

[General Obligation Bond Election - Transportation and Road Improvement]

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Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 4, 2014, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$500,000,000 to finance the construction, acquisition, and improvement of certain transportation and transit related improvements, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; incorporating the provisions of Administrative Code, Sections 5.30 – 5.36; setting certain procedures and requirements for the election; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA, CEQA Guidelines, and Administrative Code, Chapter 31, for the remaining portion of the bond; and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53.

Note: Additions are single-underline italics Times New Roman; deletions are ~~strikethrough italics Times New Roman~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. Findings.

A. This Board of Supervisors (this "Board") recognizes the City's current street and transportation infrastructure (the "Street and Transportation System") is inadequate to meet

1 current demands, and that the safety of City streets and transportation infrastructure will
2 further decline without new investment.

3 B. The cost of making the necessary and required improvements to the Street and
4 Transportation System has been estimated by the Mayor's Transportation Task Force at
5 \$10.1 billion over the next 15 years.

6 C. The Board recognizes the need to enhance the City's Street and Transportation
7 System in order to create a system that is more reliable, efficient and meets future demand.

8 D. The Transportation and Road Improvement General Obligation Bond (the
9 "Bond") will provide a portion of the funding necessary to construct, improve and rehabilitate
10 the Street and Transportation System (as further defined in Section 3 below).

11 E. This Board now wishes to describe the terms of a ballot measure seeking
12 approval for the issuance of general obligation bonds to finance all or a portion of the City's
13 improvements to its Street and Transportation System as described below.

14 Section 2. A special election is called and ordered to be held in the City on Tuesday,
15 the 4th day of November, 2014, for the purpose of submitting to the electors of the City a
16 proposition to incur bonded indebtedness of the City for the project described in the amount
17 and for the purposes stated:

18 " SAN FRANCISCO TRANSPORTATION AND ROAD IMPROVEMENT BOND.
19 \$500,000,000 of bonded indebtedness to construct, redesign and rebuild streets and
20 sidewalks and to make infrastructure repairs and improvements that increase MUNI service
21 reliability, ease traffic congestion, reduce vehicle travel times, enhance pedestrian and bicycle
22 safety, and improve disabled access, subject to independent citizen oversight and regular
23 audits; and authorizing landlords to pass-through to residential tenants in units subject to
24 Chapter 37 of the San Francisco Administrative Code (the "Residential Stabilization and
25

1 Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost
2 of the repayment of the bonds."

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

5 Section 3. PROPOSED PROGRAM. All contracts that are funded with the proceeds of
6 bonds authorized hereby shall be subject to the provisions of Chapter 83 of the City's
7 Administrative Code (the "First Source Hiring Program"), which fosters construction and
8 permanent employment opportunities for qualified economically disadvantaged individuals. In
9 addition, all contracts that are funded with the proceeds of bonds authorized hereby also shall
10 be subject to the provisions of Chapter 14B of the City's Administrative Code (the "Local
11 Business Enterprise and Non-Discrimination in Contracting Ordinance"), which assists small
12 and micro local businesses to increase their ability to compete effectively for the award of City
13 contracts, to the extent the Local Business Enterprise and Non-Discrimination Contracting
14 Ordinance does not conflict with applicable state or federal law.

15 A. CITIZENS' OVERSIGHT COMMITTEE. A portion of the Bond shall be used to
16 perform audits of the Bond, as further described in Section 15.

17 Projects to be funded under the proposed Bond may include but are not limited to the
18 following:

19 B. PROVIDE FASTER AND MORE RELIABLE TRANSIT. A portion of the Bond
20 may be allocated to constructing improvements, such as those identified in the Transit
21 Effectiveness Project, that will improve Muni service reliability and reduce travel time on Muni.
22 Examples of improvements that are designed to reduce travel time and improve reliability
23 include: adding transit bulbs/boarding islands and accessible platforms; the addition of transit-
24 only lanes; and installation of traffic signals or other traffic calming measures at intersections.

1 A portion of the Bond may be allocated to fund the City's share of needed
2 improvements to Caltrain's infrastructure. This investment will improve reliability.

3 C. IMPROVE SAFETY AND ACCESSIBILITY AT TRANSIT STOPS.

4 A portion of the Bond may be allocated to improve street conditions for people who
5 have limited mobility or other disabilities that can impede access to transit. The construction of
6 infrastructure like new escalators and boarding islands will improve the safety and
7 accessibility of transit stations and stops and allow for level boarding for people with mobility
8 impairments.

