

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: July 8, 2024

SUBJECT: GENERAL OBLIGATION BOND INTRODUCED
November 5, 2024 Election

The Board of Supervisors' Budget and Finance Committee has received the following amended 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).

Kindly advise if the financial analysis provided for the proposed measure still applies or if a new one will be issued.

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 Bond Election - Healthy, Safe, and Vibrant San Francisco - Not to Exceed
2 \$390,000,000]

3 **Ordinance calling and providing for a special election to be held in the City and County**
4 **of San Francisco on Tuesday, November 5, 2024, for the purpose of submitting to**
5 **San Francisco voters a proposition to incur bonded indebtedness of not-to-exceed**
6 **\$390,000,000 to finance the acquisition or improvement of real property, including:**
7 **facilities to deliver primary healthcare services, emergency medical services, skilled**
8 **nursing services, and services for persons experiencing mental health challenges or**
9 **persons with substance use disorders; acquire, improve, and seismically upgrade**
10 **critical medical care and mental health facilities and emergency shelter facilities; and**
11 **improvements for certain transportation, pedestrian, and street safety related capital**
12 **improvements, streetscape enhancements and other public space improvements, and**
13 **related costs necessary or convenient for each of the foregoing purposes; authorizing**
14 **landlords to pass-through 50% of the resulting property tax increase, if any, to**
15 **residential tenants under Administrative Code Chapter 37; providing for the levy and**
16 **collection of taxes to pay both principal and interest on such Bonds; incorporating**
17 **review of Bond expenditures under the provisions of the Administrative Code by the**
18 **Citizens' General Obligation Bond Oversight Committee; setting certain procedures**
19 **and requirements for the election; adopting findings under the California**
20 **Environmental Quality Act; and finding that the proposed Bonds are in conformity with**
21 **the General Plan, and with the eight priority policies of Planning Code, Section**
22 **101.1(b).**

23 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
24 **Additions to Codes** are in *single-underline italics Times New Roman font*.
25 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings.

A. According to the City and County of San Francisco (“City”) Point-in-Time Count conducted in January 2022, there were 7,754 people estimated as experiencing homelessness in the City, 4,397 of whom were unsheltered, and over the course of an entire year, many more people experience homelessness.

B. The City, through its Department of Homelessness and Supportive Housing, currently offers temporary shelter to over 3,500 people per night through a variety of shelter programs including emergency shelter, navigation centers, cabins, safe parking, and transitional housing, but additional shelter beds are needed to meet the needs of unsheltered adults, young adults, and families.

C. The City administers local, state, and federal funded supportive housing to provide long-term affordable housing with on-site social services to people exiting chronic homelessness through a portfolio that includes Single Room Occupancy hotels, newly constructed units, scattered-site units and apartment buildings (“permanent supportive housing” or “PSH”), but the City does not have a sufficient supply of PSH units to meet the demand.

D. The City, through its Department of Public Health, provides healthcare services in a number of settings and through a number of different mechanisms including at existing facilities such as Zuckerberg San Francisco General Hospital and Trauma Center, Residential Care Facilities, community clinics, and through contracts with nonprofit service providers.

1 E. When there is insufficient capacity at any one level of care or facility, longer wait
2 times for services have a detrimental effect on the ability of people to heal and become
3 healthier.

4 F. Limited state and federal resources and the high cost of construction place a
5 greater burden on local governments to contribute their own limited resources to produce
6 more facilities or expand capacity at existing facilities to provide emergency medical services,
7 preventive healthcare services, temporary shelter, and permanent supportive housing, but the
8 City's financial resources have not kept pace with demand.

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

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

17 I. City staff have identified projects to address public safety hazards and improve
18 disabled access, and have identified street repaving, curb ramp, street structures, and plaza
19 improvement programs to address public safety hazards, reduce the backlog of deferred
20 maintenance, improve disabled access, and equitably improve the public right-of-way.

21 J. Infrastructure improvements in the public right- of way that reduce traffic speed,
22 improve visibility, and create protected spaces for active modes of transportation have been
23 shown to decrease the number and severity of crashes for all roadway users. San Francisco
24 has implemented design and data-driven engineering tools towards the City's Vision Zero
25 goals, including over 13,000 traffic safety treatments. Of these, physical roadway

1 improvements have the greatest demonstrated impact. This Bond will provide critical funding
2 for road safety measures to accelerate the City’s Vision Zero goals.

