

BOARD of SUPERVISORS



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M E M O R A N D U M

TO: Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office
Anne Pearson, Deputy City Attorney, Office of the City Attorney
John Arntz, Director, Department of Elections
Patrick Ford, Executive Director, Ethics Commission
Carmen Chu, City Administrator, Office of the City Administrator
Andrico Penick, Director, Real Estate Division
Daniel Adams, Director, Mayor's Office of Housing and Community Development
Dr. Grant Colfax, Director, Department of Public Health
Jeffrey Tumlin, Executive Director, Municipal Transportation Agency
Tonia Lediju, Chief Executive Officer, Housing Authority

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

DATE: July 11, 2024

SUBJECT: GENERAL OBLIGATION BOND AMENDMENT
November 5, 2024 Election

The Board of Supervisors' Budget and Finance Committee has received the following amendment to General Obligation Bond legislation for the November 5, 2024, Election, introduced by Mayor London Breed.

File No. 240497-3

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).

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

If you have any questions or concerns, please call me at (415) 554-7712 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: Andres Power, Mayor's Office
 Michael Canning, Ethics Commission
 Sophie Hayward, Office of the City Administrator
 Vivian Po, Office of the City Administrator
 Angela Yip, Office of the City Administrator
 Lydia Ely, Mayor's Office of Housing and Community Development
 Brian Cheu, Mayor's Office of Housing and Community Development
 Maria Benjamin, Mayor's Office of Housing and Community Development
 Sheila Nickolopoulos, Mayor's Office of Housing and Community Development
 Dr. Naveena Bobba, Department of Public Health
 Sneha Patil, Department of Public Health
 Ana Validzic, Department of Public Health
 Janet Martinsen, Municipal Transportation Agency
 Joel Ramos, Municipal Transportation Agency
 Linda Mason, Housing Authority

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; provided
4 however that no Contractor owned or controlled by a member of the Board of Supervisors that
5 votes on submitting this measure to the voters shall be permitted to bid on any work funded
6 with proceeds of the Bonds:

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

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

23 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
24 HOSPITAL AND TRAUMA CENTER TO ENSURE SAFETY. Up to \$40,000,000 of bond
25 proceeds will be used to pay the costs of improvements at Building 3 at Zuckerberg San

1 Francisco General Hospital and Trauma Center for seismic retrofits to provide 65,000 square
2 feet of safe and secure working space.

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

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

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

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

23
24 Section 4. BOND ACCOUNTABILITY MEASURES.

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

1 A. OVERSIGHT. The proposed Bond funds shall be subject to approval processes
2 and rules described in the San Francisco Charter and Administrative Code, which together
3 shall comprise the specific local program through which the potential programs and projects
4 listed in Section 3 shall be funded. Funds from this measure shall be committed to potential
5 programs and projects, to the extent authorized by law and subject to required environmental
6 review. Pursuant to Administrative Code Section 5.31, the Citizens' General Obligation Bond
7 Oversight Committee shall conduct an annual, independent financial and performance audits
8 review of Bond spending, to ensure that the Bond expenditures have been spent to serve
9 taxpayers of the City in accordance with the objects and purposes of this Ordinance, and shall
10 provide an annual report of the Bond program to the Mayor and the Board. The audits shall
11 be posted in a manner that is easily accessible to the public as provided in subsection B
12 below.

13 To the extent required by law, the Citizens' General Bond Oversight Committee shall
14 provide copies of such audit reports to the California State Auditor for its review.

15
16 B. TRANSPARENCY. The City shall create and maintain a web page outlining and
17 describing the bond program, progress, and activity updates, and shall make copies of any
18 financial or performance audits available and reasonably accessible to members of the public.
19 Each of the City's Capital Planning Committee and the Citizens' General Obligation Oversight
20 Committee shall also hold an annual public hearing and review on the bond program and its
21 implementation.

22
23 Section 5. The estimated cost of the bond-financed portion of the project described
24 in Section 2 above was fixed by the Board by the following resolution and in the amount
25 specified below:

1 Resolution No. _____, on file with the Clerk of the Board in

2 File No. 240498 \$390,000,000.

3 Such resolution was passed by two-thirds or more of the Board and approved by the Mayor.

4 In such resolution it was recited and found by the Board that the sum of money specified is
5 too great to be paid out of the ordinary annual income and revenue of the City in addition to
6 the other annual expenses or other funds derived from taxes levied for those purposes and
7 will require expenditures greater than the amount allowed by the annual tax levy.

