

BOARD of SUPERVISORS



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MEMORANDUM

TO: Greg Wagner, City Controller, Office of the Controller

FROM: Brent Jalipa, Assistant Clerk, Budget and Finance Committee
Board of Supervisors

DATE: May 20, 2024

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
November 5, 2024 Election

The Board of Supervisors' Budget and Finance Committee has received the following General Obligation Bond legislation for the November 5, 2024, Election, introduced by Mayor London Breed. These matters are being referred to you in accordance with Administrative Code 2.33.

File No. 240497

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not to exceed \$390,000,000 to finance the acquisition or improvement of real property, including: facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, and services for persons experiencing mental health challenges or persons with substance use disorders; acquire, improve, and seismically upgrade critical medical care and mental health facilities and emergency shelter facilities; and improvements for certain transportation, pedestrian, and street safety related capital improvements, streetscape enhancements and other public space improvements, and related costs necessary or convenient for each of the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase, if any, 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 review of Bond expenditures under the provisions of the Administrative Code by the Citizens' General Obligation Bond Oversight Committee; 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. 240498

Resolution determining and declaring that the public interest and necessity demand the acquisition or improvement of real property, including: facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, services for persons experiencing mental health challenges, and persons experiencing substance use disorders; acquire, improve, and seismically upgrade critical medical care and mental health facilities; emergency shelter facilities; and improvements for certain transportation, pedestrian, and street safety related capital improvements, streetscape enhancements, and other public space improvements, and related costs necessary or convenient for the respective foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase, if any, 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 Budget and Finance Committee hearing.

If you have any questions or concerns, please call me at (415) 554-7712 or email: brent.jalipa@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: Todd Rydstrom, Deputy City Controller
Natasha Mihal, City Performance Director
Janice Levy, Office of the Controller

1 [General Obligation Bonds - Healthy, Safe and Vibrant San Francisco - Not to Exceed
2 \$390,000,000]

3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the acquisition or improvement of real property, including: facilities to deliver primary**
5 **healthcare services, emergency medical services, skilled nursing services, services for**
6 **persons experiencing mental health challenges, and persons experiencing substance**
7 **use disorders; acquire, improve, and seismically upgrade critical medical care and**
8 **mental health facilities; emergency shelter facilities; and improvements for certain**
9 **transportation, pedestrian, and street safety related capital improvements, streetscape**
10 **enhancements, and other public space improvements, and related costs necessary or**
11 **convenient for the respective foregoing purposes; authorizing landlords to pass-**
12 **through 50% of the resulting property tax increase, if any, to residential tenants under**
13 **Administrative Code, Chapter 37; adopting findings under the California Environmental**
14 **Quality Act; and finding that the proposed Bonds are in conformity with the General**
15 **Plan, and with the eight priority policies of Planning Code, Section 101.1(b).**

16
17 WHEREAS, According to the City and County of San Francisco (“City”) Point-in-Time
18 Count conducted in January 2022, there were 7,754 people estimated as experiencing
19 homelessness in the City, 4,397 of which were unsheltered, and over the course of an entire
20 year, many more people experience homelessness; and

21 WHEREAS, The City, through the Department of Homelessness and Supportive
22 Housing (“HSH”), currently offers temporary shelter to serving over 3,500 people per night
23 through a variety of shelter programs including emergency shelter, navigation centers, cabins,
24 safe parking and transitional housing, but additional shelter beds are needed to meet the
25 needs of unsheltered adults, young adults, and families; and

1 WHEREAS, The City administers locally and federally funded supportive housing to
2 provide long-term affordable housing with on-site social services to people exiting chronic
3 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,
4 newly constructed units, and scattered-site units and apartment buildings (“Permanent
5 Supportive Housing”), but the City does not have a sufficient supply of Permanent Supportive
6 Housing units to meet the demand; and

7 WHEREAS, The Department of Public Health provides behavioral health services in a
8 number of settings and through a number of different mechanisms, including at existing
9 facilities such as Zuckerberg San Francisco General Hospital and Trauma Center, the
10 Behavioral Health Access Center, Residential Care Facilities, community clinics, and through
11 contracts with nonprofit service providers; and

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

17 WHEREAS, Limited state and federal resources and the high cost of construction put a
18 greater burden on local governments to contribute their own limited resources to produce
19 more facilities to serve those struggling with behavioral health and substance use disorders,
20 temporary shelters, and Permanent Supportive Housing, and consequently the City’s supply
21 of these resources has not kept pace with demand; and