9 D. IMPROVE PEDESTRIAN SAFETY THROUGH FOCUSED ENGINEERING
10 EFFORTS AT HIGH-INJURY LOCATIONS.

11 A portion of the Bond may be allocated to deliver pedestrian safety improvements at
12 locations throughout the City where the majority of pedestrian injuries and fatalities occur.
13 Pedestrian safety capital projects will be designed and built to most effectively address the
14 specific safety issues present at each intersection or corridor. Examples of improvements
15 include refuge islands, speed tables, and corner curb bulb-outs.

16 E. INSTALL MODERN TRAFFIC SIGNALS TO IMPROVE SAFETY AND
17 MOBILITY.

18 A portion of the Bond may be allocated to more effectively manage traffic congestion in
19 the City, improve the overall reliability of the transit system, and improve pedestrian safety by
20 replacing obsolete and deteriorating traffic signal infrastructure. The program will install and
21 update traffic signals and install pedestrian countdown signals and audible pedestrian signals
22 to improve visibility and the overall safety and efficiency of the roadway.

23 F. BUILD STREETS THAT ENABLE SAFE TRAVEL FOR ALL USERS AND
24 PROVIDE SAFER, WELL-DEFINED BIKEWAYS.

25

1 A portion of the Bond may be allocated to building streets, including but not limited to
2 curb bulb-outs, raised crosswalks, and improved sidewalks at intersection corners; median
3 islands; separated bikeways, and bicycle parking. This program could also include installing
4 basic infrastructure to decrease the cost of future projects, such as underground signal
5 conduit.

6 G. INVEST IN DEVELOPMENT OF CRITICAL CAPITAL PROJECTS ALONG KEY
7 TRANSIT CORRIDORS.

8 A portion of the Bond may be allocated to upgrade City streets that anchor the transit
9 system in order to increase transit speed and reliability, reduce congestion, and to ensure that
10 people can safely and efficiently move around the City. The focus of this program is to fund
11 corridor-wide projects that encourage street interconnectivity to create a comprehensive,
12 integrated, efficient and connected network for all modes.

13 H. FIX MUNI FACILITIES TO IMPROVE VEHICLE MAINTENANCE EFFICIENCY.

14 A portion of the Bond may be allocated to build new and improve the conditions and
15 operations of existing SFMTA facilities, some of which are over 100 years old. The
16 improvements will update facility layouts and structures to streamline SFMTA's capacity for
17 maintenance work, improve access to necessary parts and materials, and enable reliable
18 service delivery.

19 Section 4. BOND ACCOUNTABILITY MEASURES

20 The Bond shall include the following administrative rules and principles:

21 A. OVERSIGHT. The proposed bond funds shall be subjected to approval
22 processes and rules described in the San Francisco Charter and Administrative Code.
23 Pursuant to S.F. Administrative Code 5.31, the Citizen's General Obligation Bond Oversight
24 Committee shall conduct an annual review of bond spending, and shall provide an annual
25 report of the bond program to the Mayor and the Board.

1 B. TRANSPARENCY. The City shall create and maintain a Web page outlining and
2 describing the bond program, progress, and activity updates. The City shall also hold an
3 annual public hearing and reviews on the bond program and its implementation before the
4 Capital Planning Committee and the Citizen's General Obligation Bond Oversight Committee.

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

8 Resolution No. 140508 , \$500,000,000.

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

15 The method and manner of payment of the estimated costs described in this ordinance
16 are by the issuance of bonds of the City not exceeding the principal amount specified.

17 Such estimate of costs as set forth in such resolution is adopted and determined to be
18 the estimated cost of such bond financed improvements and financing, as designed to date.

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

1 Section 7. The Bond Special Election is consolidated with the General Election
2 scheduled to be held in the City on Tuesday, November 4, 2014. The voting precincts, polling
3 places and officers of election for the November 4, 2014 General Election are hereby
4 adopted, established, designated and named, respectively, as the voting precincts, polling
5 places and officers of election for the Bond Special Election called, and reference is made to
6 the notice of election setting forth the voting precincts, polling places and officers of election
7 for the November 4, 2014 General Election by the Director of Elections to be published in the
8 official newspaper of the City on the date required under the laws of the State of California.

9 Section 8. The ballots to be used at the Bond Special Election shall be the ballots to
10 be used at the November 4, 2014 General Election. The word limit for ballot propositions
11 imposed by San Francisco Municipal Elections Code Section 510 is waived. On the ballots to
12 be used at the Bond Special Election, in addition to any other matter required by law to be
13 printed thereon, shall appear the following as a separate proposition:

14 "SAN FRANCISCO TRANSPORTATION AND ROAD IMPROVEMENT BOND. To
15 construct, redesign and rebuild streets and sidewalks and to make infrastructure repairs and
16 improvements that increase MUNI service reliability, ease traffic congestion, reduce vehicle
17 travel times, enhance pedestrian and bicycle safety, and improve disabled access, shall the
18 City and County of San Francisco issue \$500 million in general obligation bonds, subject to
19 independent citizen oversight and regular audits?"