3 K. Due to the high office vacancy rates after the COVID-19 pandemic, there has
4 been a significant increase in retail vacancy and a significant decrease in sales tax revenue in
5 the Union Square and downtown areas. This Bond will make capital improvements in and
6 around the Union Square and downtown areas that are designed to improve the pedestrian
7 experience as part of a complementary strategy to sustain and improve the downtown retail
8 storefront economy.

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

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

17 N. City staff have identified needed capital improvements totaling \$390,000,000 in
18 projects and programs relating to acquiring or improving real property, including to improve
19 and make permanent investments in temporary shelters and/or facilities that provide
20 preventive healthcare, emergency medical care, and behavioral health services; invest in
21 critical repairs, renovations, and seismic upgrades at Zuckerberg San Francisco General
22 Hospital and Trauma Center and Laguna Honda Hospital; and transportation, pedestrian, and
23 street safety improvements, streetscape enhancements and other public space
24 improvements (as further described in Section 3 below, and herein collectively referred to as
25 the “Project”).

1 O. The proposed Healthy, Safe, and Vibrant San Francisco Bond (“Bond”) will
2 provide a portion of the critical funding necessary to finance the costs of the Project in the
3 most cost-effective manner possible.

4 P. The proposed Bond is recommended by the City’s 10-year capital plan,
5 approved each odd-numbered year by the Mayor of the City and this Board of Supervisors of
6 the City (“Board”).
7

8 Section 2. A special election is called and ordered to be held in the City on Tuesday,
9 November 5, 2024, for the purpose of submitting to the electors of the City a proposition to
10 incur bonded indebtedness of the City for the Project:

11 “HEALTHY, SAFE, AND VIBRANT SAN FRANCISCO BOND. \$390,000,000 to
12 acquire, construct, or improve real property, including: temporary shelters, particularly for
13 families; facilities that deliver healthcare services, including preventive care and behavioral
14 health services, such as the Chinatown Public Health Center; critical repairs, renovations and
15 seismic upgrades at Zuckerberg San Francisco General Hospital and Trauma Center and
16 Laguna Honda Hospital; and pedestrian and street safety improvements, streetscape
17 enhancements, and other public space improvements; and to pay related costs; with a
18 duration of up to 30 years from the time of issuance, an estimated average tax rate of
19 \$0.0069/\$100 of assessed property value, and projected average annual revenues of
20 \$31,000,000, all subject to independent citizen oversight and regular audits; and authorizing
21 landlords to pass-through to residential tenants in units subject to Administrative Code
22 Chapter 37 (“Residential Rent Stabilization and Arbitration Ordinance”) 50% of the increase, if
23 any, in the real property taxes attributable to the cost of the repayment of such Bonds.”

24 The special election called and ordered to be held hereby shall be referred to in this
25 ordinance as the “Bond Special Election.”

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

4 A. EXPANDING AND IMPROVING COMMUNITY HEALTH CENTERS TO
5 DELIVER PREVENTIVE PRIMARY CARE SERVICES, BEHAVIORAL HEALTH SERVICES,
6 SEXUAL HEALTH SERVICES, AND OTHER ANCILLARY HEALTHCARE SERVICES. Up to
7 \$99,100,000 of bond proceeds will be allocated to acquire or improve real property, including
8 but not limited to finance the construction, acquisition, development, improvement, expansion,
9 and rehabilitation of community health centers, including up to \$71,100,000 to seismically
10 retrofit and renovate the Chinatown Public Health Center and up to \$28,000,000 to acquire
11 and improve real property for the relocation of the City Clinic.

12 B. CRITICAL REPAIRS AND RENOVATIONS AT ZUCKERBERG SAN
13 FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER AND LAGUNA HONDA
14 HOSPITAL. Up to ~~\$56,000,000~~ 66,000,000 of bond proceeds will be used to make critical
15 repairs and renovations to Zuckerberg San Francisco General Hospital and Trauma Center
16 and Laguna Honda Hospital, including the repair of mechanical systems, fire control systems,
17 and other deferred maintenance needs as well as real property improvements to hospital
18 infrastructure required to meet new regulatory requirements to ensure the hospitals remain
19 operational and in regulatory compliance.