22 WHEREAS, The City is responsible for the state of good repair of more than 1,200
23 miles of streets, approximately 50,000 curb ramp locations, 371 street structures, and 9
24 plazas, which are heavily used and have longstanding deferred maintenance needs; and
25

1 WHEREAS, Redesigning and constructing streets to improve safety, accessibility, and
2 visibility for pedestrians and cyclists, and implementing traffic calming and speed reduction
3 tools, support the City's Vision Zero policy of eliminating all traffic deaths in San Francisco;
4 and

5 WHEREAS, Substantial investment in the City's Street and Transportation System will
6 result in improved street safety for all users of City streets, a more reliable and faster Muni,
7 and better pedestrian, bike, and disabled access; and

8 WHEREAS, Streets, curb ramps, street structures, and plazas connect people to jobs,
9 hospitals, shopping centers, and transit - places that are vital to daily life - and providing
10 smooth and pothole-free streets and pedestrian right-of-way is essential to reducing the costs
11 of road-induced damage, preventing crashes for bicyclists and drivers, and creating safe
12 passage for pedestrians; and

13 WHEREAS, City staff have identified projects to address public safety hazards and
14 improve disabled access, and have identified street repaving, curb ramp, street structures,
15 and plaza improvement programs to address public safety hazards, reduce the backlog of
16 deferred maintenance, improve disabled access, and equitably improve the public right-of-
17 way; and

18 WHEREAS, City staff have identified an aggregate of \$390,000,000 in needed capital
19 improvements and programs relating to acquiring or improving real property, including
20 projects necessary to improve and make permanent investments in temporary shelter,
21 particularly for families; facilities that provide preventive healthcare, emergency medical care,
22 and behavioral health services, such as the Chinatown Health Center; invest in critical repairs,
23 renovations, and seismic upgrades at Zuckerberg San Francisco General Hospital and
24 Trauma Center and Laguna Honda Hospital; and improve transportation, pedestrian, and
25 street safety improvements, streetscape enhancements, and other public space

1 improvements, all as otherwise specified in the ordinance submitting this proposal to the
2 voters (collectively, "Project"); and

3 WHEREAS, The proposed Healthy, Safe, and Vibrant San Francisco Bond ("Bond") will
4 provide a portion of the critical funding necessary to acquire or improve real property to
5 finance the costs of the Project in the most cost-effective manner possible; and

6 WHEREAS, The Bond is recommended by the City's 10-year capital plan, approved
7 each odd-numbered year by the Mayor of the City and the Board of Supervisors of the City
8 ("Board"); now, therefore, be it

9 RESOLVED, That the Board determines and declares that the public interest and
10 necessity demand the acquisition or improvement of real property, including facilities to
11 improve and make permanent investments in temporary shelter; facilities that deliver
12 preventive healthcare, emergency medical care, and behavioral health services; invest in
13 critical repairs, renovations, and seismic upgrades at Zuckerberg San Francisco General
14 Hospital and Trauma Center and Laguna Honda Hospital; and make pedestrian and street
15 safety improvements, streetscape enhancements, and other public space improvements, and
16 related costs necessary or convenient for the foregoing purposes; and, be it

17 FURTHER RESOLVED, That the estimated cost of \$390,000,000 for the Bond is and
18 will be too great to be paid out of the ordinary annual income and revenue of the City, will
19 require an expenditure greater than the amount allowed by the annual tax levy, and will
20 require the incurrence of bonded indebtedness in an amount not to exceed \$390,000,000;
21 and, be it

22 FURTHER RESOLVED, That the Board, having reviewed the proposed legislation,
23 makes the following findings in compliance with the California Environmental Quality Act
24 ("CEQA"), California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines,
25

1 14 California Code of Regulations, Sections 15000 et seq. (“CEQA Guidelines”), and San
2 Francisco Administrative Code, Chapter 31. The Board, finds, affirms and declares:

3 A. EXPANDING AND IMPROVING COMMUNITY HEALTH CENTERS TO
4 DELIVER PREVENTIVE PRIMARY CARE SERVICES, BEHAVIORAL HEALTH SERVICES,
5 SEXUAL HEALTH SERVICES, AND OTHER ANCILLARY HEALTHCARE SERVICES:

6 (i) The proposed funding for the Chinatown Public Health Center project was
7 determined by the Planning Department to be exempt from CEQA as a Class 1 exemption for
8 existing facilities pursuant to CEQA Guidelines Section 15301, as set forth in the Planning
9 Department’s memorandum dated May 6, 2024, which determination is on file with the Clerk
10 of the Board of Supervisors in File No. ____ (“Planning Department Memorandum”) and is
11 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
12 Department Memorandum.