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

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

12

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

20

21 Section 7. The Bond Special Election is consolidated with the General Election
22 scheduled to be held in the City on Tuesday, November 5, 2024 (“General Election”). The
23 voting precincts, polling places, and officers of election for the General Election are hereby
24 adopted, established, designated, and named, respectively, as the voting precincts, polling
25 places, and officers of election for the Bond Special Election called, and reference is made to

1 the notice of election setting forth the voting precincts, polling places, and officers of election
2 for the General Election by the Director of Elections to be published in the official newspaper
3 of the City on the date required under the laws of the State.

4
5 Section 8. The ballots to be used at the Bond Special Election shall be the ballots to
6 be used at the General Election. The word limit for ballot propositions imposed by Municipal
7 Elections Code Section 510 is waived. On the ballots to be used at the Bond Special
8 Election, in addition to any other matter required by law to be printed thereon, shall appear the
9 following as a separate proposition:

10 "HEALTHY, SAFE, AND VIBRANT SAN FRANCISCO BOND. To finance the
11 acquisition or improvement of real property, including: temporary shelters, particularly for
12 families; facilities that deliver healthcare services, including preventive care and behavioral
13 health services, such as the Chinatown Public Health Center; critical repairs, renovations, and
14 seismic upgrades at Zuckerberg San Francisco General Hospital and Trauma Center and
15 Laguna Honda Hospital; and pedestrian and street safety improvements, streetscape
16 enhancements, and other public space improvements; and to pay related costs; shall the City
17 and County of San Francisco issue \$390,000,000 in general obligation bonds with a duration
18 of up to 30 years from the time of issuance, an estimated average tax rate of \$0.0069/\$100 of
19 assessed property value, and projected average annual revenues of \$31,000,000, subject to
20 independent citizen oversight and regular audits?"

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

1 Each voter to vote in favor of the foregoing bond proposition shall mark the ballot in the
2 location corresponding to a "YES" vote for the proposition, and to vote against the proposition
3 shall mark the ballot in the location corresponding to a "NO" vote for the proposition.
4

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

10 The votes cast for and against the proposition shall be counted separately and when
11 two-thirds of the qualified electors, voting on the proposition, vote in favor, the proposition
12 shall be deemed adopted.
13

14 Section 10. The actual expenditure of Bond proceeds provided for in this ordinance
15 shall be net of financing costs.
16

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

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

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

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

(i) The proposed funding for the Chinatown Public Health Center project was determined by the Planning Department to be exempt from CEQA as a Class 1 exemption for existing facilities pursuant to CEQA Guidelines Section 15301, as set forth in the Planning Department’s memorandum dated May 6, 2024 , which determination is on file with the Clerk of the Board of Supervisors in File No. 240497 (“Planning Department Memorandum”) and is hereby affirmed and adopted by this Board for the reasons set forth in the Planning Department Memorandum.

(ii) The remaining portion of the proposed funding described in Section 3A of this ordinance is not an activity subject to CEQA because it would not result in a direct or indirect physical change in the environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and is not a "project" as defined under CEQA Guidelines Sections 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 B. CRITICAL REPAIRS AND RENOVATIONS AT ZUCKERBERG SAN
4 FRANCISCO GENERAL HOSPITAL AND TRAUMA CENTER AND LAGUNA HONDA
5 HOSPITAL: The proposed funding for critical repairs and renovations at Zuckerberg General
6 Hospital and Trauma Center and Laguna Honda Hospital is not an activity subject to CEQA
7 because it would not result in a direct or indirect physical change in the environment pursuant
8 to CEQA Section 21065 and CEQA Guidelines Section 15378 and is not a "project" as
9 defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the Planning
10 Department Memorandum, which determination is hereby affirmed and adopted by this Board
11 for the reasons set forth in the Planning Department Memorandum.

12 C. SEISMIC UPGRADES AT ZUCKERBERG SAN FRANCISCO GENERAL
13 HOSPITAL AND TRAUMA CENTER TO ENSURE SAFETY: The proposed funding for
14 seismic upgrades at Zuckerberg General Hospital and Trauma Center Building 3 was
15 determined by the Planning Department to be not a "project" as defined under CEQA Section
16 21065 and CEQA Guidelines Sections 15378, as it is not an activity which may cause either a
17 direct physical change in the environment, or a reasonably foreseeable indirect physical
18 change in the environment, and the scope of the project is consistent with San Francisco
19 Planning's "Processing Guidance: Not a Project Under CEQA" memorandum dated
20 September 18, 2013, as set forth in the Planning Department Memorandum, which
21 determination is hereby affirmed and adopted by this Board for the reasons set forth in the
22 Planning Department Memorandum.