20 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
21 HOSPITAL AND TRAUMA CENTER TO ENSURE SAFETY. Up to \$40,000,000 of bond
22 proceeds will be used to pay the costs of improvements at Building 3 at Zuckerberg San
23 Francisco General Hospital and Trauma Center for seismic retrofits to provide 65,000 square
24 feet of safe and secure working space.

1 D. STREET SAFETY IMPROVEMENTS. Up to ~~\$68,900,000~~ 63,900,000 of bond
2 proceeds will be used to pay the cost of certain street safety projects Citywide, including
3 projects on the High Injury Network, and making investments to improve pedestrian, bicycle,
4 and traffic safety by repairing, constructing, and improving transportation infrastructure and
5 equipment, including traffic signal upgrades, constructing and redesigning streets and
6 sidewalks, and certain multimodal streetscape projects.

7 E. MODERN AND ACCESSIBLE PUBLIC REALM PROJECTS. Up to
8 ~~\$46,000,000~~ 41,000,000 of bond proceeds will be used to improve and modernize public spaces
9 in the downtown San Francisco areas, which could include areas near Powell and Market
10 Streets, including accessibility improvements, and transit access and pedestrian experience
11 enhancements; up to \$25,000,000 of bond proceeds will be used to improve accessibility,
12 safety, and design at the Harvey Milk Plaza; and up to \$5,000,000 of bond proceeds will be
13 used to rehabilitate and modernize park infrastructure and improve active recreational spaces.

14 F. NEW SHELTER SITES. Up to \$50,000,000 of bond proceeds will be used to
15 pay the costs to acquire, construct, finance, or improve shelter or interim housing sites to
16 reduce unsheltered homelessness, particularly for families.

17 G. CITIZENS' OVERSIGHT COMMITTEE. A portion of Bond proceeds shall be
18 used to perform audits of Bond expenditures implied by or necessarily incident to the
19 acquisition or improvement of real property for the Project, as further described in Section 4
20 and Section 16 herein.

21
22 Section 4. BOND ACCOUNTABILITY MEASURES.

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

24 A. OVERSIGHT. The proposed Bond funds shall be subject to approval processes
25 and rules described in the San Francisco Charter and Administrative Code. Pursuant to

1 Administrative Code Section 5.31, the Citizens' General Obligation Bond Oversight
2 Committee shall conduct an annual review of Bond spending, and shall provide an annual
3 report of the Bond program to the Mayor and the Board.

4 B. TRANSPARENCY. The City shall create and maintain a web page outlining and
5 describing the bond program, progress, and activity updates. Each of the City's Capital
6 Planning Committee and the Citizens' General Obligation Oversight Committee shall also hold
7 an annual public hearing and review on the bond program and its implementation.

8

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

12 Resolution No. _____, on file with the Clerk of the Board in
13 File No. 240498 \$390,000,000.

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

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

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

23

24 Section 6. The Bond Special Election shall be held and conducted and the votes
25 received and canvassed, and the returns made and the results ascertained, determined, and

1 declared as provided in this ordinance and in all particulars not recited in this ordinance such
2 election shall be held according to the laws of the State of California (“State”) and the Charter
3 of the City (“Charter”) and any regulations adopted under State law or the Charter, providing
4 for and governing elections in the City, and the polls for such election shall be and remain
5 open during the time required by such laws and regulations.

6

7 Section 7. The Bond Special Election is consolidated with the General Election
8 scheduled to be held in the City on Tuesday, November 5, 2024 (“General Election”). The
9 voting precincts, polling places, and officers of election for the General Election are hereby
10 adopted, established, designated, and named, respectively, as the voting precincts, polling
11 places, and officers of election for the Bond Special Election called, and reference is made to
12 the notice of election setting forth the voting precincts, polling places, and officers of election
13 for the General Election by the Director of Elections to be published in the official newspaper
14 of the City on the date required under the laws of the State.