13 (ii) The remaining portion of the proposed funding described is not an activity
14 subject to CEQA because it would not result in a direct or indirect physical change in the
15 environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and is
16 not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the
17 Planning Department Memorandum, which determination is hereby affirmed and adopted by
18 this Board for the reasons set forth in the Planning Department Memorandum.

19 B. CRITICAL REPAIRS AND RENOVATIONS AT ZUCKERBERG SAN
20 FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER AND LAGUNA HONDA
21 HOSPITAL: The proposed funding for critical repairs and renovations at Zuckerberg General
22 Hospital and Trauma and Laguna Honda Hospital is excluded from CEQA because such
23 funding is not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set
24 forth in the Planning Department Memorandum, which determination is hereby affirmed and
25 adopted by this Board for the reasons set forth in the Planning Department Memorandum.

1 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
2 HOSPITAL AND TRAUMA CENTER TO ENSURE STAFF SAFETY: The proposed funding
3 for critical repairs and renovations at Zuckerberg General Hospital and Laguna Honda
4 Hospital is not an activity subject to CEQA because it would not result in a direct or indirect
5 physical change in the environment pursuant to CEQA Section 21065 and CEQA Guidelines
6 Section 15378 and is not a “project” as defined under CEQA Guidelines Sections 15378(b)(4),
7 as set forth in the Planning Department Memorandum, which determination is hereby affirmed
8 and adopted by this Board for the reasons set forth in the Planning Department Memorandum.

9 D. STREET SAFETY IMPROVEMENTS: The proposed investments for street
10 safety improvements are not an activity subject to CEQA because they would not result in a
11 direct or indirect physical change in the environment pursuant to CEQA Section 21065 and
12 CEQA Guidelines Section 15378 and are not a “project” as defined under CEQA Guidelines
13 Section 15378(b)(4), as set forth in the Planning Department Memorandum, which
14 determination is hereby affirmed and adopted by this Board for the reasons set forth in the
15 Planning Department Memorandum.

16 E. MODERN AND ACCESSIBLE PUBLIC REALM PROJECTS:

17 (i) HARVEY MILK PLAZA: The proposed funding for Harvey Milk Plaza has
18 been determined to be exempt from CEQA as a Class 2 Exemption for replacement or
19 reconstruction of existing structures and facilities pursuant to CEQA Guidelines Section 15302
20 as determined by the Planning Department on November 23, 2022, on file with the Planning
21 Department under File _____.

22 (ii) The remaining portion of the proposed funding is not an activity subject to
23 CEQA because it would not result in a direct or indirect physical change in the environment
24 pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and such funding is
25 not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the

1 Planning Department Memorandum, which determination is hereby affirmed and adopted by
2 this Board for the reasons set forth in the Planning Department Memorandum.

3 F. NEW SHELTER SITES: The proposed funding for New Shelter Sites is not an
4 activity subject to CEQA because it would not result in a direct or indirect physical change in
5 the environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and
6 is not a “project” as defined under CEQA Guidelines sections 15378(b)(4), as set forth in the
7 Planning Department Memorandum, which determination is hereby affirmed and adopted by
8 this Board for the reasons set forth in the Planning Department Memorandum.

9 G. CITIZENS OVERSIGHT COMMITTEE: The proposed role of the Citizens
10 Oversight Committee is excluded from CEQA because such funding is not a “project” as
11 defined under CEQA Guidelines Section 15378(b)(4), as set forth in the Planning Department
12 Memorandum, which determination is hereby affirmed and adopted by this Board for the
13 reasons set forth in the Planning Department Memorandum.

14 H. Based on the whole record before the Board, there are no substantial project
15 changes, no substantial changes in project circumstances, and no new information of
16 substantial importance that would change the conclusions set forth in the exemption
17 determinations by the Planning Department that, as described above, the proposed projects
18 are exempt from environmental review.