20 Each voter to vote in favor of the issuance of the foregoing bond proposition shall mark
21 the ballot in the location corresponding to a "YES" vote for the proposition, and to vote against
22 the proposition shall mark the ballot in the location corresponding to a "NO" vote for the
23 proposition.

24 Section 9. If at the Bond Special Election it shall appear that two-thirds of all the voters
25 voting on the proposition voted in favor of and authorized the incurring of bonded

1 indebtedness for the purposes set forth in such proposition, then such proposition shall have
2 been accepted by the electors, and bonds authorized shall be issued upon the order of the
3 Board. Such bonds shall bear interest at a rate not exceeding applicable legal limits.

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

7 Section 10. For the purpose of paying the principal and interest on the bonds, the
8 Board shall, at the time of fixing the general tax levy and in the manner for such general tax
9 levy provided, levy and collect annually each year until such bonds are paid, or until there is a
10 sum in the Treasury of said City, or other account held on behalf of the Treasurer of said City,
11 set apart for that purpose to meet all sums coming due for the principal and interest on the
12 bonds, a tax sufficient to pay the annual interest on such bonds as the same becomes due
13 and also such part of the principal thereof as shall become due before the proceeds of a tax
14 levied at the time for making the next general tax levy can be made available for the payment
15 of such principal.

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

19 Section 12. The Board, having reviewed the proposed legislation, makes the following
20 findings in compliance with the California Environmental Quality Act ("CEQA"), California
21 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative
22 Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code
23 Chapter 31 ("Chapter 31"):

24 (a) SFMTA Transit Effectiveness Project.
25

1 (i) A portion of the bond proposal relates to funds for SFMTA's Transit
2 Effectiveness Project ("TEP"). On March 27, 2014, the San Francisco Planning Commission
3 by Motion No. 19105 certified the Final Environmental Impact Report for the Transit
4 Effectiveness Project ("TEP FEIR"), and on March 28, the SFMTA Board of Directors by
5 Resolution No. 14-041 approved the TEP as described in Resolution No. 14-041, and adopted
6 findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and
7 Chapter 31 of the Administrative Code ("CEQA Findings"), including findings rejecting
8 alternatives, adopting a mitigation monitoring and reporting program, and adopting a
9 statement of overriding considerations. Planning Commission Motion No. 19105 and SFTMA
10 Board Resolution No. 14-041 are on file with the Clerk of the Board in File No. 140509 and
11 incorporated in this ordinance by reference.

12 (ii) The Planning Commission certification became final on May 22, 2014, upon
13 the withdrawal of the one appeal filed with the Board of Supervisors that challenged the
14 certification, which documentation is on file with the Clerk of the Board in File 140326. The
15 Board has reviewed and considered the CEQA Findings adopted by the SFMTA Board,
16 including the statement of overriding considerations and the mitigation monitoring and
17 reporting program, and hereby adopts the CEQA Findings as its own. The Board additionally
18 finds that the portion of the bond proposal that relates to funds for the TEP as reflected in this
19 ordinance is consistent with the project as described in the TEP FEIR.

20 (iii) Additionally, the Board finds that the portion of the bond proposal that
21 relates to funds for the TEP as reflected in this ordinance: (1) does not require major revisions
22 in the TEP FEIR due to the involvement of new significant environmental effects or a
23 substantial increase in the severity of previously identified significant effects; (2) no substantial
24 changes have occurred with respect to the circumstances under which the project analyzed
25 in the TEP FEIR will be undertaken that would require major revisions to the TEP FEIR due to

1 the involvement of new significant environmental effects, or a substantial increase in the
2 severity of effects identified in the TEP FEIR; and (3) no new information of substantial
3 importance to the project analyzed in the TEP FEIR has become available that would indicate:
4 (i) the TEP will have significant effects not discussed in the TEP FEIR; (ii) significant
5 environmental effects will be substantially more severe; (iii) mitigation measures or
6 alternatives found not feasible that would reduce one or more significant effects have become
7 feasible; or (iv) mitigation measures or alternatives that are considerably different from those
8 in the TEP FEIR will substantially reduce one or more significant effects on the environment.