15

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

21 “HEALTHY, SAFE, AND VIBRANT SAN FRANCISCO BOND. To finance the
22 acquisition or improvement of real property, including: temporary shelters, particularly for
23 families; facilities that deliver healthcare services, including preventive care and behavioral
24 health services, such as the Chinatown Public Health Center; critical repairs, renovations, and
25 seismic upgrades at Zuckerberg San Francisco General Hospital and Trauma Center and

1 Laguna Honda Hospital; and pedestrian and street safety improvements, streetscape
2 enhancements, and other public space improvements; and to pay related costs; shall the City
3 and County of San Francisco issue \$390,000,000 in general obligation bonds with a duration
4 of up to 30 years from the time of issuance, an estimated average tax rate of \$0.0069/\$100 of
5 assessed property value, and projected average annual revenues of \$31,000,000, subject to
6 independent citizen oversight and regular audits?"

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

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

13

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

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

22

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

25

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

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

20 A. EXPANDING AND IMPROVING COMMUNITY HEALTH CENTERS TO
21 DELIVER PREVENTIVE PRIMARY CARE SERVICES, BEHAVIORAL HEALTH SERVICES,
22 SEXUAL HEALTH SERVICES, AND OTHER ANCILLARY HEALTHCARE SERVICES:

23 (i) The proposed funding for the Chinatown Public Health Center project was
24 determined by the Planning Department to be exempt from CEQA as a Class 1 exemption for
25 existing facilities pursuant to CEQA Guidelines Section 15301, as set forth in the Planning

1 Department's memorandum dated May 6, 2024 , which determination is on file with the Clerk
2 of the Board of Supervisors in File No. 240497 ("Planning Department Memorandum") and is
3 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
4 Department Memorandum.

5 (ii) The remaining portion of the proposed funding described in Section 3A of
6 this ordinance is not an activity subject to CEQA because it would not result in a direct or
7 indirect physical change in the environment pursuant to CEQA Section 21065 and CEQA
8 Guidelines Section 15378 and is not a "project" as defined under CEQA Guidelines Sections
9 15378(b)(4), as set forth in the Planning Department Memorandum, which determination is
10 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
11 Department Memorandum.

12 B. CRITICAL REPAIRS AND RENOVATIONS AT ZUCKERBERG SAN
13 FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER AND LAGUNA HONDA
14 HOSPITAL: The proposed funding for critical repairs and renovations at Zuckerberg General
15 Hospital and Trauma Center and Laguna Honda Hospital is not an activity subject to CEQA
16 because it would not result in a direct or indirect physical change in the environment pursuant
17 to CEQA Section 21065 and CEQA Guidelines Section 15378 and is not a "project" as
18 defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the Planning
19 Department Memorandum, which determination is hereby affirmed and adopted by this Board
20 for the reasons set forth in the Planning Department Memorandum.

21 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
22 HOSPITAL AND TRAUMA CENTER TO ENSURE SAFETY: The proposed funding for
23 seismic upgrades at Zuckerberg General Hospital and Trauma Center Building 3 was
24 determined by the Planning Department to be not a "project" as defined under CEQA Section
25 21065 and CEQA Guidelines Sections 15378, as it is not an activity which may cause either a

1 direct physical change in the environment, or a reasonably foreseeable indirect physical
2 change in the environment, and the scope of the project is consistent with San Francisco
3 Planning's "Processing Guidance: Not a Project Under CEQA" memorandum dated
4 September 18, 2013, as set forth in the Planning Department Memorandum, which
5 determination is hereby affirmed and adopted by this Board for the reasons set forth in the
6 Planning Department Memorandum.

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

14 E. MODERN AND ACCESSIBLE PUBLIC REALM PROJECTS:

15 (i) HARVEY MILK PLAZA: The proposed funding for Harvey Milk Plaza has
16 been determined to be exempt from CEQA as a Class 2 exemption for replacement or
17 reconstruction of existing structures and facilities pursuant to CEQA Guidelines Section
18 15302, as set forth in the Planning Department Memorandum, which determination is hereby
19 affirmed and adopted by this Board for the reasons set forth in the Planning Department
20 Memorandum.

21 (ii) The remaining portion of the proposed funding described in Section 3E of
22 this ordinance is not an activity subject to CEQA because it would not result in a direct or
23 indirect physical change in the environment pursuant to CEQA Section 21065 and CEQA
24 Guidelines Section 15378 and is not a "project" as defined under CEQA Guidelines Sections
25 15378(b)(4), as set forth in the Planning Department Memorandum, which determination is

1 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
2 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 not an activity subject to CEQA because it would not result in a direct
11 or indirect physical change in the environment pursuant to Guidelines Section 15060(c)(2) and
12 is not a "project" as defined under CEQA Guidelines Section 15378(b)(4), as set forth in the
13 Planning Department Memorandum, which determination is hereby affirmed and adopted by
14 this Board for the reasons set forth in the Planning Department Memorandum.