19 I. For the portion of the proposed funding that does not constitute a project
20 pursuant to CEQA, the use of bond proceeds to finance any specific project or portion of any
21 specific project will be subject to approval of the applicable decision-making body at that time,
22 upon completion of planning and any further required environmental review under CEQA; and,
23 be it

24 FURTHER RESOLVED, That the Board finds and declares that the proposed Bonds
25 (a) were referred to the Planning Department in accordance with Section 4.105 of the San

1 Francisco Charter and Section 2A.53(f) of the Administrative Code, (b) are in conformity with
2 the priority policies of Section 101.1(b) of the Planning Code, and (c) are consistent with the
3 City’s General Plan, and adopts the findings of the Planning Department, as set forth in the
4 General Plan Referral Report dated May 6, 2024, a copy of which is on file with the Clerk of
5 the Board in File No. _____ and incorporates such findings by this reference; and, be it

6 FURTHER RESOLVED, That the time limit for approval of this resolution specified in
7 Administrative Code, Section 2.34 is waived; and, be it

8 FURTHER RESOLVED, That under Administrative Code, Section 2.40, the ordinance
9 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-
10 through 50% of the resulting property tax increases, if any, to residential tenants in
11 accordance with Administrative Code, Chapter 37; and, be it

12 FURTHER RESOLVED, That the City hereby declares its official intent to reimburse
13 prior expenditures of the City incurred or expected to be incurred prior to the issuance and
14 sale of any series of the Bonds in connection with the Bond. The Board hereby declares the
15 City’s intent to reimburse the City with the proceeds of the Bond for the expenditures with
16 respect to the Project (the “Expenditures” and each, an “Expenditure”) made on and after that
17 date that is no more than 60 days prior to the adoption of this Resolution; and, be it

18 FURTHER RESOLVED, That the City reasonably expects on the date hereof that it will
19 reimburse the Expenditures with the proceeds of the Bond; and, be it

20 FURTHER RESOLVED, That each Expenditure was and will be either (a) of a type
21 properly chargeable to a capital account under general federal income tax principles
22 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with
23 respect to the Bond, (c) a nonrecurring item that is not customarily payable from current
24 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such
25 grant does not impose any obligation or condition (directly or indirectly) to repay any amount

1 to or for the benefit of the City. The maximum aggregate principal amount of the Bond
2 expected to be issued for the Project is \$390,000,000. The City shall make a reimbursement
3 allocation, which is a written allocation by the City that evidences the City's use of proceeds of
4 the applicable series of the Bond to reimburse an Expenditure, no later than 18 months after
5 the later of the date on which the Expenditure is paid or the related portion of the Project is
6 placed in service or abandoned, but in no event more than three years after the date on which
7 the Expenditure is paid. The City recognizes that exceptions are available for certain
8 "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by
9 "small issuers" (based on the year of issuance and not the year of expenditure) and
10 Expenditures for construction projects of at least five years; and, be it

11 FURTHER RESOLVED, That documents referenced in this resolution are on file with
12 the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to be a
13 part of this resolution as if set forth fully herein.

14
15 APPROVED AS TO FORM:
16 DAVID CHIU, City Attorney

17 By: /s/MARK D. BLAKE
18 MARK D. BLAKE
19 Deputy City Attorney
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LEGISLATIVE DIGEST

[Healthy, Safe, and Vibrant San Francisco General Obligation Bond Election]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 5, 2024, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed \$390,000,000 to finance the acquisition or improvement of real property, including: facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, and services for persons experiencing mental health challenges or persons with substance use disorders; acquire, improve, and seismically upgrade critical medical care and mental health facilities and emergency shelter facilities; and improvements for certain transportation, pedestrian, and street safety related capital improvements, streetscape enhancements and other public space improvements, and related costs necessary or convenient for the respective foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase, if any, 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 review of Bond expenditures under the provisions of the Administrative Code by the Citizens' General Obligation Bond Oversight Committee; 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

This is new legislation.

Background Information

The proposed Ordinance calls for a general obligation bond election to be held on November 5, 2024. The general obligation bonds are authorized in an amount up to \$390,000,000 for the acquisition or improvement of real property.