23 D. STREET SAFETY IMPROVEMENTS: The proposed investments for street
24 safety are not an activity subject to CEQA because they would not result in a direct or indirect
25 physical change in the environment pursuant to CEQA Section 21065 and CEQA Guidelines

1 Section 15378 and are not a "project" as defined under CEQA Guidelines Section
2 15378(b)(4), as set forth in the Planning Department Memorandum, which determination is
3 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
4 Department Memorandum.

5 E. MODERN AND ACCESSIBLE PUBLIC REALM PROJECTS:

6 (i) HARVEY MILK PLAZA: The proposed funding for Harvey Milk Plaza has
7 been determined to be exempt from CEQA as a Class 2 exemption for replacement or
8 reconstruction of existing structures and facilities pursuant to CEQA Guidelines Section
9 15302, as set forth in the Planning Department Memorandum, which determination is hereby
10 affirmed and adopted by this Board for the reasons set forth in the Planning Department
11 Memorandum.

12 (ii) The remaining portion of the proposed funding described in Section 3E of
13 this ordinance is not an activity subject to CEQA because it would not result in a direct or
14 indirect physical change in the environment pursuant to CEQA Section 21065 and CEQA
15 Guidelines Section 15378 and is not a "project" as defined under CEQA Guidelines Sections
16 15378(b)(4), as set forth in the Planning Department Memorandum, which determination is
17 hereby affirmed and adopted by this Board for the reasons set forth in the Planning
18 Department Memorandum.

19 F. NEW SHELTER SITES: The proposed funding for New Shelter Sites is not an
20 activity subject to CEQA because it would not result in a direct or indirect physical change in
21 the environment pursuant to CEQA Section 21065 and CEQA Guidelines Section 15378 and
22 is not a "project" as defined under CEQA Guidelines Sections 15378(b)(4), as set forth in the
23 Planning Department Memorandum, which determination is hereby affirmed and adopted by
24 this Board for the reasons set forth in the Planning Department Memorandum.

25 G. CITIZENS' OVERSIGHT COMMITTEE: The proposed role of the Citizens'

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

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

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

15
16 Section 14. The Board finds and declares that the proposed Bonds (a) were referred
17 to the Planning Department in accordance with Section 4.105 of the San Francisco Charter
18 and Section 2A.53(f) of the Administrative Code, (b) are in conformity with the priority policies
19 of Section 101.1(b) of the San Francisco Planning Code, and (c) are consistent with the City's
20 General Plan, and adopts the findings of the Planning Department, as set forth in the General
21 Plan Referral Report dated May 6, 2024, a copy of which is on file with the Clerk of the Board
22 in File No. 240497 and incorporates such findings by this reference.

23
24 Section 15. Under Section 53410 of the California Government Code, the Bonds shall
25 be for the specific purposes authorized in this ordinance and the proceeds of such Bonds will

1 be applied only for such specific purposes. The City will comply with the requirements of
2 Sections 53410(c) and 53410(d) of the California Government Code.

3
4 Section 16. CITIZENS' OVERSIGHT COMMITTEE. The Bonds are subject to, and
5 incorporate by reference, the applicable provisions of Administrative Code Sections 5.30-5.36
6 ("Citizens' General Obligation Bond Oversight Committee"). Under Administrative Code
7 Section 5.31, to the extent permitted by law, 0.1% of the gross proceeds of the Bonds shall be
8 deposited in a fund established by the Controller's Office and appropriated by the Board of
9 Supervisors at the direction of the Citizens' General Obligation Bond Oversight Committee to
10 cover the costs of such committee.

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

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

22 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
23 account under general federal income tax principles (determined in each case as of the date
24 of the Expenditure), (b) a cost of issuance with respect to the Bonds, or (c) a nonrecurring
25 item that is not customarily payable from current revenues. The maximum aggregate principal

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

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

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

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

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APPROVED AS TO FORM:
DAVID CHIU, City Attorney

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

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REVISED LEGISLATIVE DIGEST
(Amended in Committee, 7/10/2024)

[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.

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 ("Oversight Committee"), and the Oversight Committee will conduct annual performance and financial audits to ensure that the Bond expenditures have been spent to serve taxpayers of the City in accordance with the objects and purposes of the Ordinance. The Oversight Committee will ensure that such audits are posted in a manner that is easily accessible to the public.

If required by law, the Oversight Committee shall provide copies of such audits reports to the California State Auditor for review.

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.