9 (b) For the reasons set forth in the letter from the Environmental Review Officer of the
10 Planning Department, dated May 28, 2014, a copy of which is on file with the Clerk of the
11 Board in File No. 140509 and incorporated in this ordinance by reference, the Board finds that
12 the portion of the bond proposal that relates to funds for transportation and road
13 improvements other than funds for implementation of improvements within the scope of the
14 TEP is not subject to CEQA because as the establishment of a government financing
15 mechanism that does not involve any commitment to specific projects to be constructed with
16 bond funds, it is not a project as defined by CEQA and the CEQA Guidelines. The use of
17 bond proceeds to finance any project or portion of any project that relates to funds for
18 transportation and road improvements other than funds for implementation of improvements
19 within the scope of the TEP will be subject to approval of the Board upon completion of
20 planning and any further required environmental review under CEQA.

21 Section 13. The Board finds and declares that the proposed Bond is (i) in conformity
22 with the priority policies of Section 101.1(b) of the San Francisco Planning Code, (ii) in
23 accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the
24 San Francisco Administrative Code, and (iii) consistent with the City's General Plan, and
25 adopts the findings of the Planning Department, as set forth in the General Plan Referral

1 Report dated May 28, 2014, a copy of which is on file with the Clerk of the Board in File No.
2 140509 and incorporates such findings by reference.

3 Section 14. Under Section 53410 of the California Government Code, the bonds shall
4 be for the specific purpose authorized in this ordinance and the proceeds of such bonds will
5 be applied only for such specific purpose. The City will comply with the requirements of
6 Sections 53410(c) and 53410(d) of the California Government Code.

7 Section 15. The Bonds are subject to, and incorporate by reference, the applicable
8 provisions of San Francisco Administrative Code Sections 5.30 – 5.36 (the "Citizens' General
9 Obligation Bond Oversight Committee"). Under Section 5.31 of the Citizens' General
10 Obligation Bond Oversight Committee, to the extent permitted by law, one-tenth of one
11 percent (0.1%) of the gross proceeds of the Bonds shall be deposited in a fund established by
12 the Controller's Office and appropriated by the Board of Supervisors at the direction of the
13 Citizens' General Obligation Bond Oversight Committee to cover the costs of such committee.

14 Section 16. The time requirements specified in Section 2.34 of the San Francisco
15 Administrative Code are waived.

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

24 Each Expenditure was and will be either (a) of a type properly chargeable to a
25 capital account under general federal income tax principles (determined in each case as of

1 the date of the Expenditure), (b) a cost of issuance with respect to the Future Bonds, (c) a
2 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
3 party that is not related to or an agent of the City so long as such grant does not impose any
4 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
5 City. The maximum aggregate principal amount of the Future Bonds expected to be issued
6 for the Project is \$500,000,000. The City shall make a reimbursement allocation, which is a
7 written allocation by the City that evidences the City's use of proceeds of the applicable series
8 of Future Bonds to reimburse an Expenditure, no later than 18 months after the later of the
9 date on which the Expenditure is paid or the Project is placed in service or abandoned, but in
10 no event more than three years after the date on which the Expenditure is paid. The City
11 recognizes that exceptions are available for certain "preliminary expenditures," costs of
12 issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of
13 issuance and not the year of expenditure) and expenditures for construction projects of at
14 least 5 years.

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

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

21 By: Kenneth David Roux
22 Kenneth David Roux
23 Deputy City Attorney

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25



City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140509

Date Passed: July 15, 2014

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 4, 2014, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$500,000,000 to finance the construction, acquisition, and improvement of certain transportation and transit related improvements, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; incorporating the provisions of Administrative Code, Sections 5.30-5.36; setting certain procedures and requirements for the election; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA, CEQA Guidelines, and Administrative Code, Chapter 31, for the remaining portion of the bond; and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan consistency requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53.

June 18, 2014 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

June 18, 2014 Budget and Finance Committee - CONTINUED AS AMENDED

June 23, 2014 Budget and Finance Committee - RECOMMENDED

July 08, 2014 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 15, 2014 Board of Supervisors - FINALLY PASSED

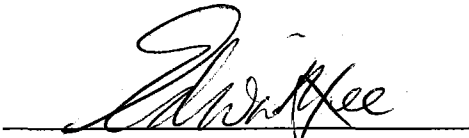
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140509

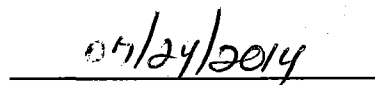
I hereby certify that the foregoing
Ordinance was **FINALLY PASSED** on
7/15/2014 by the Board of Supervisors of
the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor



Date Approved