If the measure passes, proceeds of the bonds will be used as provided below:

- **Expanding and Improving Community Health Centers to Deliver Preventive Primary Care Services, Behavioral Health Services, Sexual Health Services, and other Ancillary Healthcare Services.** Up to \$99,100,000 of bond proceeds will be used for the construction, acquisition, development,

improvement, expansion, and rehabilitation of community health centers, including up to \$71,100,000 to seismically retrofit and renovate the Chinatown Public Health Center and up to \$28,000,000 to acquire and improve real property for the relocation of the City Clinic for facilities to deliver primary healthcare services, emergency medical services, skilled nursing services, and services for persons experiencing mental health challenges or persons with substance use disorders.

- **Critical Repairs and Renovations at Zuckerberg San Francisco General Hospital and Trauma Center and Laguna Honda Hospital.** Up to \$56,000,000 of bond proceeds will be used to make critical repairs and renovations to Zuckerberg San Francisco General Hospital and Trauma Center and Laguna Honda Hospital, including the repair of mechanical systems, fire control systems, and other deferred maintenance needs for hospital infrastructure required to meet new regulatory requirements to ensure the hospitals remain operational and in regulatory compliance.
- **Seismic Upgrades at Zuckerberg San Francisco General Hospital and Trauma Center to Ensure Safety.** Up to \$40,000,000 of bond proceeds will be used for the improvements at Building 3 at Zuckerberg San Francisco General Hospital and Trauma consisting of seismic retrofits to provide 65,000 square feet of safe and secure working space.
- **Street Safety Improvements.** Up to \$68,900,000 of bond proceeds will be used to pay the cost of certain street safety projects Citywide, including projects on the High Injury Network, and making investments to improve pedestrian, bicycle, and traffic safety by repairing, constructing, and improving transportation infrastructure and equipment, including traffic signal upgrades, constructing and redesigning streets and sidewalks, and certain multimodal streetscape projects.
- **New Sites.** Up to \$50,000,000 of bond proceeds will be used to pay the costs to acquire, construct, finance, or improve shelter or interim housing sites to reduce unsheltered homelessness, particularly for families.
- **Modern and Accessible Public Realm Improvement Projects.** Up to \$46,000,000 of bond proceeds will be used to improve and modernize public spaces in the downtown San Francisco areas, which could include areas near Powell and Market Streets, including accessibility improvements, and transit access and pedestrian experience enhancements; up to \$25,000,000 of bond proceeds will be used to improve accessibility, safety, and design at the Harvey Milk Plaza; and up to \$5,000,000 of bond proceeds will be used to rehabilitate and modernize park infrastructure and improve active recreational spaces.

FILE NO. 240497

The proposed ballot measure must be approved by two-thirds of all the voters voting on the measure to pass.

The bond measure contains transparency measures. If passed the proposed bond funds will be subject to oversight of the Citizen's General Obligation Bond Oversight Committee. In addition, the City will create and maintain a web page describing the bond program, progress, and activity updates.

The City will also hold an annual public hearing and reviews on the bond program and its implementation before the Capital Planning Committee and the Citizen's General Obligation Bond Oversight Committee.

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1 [General Obligation Bonds - Healthy, Safe and Vibrant San Francisco - Not to Exceed
2 \$390,000,000]

3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the acquisition or improvement of real property, including: facilities to deliver primary**
5 **healthcare services, emergency medical services, skilled nursing services, services for**
6 **persons experiencing mental health challenges, and persons experiencing substance**
7 **use disorders; acquire, improve, and seismically upgrade critical medical care and**
8 **mental health facilities; emergency shelter facilities; and improvements for certain**
9 **transportation, pedestrian, and street safety related capital improvements, streetscape**
10 **enhancements, and other public space improvements, and related costs necessary or**
11 **convenient for the respective foregoing purposes; authorizing landlords to pass-**
12 **through 50% of the resulting property tax increase, if any, to residential tenants under**
13 **Administrative Code, Chapter 37; adopting findings under the California Environmental**
14 **Quality Act; and finding that the proposed Bonds are in conformity with the General**
15 **Plan, and with the eight priority policies of Planning Code, Section 101.1(b).**

16
17 WHEREAS, According to the City and County of San Francisco (“City”) Point-in-Time
18 Count conducted in January 2022, there were 7,754 people estimated as experiencing
19 homelessness in the City, 4,397 of which were unsheltered, and over the course of an entire
20 year, many more people experience homelessness; and

