchanan Street Mall and the Japantown Peace  
23 Plaza were each determined to be exempt as a Category 1 exemption as a minor alteration to  
24 an existing facility, with Buchanan Street Mall also determined to be exempt as a Category 4  
25 exemption as a minor alteration to existing land, as set forth in the Planning Department’s

1 memorandum dated June 19, 2020, which determinations are hereby affirmed and adopted by  
2 this Board for the reasons set forth in the Planning Department's Memorandum dated June  
3 19, 2020; and

4 (iii) The remaining proposed Parks, Open Space and Recreation Facilities  
5 funding identified in Section 3B2 to 3B10 (the "Program Funding") is excluded from CEQA  
6 because the Program Funding is not defined as a "project" under CEQA Guidelines section  
7 15378(b)(4), but is the creation of a government funding mechanism that does not involve any  
8 commitment to any specific projects at any specific locations.

9 C. STREETS, CURB RAMPS, STREET STRUCTURES AND PLAZAS: The  
10 proposed funding described in Section 3C of the Ordinance is excluded from CEQA because  
11 such funding is not defined as a "project" under CEQA Guidelines section 15378(b)(4), but is  
12 the creation of a government funding mechanism that does not involve any commitment to  
13 any specific projects at any specific locations.

14 D. CITIZENS' OVERSIGHT COMMITTEE: The funding described in Section 3D of  
15 the Ordinance is excluded from CEQA because the funding is not defined as a "project" under  
16 CEQA Guidelines section 15378(b)(5), but is organizational activity that does not result in a  
17 direct or indirect impact on the environment; and be it

18 FURTHER RESOLVED, The Board finds and declares that the proposed Bonds (a)  
19 were referred to the Planning Department in accordance with Section 4.105 of the San  
20 Francisco Charter and Section 2A.53(f) of the Administrative Code, (b) are in conformity with  
21 the priority policies of Section 101.1(b) of the San Francisco Planning Code, and (c) are  
22 consistent with the City's General Plan, and adopts the findings of the Planning Department,  
23 as set forth in the General Plan Referral Report dated May 15, 2020, a copy of which is on file  
24 with the Clerk of the Board in File No. 200479 and incorporates such findings by this  
25 reference; and, be it

1 FURTHER RESOLVED, The time limit for approval of this resolution specified in  
2 Administrative Code, Section 2.34 is waived; and, be it

3 FURTHER RESOLVED, Under Administrative Code, Section 2.40, the ordinance  
4 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-  
5 through 50% of the resulting property tax increases to residential tenants in accordance with  
6 Administrative Code, Chapter 37; and, be it

7 FURTHER RESOLVED, The City hereby declares its official intent to reimburse prior  
8 expenditures of the City incurred or expected to be incurred prior to the issuance and sale of  
9 any series of the Bonds in connection with the Bond. The Board hereby declares the City's  
10 intent to reimburse the City with the proceeds of the Bond for the expenditures with respect to  
11 the Project (the "Expenditures" and each, an "Expenditure") made on and after that date that  
12 is no more than 60 days prior to the adoption of this Resolution; and, be it

13 FURTHER RESOLVED, The City reasonably expects on the date hereof that it will  
14 reimburse the Expenditures with the proceeds of the Bond; and, be it

15 FURTHER RESOLVED, Each Expenditure was and will be either (a) of a type properly  
16 chargeable to a capital account under general federal income tax principles (determined in  
17 each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bond,  
18 (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to  
19 a party that is not related to or an agent of the City so long as such grant does not impose any  
20 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the  
21 City. The maximum aggregate principal amount of the Bond expected to be issued for the  
22 Project is \$487,500,000. The City shall make a reimbursement allocation, which is a written  
23 allocation by the City that evidences the City's use of proceeds of the applicable series of the  
24 Bond to reimburse an Expenditure, no later than 18 months after the later of the date on which  
25 the Expenditure is paid or the related portion of the Project is placed in service or abandoned,



1 but in no event more than three years after the date on which the Expenditure is paid. The  
2 City recognizes that exceptions are available for certain “preliminary expenditures,” costs of  
3 issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year of  
4 issuance and not the year of expenditure) and Expenditures for construction projects of at  
5 least 5 years; and, be it

6 FURTHER RESOLVED, Documents referenced in this resolution are on file with the  
7 Clerk of the Board of Supervisors in File No. 200479, which is hereby declared to be a part of  
8 this resolution as if set forth fully herein.

9

10 APPROVED AS TO FORM:  
11 DENNIS J. HERRERA  
12 City Attorney

12

13 By: /s/ Kenneth DavidRoux  
14 KENNETH DAVID ROUX  
15 Deputy City Attorney  
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