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

20 I. For the portion of the proposed funding that does not constitute a project
21 pursuant to CEQA, the use of bond proceeds to finance any specific project or portion of any
22 specific project will be subject to approval of the applicable decision-making body at that time,
23 upon completion of planning and any further required environmental review under CEQA.
24
25

1 Section 14. The Board finds and declares that the proposed Bonds (a) were referred
2 to the Planning Department in accordance with Section 4.105 of the San Francisco Charter
3 and Section 2A.53(f) of the Administrative Code, (b) are in conformity with the priority policies
4 of Section 101.1(b) of the San Francisco Planning Code, and (c) are consistent with the City's
5 General Plan, and adopts the findings of the Planning Department, as set forth in the General
6 Plan Referral Report dated May 6, 2024, a copy of which is on file with the Clerk of the Board
7 in File No. 240497 and incorporates such findings by this reference.

8
9 Section 15. Under Section 53410 of the California Government Code, the Bonds shall
10 be for the specific purposes authorized in this ordinance and the proceeds of such Bonds will
11 be applied only for such specific purposes. The City will comply with the requirements of
12 Sections 53410(c) and 53410(d) of the California Government Code.

13
14 Section 16. CITIZENS' OVERSIGHT COMMITTEE. The Bonds are subject to, and
15 incorporate by reference, the applicable provisions of Administrative Code Sections 5.30-5.36
16 ("Citizens' General Obligation Bond Oversight Committee"). Under Administrative Code
17 Section 5.31, to the extent permitted by law, 0.1% of the gross proceeds of the Bonds shall be
18 deposited in a fund established by the Controller's Office and appropriated by the Board of
19 Supervisors at the direction of the Citizens' General Obligation Bond Oversight Committee to
20 cover the costs of such committee.

21
22 Section 17. The time requirements specified in Administrative Code Section 2.34 are
23 waived.

1 Section 18. The City hereby declares its official intent to reimburse prior expenditures
2 of the City incurred or expected to be incurred prior to the issuance and sale of any series of
3 the Bonds in connection with the Project. The Board hereby declares the City’s intent to
4 reimburse the City with the proceeds of the Bonds for expenditures with respect to the Project
5 (the “Expenditures” and each, an “Expenditure”) made on and after that date that is no more
6 than 60 days prior to the passage of this Ordinance. The City reasonably expects on the date
7 hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

8 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
9 account under general federal income tax principles (determined in each case as of the date
10 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring
11 item that is not customarily payable from current revenues. The maximum aggregate principal
12 amount of the Bonds expected to be issued for the Project is \$390,000,000. The City shall
13 make a reimbursement allocation, which is a written allocation by the City that evidences the
14 City’s use of proceeds of the applicable series of Bonds to reimburse an Expenditure, no later
15 than 18 months after the later of the date on which the Expenditure is paid or the related
16 portion of the Project is placed in service or abandoned, but in no event more than three years
17 after the date on which the Expenditure is paid. The City recognizes that exceptions are
18 available for certain “preliminary expenditures,” costs of issuance, certain de minimis
19 amounts, expenditures by “small issuers” (based on the year of issuance and not the year of
20 expenditure) and Expenditures for construction projects of at least five years.

21
22 Section 19. Landlords may pass through to residential tenants under the Residential
23 Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37) 50% of any
24 property tax increase, if any, that may result from the issuance of Bonds authorized by this
25

1 ordinance. The City may enact ordinances authorizing tenants to seek waivers from the pass-
2 through based on financial hardship.

3

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

8

9 Section 21. Documents referenced in this ordinance are on file with the Clerk of the
10 Board of Supervisors in File No. 240497, which is hereby declared to be a part of this
11 ordinance as if set forth fully herein.

12

13

14 APPROVED AS TO FORM:
DAVID CHIU, City Attorney

15

16 By: /s/MARK D. BLAKE
MARK D. BLAKE
Deputy City Attorney

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REVISED LEGISLATIVE DIGEST
(Amended in Committee, 6/26/2024)

[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~~66,000,000 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~~63,900,000 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~~41,000,000 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.

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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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