21 WHEREAS, The City, through the Department of Homelessness and Supportive
22 Housing (“HSH”), currently offers temporary shelter to serving over 3,500 people per night
23 through a variety of shelter programs including emergency shelter, navigation centers, cabins,
24 safe parking and transitional housing, but additional shelter beds are needed to meet the
25 needs of unsheltered adults, young adults, and families; and

1 WHEREAS, The City administers locally and federally funded supportive housing to
2 provide long-term affordable housing with on-site social services to people exiting chronic
3 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,
4 newly constructed units, and scattered-site units and apartment buildings (“Permanent
5 Supportive Housing”), but the City does not have a sufficient supply of Permanent Supportive
6 Housing units to meet the demand; and

7 WHEREAS, The Department of Public Health provides behavioral health services in a
8 number of settings and through a number of different mechanisms, including at existing
9 facilities such as Zuckerberg San Francisco General Hospital and Trauma Center, the
10 Behavioral Health Access Center, Residential Care Facilities, community clinics, and through
11 contracts with nonprofit service providers; and

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

17 WHEREAS, Limited state and federal resources and the high cost of construction put a
18 greater burden on local governments to contribute their own limited resources to produce
19 more facilities to serve those struggling with behavioral health and substance use disorders,
20 temporary shelters, and Permanent Supportive Housing, and consequently the City’s supply
21 of these resources has not kept pace with demand; and

22 WHEREAS, The City is responsible for the state of good repair of more than 1,200
23 miles of streets, approximately 50,000 curb ramp locations, 371 street structures, and 9
24 plazas, which are heavily used and have longstanding deferred maintenance needs; and
25

1 WHEREAS, Redesigning and constructing streets to improve safety, accessibility, and
2 visibility for pedestrians and cyclists, and implementing traffic calming and speed reduction
3 tools, support the City's Vision Zero policy of eliminating all traffic deaths in San Francisco;
4 and

5 WHEREAS, Substantial investment in the City's Street and Transportation System will
6 result in improved street safety for all users of City streets, a more reliable and faster Muni,
7 and better pedestrian, bike, and disabled access; and

8 WHEREAS, Streets, curb ramps, street structures, and plazas connect people to jobs,
9 hospitals, shopping centers, and transit - places that are vital to daily life - and providing
10 smooth and pothole-free streets and pedestrian right-of-way is essential to reducing the costs
11 of road-induced damage, preventing crashes for bicyclists and drivers, and creating safe
12 passage for pedestrians; and

13 WHEREAS, City staff have identified projects to address public safety hazards and
14 improve disabled access, and have identified street repaving, curb ramp, street structures,
15 and plaza improvement programs to address public safety hazards, reduce the backlog of
16 deferred maintenance, improve disabled access, and equitably improve the public right-of-
17 way; and

18 WHEREAS, City staff have identified an aggregate of \$390,000,000 in needed capital
19 improvements and programs relating to acquiring or improving real property, including
20 projects necessary to improve and make permanent investments in temporary shelter,
21 particularly for families; facilities that provide preventive healthcare, emergency medical care,
22 and behavioral health services, such as the Chinatown Health Center; invest in critical repairs,
23 renovations, and seismic upgrades at Zuckerberg San Francisco General Hospital and
24 Trauma Center and Laguna Honda Hospital; and improve transportation, pedestrian, and
25 street safety improvements, streetscape enhancements, and other public space

1 improvements, all as otherwise specified in the ordinance submitting this proposal to the
2 voters (collectively, "Project"); and

3 WHEREAS, The proposed Healthy, Safe, and Vibrant San Francisco Bond ("Bond") will
4 provide a portion of the critical funding necessary to acquire or improve real property to
5 finance the costs of the Project in the most cost-effective manner possible; and

6 WHEREAS, The Bond is recommended by the City's 10-year capital plan, approved
7 each odd-numbered year by the Mayor of the City and the Board of Supervisors of the City
8 ("Board"); now, therefore, be it

9 RESOLVED, That the Board determines and declares that the public interest and
10 necessity demand the acquisition or improvement of real property, including facilities to
11 improve and make permanent investments in temporary shelter; facilities that deliver
12 preventive healthcare, emergency medical care, and behavioral health services; invest in
13 critical repairs, renovations, and seismic upgrades at Zuckerberg San Francisco General
14 Hospital and Trauma Center and Laguna Honda Hospital; and make pedestrian and street
15 safety improvements, streetscape enhancements, and other public space improvements, and
16 related costs necessary or convenient for the foregoing purposes; and, be it

17 FURTHER RESOLVED, That the estimated cost of \$390,000,000 for the Bond is and
18 will be too great to be paid out of the ordinary annual income and revenue of the City, will
19 require an expenditure greater than the amount allowed by the annual tax levy, and will
20 require the incurrence of bonded indebtedness in an amount not to exceed \$390,000,000;
21 and, be it

22 FURTHER RESOLVED, That the Board, having reviewed the proposed legislation,
23 makes the following findings in compliance with the California Environmental Quality Act
24 ("CEQA"), California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines,
25

1 14 California Code of Regulations, Sections 15000 et seq. (“CEQA Guidelines”), and San
2 Francisco Administrative Code, Chapter 31. The Board, finds, affirms and declares:

3 A. EXPANDING AND IMPROVING COMMUNITY HEALTH CENTERS TO
4 DELIVER PREVENTIVE PRIMARY CARE SERVICES, BEHAVIORAL HEALTH SERVICES,
5 SEXUAL HEALTH SERVICES, AND OTHER ANCILLARY HEALTHCARE SERVICES:

6 (i) The proposed funding for the Chinatown Public Health Center project was
7 determined by the Planning Department to be exempt from CEQA as a Class 1 exemption for
8 existing facilities pursuant to CEQA Guidelines Section 15301, as set forth in the Planning
9 Department’s memorandum dated May 6, 2024, which determination is on file with the Clerk
10 of the Board of Supervisors in File No. ____ (“Planning Department Memorandum”) and is
11 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
12 Department Memorandum.

13 (ii) The remaining portion of the proposed funding described is not an activity
14 subject to CEQA because it would not result in a direct or indirect physical change in the
15 environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and is
16 not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the
17 Planning Department Memorandum, which determination is hereby affirmed and adopted by
18 this Board for the reasons set forth in the Planning Department Memorandum.

19 B. CRITICAL REPAIRS AND RENOVATIONS AT ZUCKERBERG SAN
20 FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER AND LAGUNA HONDA
21 HOSPITAL: The proposed funding for critical repairs and renovations at Zuckerberg General
22 Hospital and Trauma and Laguna Honda Hospital is excluded from CEQA because such
23 funding is not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set
24 forth in the Planning Department Memorandum, which determination is hereby affirmed and
25 adopted by this Board for the reasons set forth in the Planning Department Memorandum.

1 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
2 HOSPITAL AND TRAUMA CENTER TO ENSURE STAFF SAFETY: The proposed funding
3 for critical repairs and renovations at Zuckerberg General Hospital and Laguna Honda
4 Hospital is not an activity subject to CEQA because it would not result in a direct or indirect
5 physical change in the environment pursuant to CEQA Section 21065 and CEQA Guidelines
6 Section 15378 and is not a “project” as defined under CEQA Guidelines Sections 15378(b)(4),
7 as set forth in the Planning Department Memorandum, which determination is hereby affirmed
8 and adopted by this Board for the reasons set forth in the Planning Department Memorandum.

9 D. STREET SAFETY IMPROVEMENTS: The proposed investments for street
10 safety improvements are not an activity subject to CEQA because they would not result in a
11 direct or indirect physical change in the environment pursuant to CEQA Section 21065 and
12 CEQA Guidelines Section 15378 and are not a “project” as defined under CEQA Guidelines
13 Section 15378(b)(4), as set forth in the Planning Department Memorandum, which
14 determination is hereby affirmed and adopted by this Board for the reasons set forth in the
15 Planning Department Memorandum.

16 E. MODERN AND ACCESSIBLE PUBLIC REALM PROJECTS:

17 (i) HARVEY MILK PLAZA: The proposed funding for Harvey Milk Plaza has
18 been determined to be exempt from CEQA as a Class 2 Exemption for replacement or
19 reconstruction of existing structures and facilities pursuant to CEQA Guidelines Section 15302
20 as determined by the Planning Department on November 23, 2022, on file with the Planning
21 Department under File _____.

22 (ii) The remaining portion of the proposed funding is not an activity subject to
23 CEQA because it would not result in a direct or indirect physical change in the environment
24 pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and such funding is
25 not a “project” as defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the

1 Planning Department Memorandum, which determination is hereby affirmed and adopted by
2 this Board for the reasons set forth in the Planning Department Memorandum.

3 F. NEW SHELTER SITES: The proposed funding for New Shelter Sites is not an
4 activity subject to CEQA because it would not result in a direct or indirect physical change in
5 the environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and
6 is not a “project” as defined under CEQA Guidelines sections 15378(b)(4), as set forth in the
7 Planning Department Memorandum, which determination is hereby affirmed and adopted by
8 this Board for the reasons set forth in the Planning Department Memorandum.

9 G. CITIZENS OVERSIGHT COMMITTEE: The proposed role of the Citizens
10 Oversight Committee is excluded from CEQA because such funding is not a “project” as
11 defined under CEQA Guidelines Section 15378(b)(4), as set forth in the Planning Department
12 Memorandum, which determination is hereby affirmed and adopted by this Board for the
13 reasons set forth in the Planning Department Memorandum.

14 H. Based on the whole record before the Board, there are no substantial project
15 changes, no substantial changes in project circumstances, and no new information of
16 substantial importance that would change the conclusions set forth in the exemption
17 determinations by the Planning Department that, as described above, the proposed projects
18 are exempt from environmental review.

19 I. For the portion of the proposed funding that does not constitute a project
20 pursuant to CEQA, the use of bond proceeds to finance any specific project or portion of any
21 specific project will be subject to approval of the applicable decision-making body at that time,
22 upon completion of planning and any further required environmental review under CEQA; and,
23 be it

24 FURTHER RESOLVED, That the Board finds and declares that the proposed Bonds
25 (a) were referred to the Planning Department in accordance with Section 4.105 of the San

1 Francisco Charter and Section 2A.53(f) of the Administrative Code, (b) are in conformity with
2 the priority policies of Section 101.1(b) of the Planning Code, and (c) are consistent with the
3 City’s General Plan, and adopts the findings of the Planning Department, as set forth in the
4 General Plan Referral Report dated May 6, 2024, a copy of which is on file with the Clerk of
5 the Board in File No. _____ and incorporates such findings by this reference; and, be it

6 FURTHER RESOLVED, That the time limit for approval of this resolution specified in
7 Administrative Code, Section 2.34 is waived; and, be it

8 FURTHER RESOLVED, That under Administrative Code, Section 2.40, the ordinance
9 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-
10 through 50% of the resulting property tax increases, if any, to residential tenants in
11 accordance with Administrative Code, Chapter 37; and, be it

12 FURTHER RESOLVED, That the City hereby declares its official intent to reimburse
13 prior expenditures of the City incurred or expected to be incurred prior to the issuance and
14 sale of any series of the Bonds in connection with the Bond. The Board hereby declares the
15 City’s intent to reimburse the City with the proceeds of the Bond for the expenditures with
16 respect to the Project (the “Expenditures” and each, an “Expenditure”) made on and after that
17 date that is no more than 60 days prior to the adoption of this Resolution; and, be it

18 FURTHER RESOLVED, That the City reasonably expects on the date hereof that it will
19 reimburse the Expenditures with the proceeds of the Bond; and, be it

20 FURTHER RESOLVED, That each Expenditure was and will be either (a) of a type
21 properly chargeable to a capital account under general federal income tax principles
22 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with
23 respect to the Bond, (c) a nonrecurring item that is not customarily payable from current
24 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such
25 grant does not impose any obligation or condition (directly or indirectly) to repay any amount

1 to or for the benefit of the City. The maximum aggregate principal amount of the Bond
2 expected to be issued for the Project is \$390,000,000. The City shall make a reimbursement
3 allocation, which is a written allocation by the City that evidences the City's use of proceeds of
4 the applicable series of the Bond to reimburse an Expenditure, no later than 18 months after
5 the later of the date on which the Expenditure is paid or the related portion of the Project is
6 placed in service or abandoned, but in no event more than three years after the date on which
7 the Expenditure is paid. The City recognizes that exceptions are available for certain
8 "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by
9 "small issuers" (based on the year of issuance and not the year of expenditure) and
10 Expenditures for construction projects of at least five years; and, be it

11 FURTHER RESOLVED, That documents referenced in this resolution are on file with
12 the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to be a
13 part of this resolution as if set forth fully herein.

14
15 APPROVED AS TO FORM:
16 DAVID CHIU, City Attorney

17 By: /s/MARK D. BLAKE
18 MARK D. BLAKE
19 Deputy City Attorney
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