

File No. 151276

Committee Item No. 2
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date February 3, 2016

Board of Supervisors Meeting

Date _____

Cmte Board

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Completed by: Linda Wong Date January 29, 2016
Completed by: Linda Wong Date _____

1 [General Obligation Bond Election - Public Health and Safety - \$350,000,000]

2
3 **Ordinance calling and providing for a special election to be held in the City and County**
4 **of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to**
5 **San Francisco voters a proposition to incur the following bonded debt of the City and**
6 **County: \$350,000,000 to finance the construction, acquisition, improvement, seismic**
7 **strengthening and betterment of critical community and mental health, emergency**
8 **response and safety, and homeless shelter and service facilities animal care facilities for**
9 **earthquake safety and public health and related costs necessary or convenient for the**
10 **foregoing purposes; authorizing landlords to pass-through 50% of the resulting**
11 **property tax increase to residential tenants in accordance with Administrative Code,**
12 **Chapter 37; finding that the estimated cost of such proposed project is and will be too**
13 **great to be paid out of the ordinary annual income and revenue of the City and County**
14 **and will require expenditures greater than the amount allowed therefor by the annual**
15 **tax levy; reciting the estimated cost of such proposed project; fixing the date of**
16 **election and the manner of holding such election and the procedure for voting for or**
17 **against the proposition; fixing the maximum rate of interest on such bonds and**
18 **providing for the levy and collection of taxes to pay both principal and interest;**
19 **prescribing notice to be given of such election; adopting findings under the California**
20 **Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code,**
21 **Chapter 31; finding that the proposed bond is in conformity with the eight priority**
22 **policies of Planning Code, Section 101.1(b), and with the General Plan, consistency**
23 **requirement of Charter, Section 4.105, and Administrative Code, Section 2A.53;**
24 **consolidating the special election with the general election; establishing the election**
25 **precincts, voting places and officers for the election; waiving the word limitation on**

1 ballot propositions imposed by Municipal Elections Code, Section 510; complying with
2 the restrictions on the use of bond proceeds specified in California Government Code,
3 Section 53410; incorporating the provisions regarding the citizens' bond oversight
4 committee in Administrative Code, Sections 5.30-5.36; and waiving the time
5 requirements specified in Administrative Code, Section 2.34.

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

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

10 Section 1. Findings.

11 a. This Board of Supervisors (this "Board") recognizes the need to safeguard and
12 enhance the public health and safety in the event of an earthquake by constructing and
13 improving facilities that provide such services to City residents.

14 b. The Public Health and Safety Bond (the "Bond") will provide funding to acquire,
15 construct, and improve critical public health and safety facilities (as described below in
16 Section 3).

17 c. This Board now wishes to describe the terms of a ballot measure seeking
18 approval for the issuance of general obligation bonds to finance all or a portion of the City's
19 public health and safety services needs as described below.

20 Section 2. A special election is called and ordered to be held on Tuesday, June 7,
21 2016, for the purpose of submitting to the electors of the City a proposition to incur bonded
22 indebtedness of the City for the project described in the amount and for the purposes stated:

23 "SAN FRANCISCO PUBLIC HEALTH AND SAFETY BOND, 2016. \$350,000,000 of
24 bonded indebtedness to finance the cost of critical public health and safety facilities including
25 essential seismic retrofits and fire response system improvements at the Priscilla Chan and

1 Mark Zuckerberg San Francisco General Hospital and Trauma Center campus, the
2 ~~modernization of fire response systems~~ and the renovation and expansion of addition to the
3 Southeast Health Center, the improvement of high-demand community health centers with the
4 expansion of access to mental health, urgent care, substance abuse, dental, and social
5 services; the construction of a seismically safe San Francisco Fire Department Ambulance
6 Deployment Facility, and the repair and modernization of neighborhood fire stations Citywide;
7 and the improvement of facilities to better serve homeless individuals and families at
8 homeless shelters and homeless service sites, and the acquisition and construction of related
9 facilities Care and Control Shelter; and to pay related costs, subject to independent citizen
10 oversight and regular audits; and authorizing landlords to pass-through to residential tenants
11 in units subject to Chapter 37 of the Administrative Code (the "Residential Rent Stabilization
12 and Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the
13 cost of the repayment of the bonds."

14 The special election called and ordered shall be referred to in this ordinance as the
15 "Public Health and Safety Bond Special Election."

16 Section 3. PROPOSED PROGRAM. All contracts that are funded with the proceeds of
17 bonds authorized hereby shall be subject to the provisions of Chapter 83 of the Administrative
18 Code (the "First Source Hiring Program"), which fosters construction and permanent
19 employment opportunities for qualified economically disadvantaged individuals. In addition,
20 all contracts that are funded with the proceeds of bonds authorized hereby shall be subject to
21 the provisions of Chapter 14B of the Administrative Code (the "Local Business Enterprise and
22 Non-Discrimination in Contracting Ordinance"), which assists small and micro local
23 businesses to increase their ability to compete effectively for the award of City contracts. The
24 proposed program can be summarized as follows:
25

1 a. PUBLIC HEALTH PROJECT. A portion of the Bond shall be allocated to make
2 essential seismic retrofits and improvements at the Priscilla Chan and Mark Zuckerberg San
3 Francisco General campus and neighborhood clinic, including but not limited to the
4 modernization of fire response systems and the renovation and addition to the Southeast
5 Health Center, and the improvement of high-demand community health centers with the
6 expansion of access to mental health, urgent care, substance abuse, dental, and social
7 services.

8 b. SAFETY PROJECT. A portion of the Bond shall be allocated to the construction,
9 acquisition, improvement, retrofitting, and upgrade of the San Francisco Fire Department
10 Ambulance Deployment Facility, which includes the construction of a modern, seismically safe
11 ambulance and paramedic deployment facility. In addition, a portion of the Bond shall be
12 allocated for urgently needed repairs and modernizations of neighborhood fire stations
13 Citywide.

14 c. ANIMAL RESCUE PROJECT. HOMELESS HEALTH AND SAFETY PROJECT. A
15 portion of the Bond shall be allocated to the construction, acquisition, improvement,
16 retrofitting, and upgrading of City-owned homeless shelters and homeless service sites. In
17 addition, a portion of the Bond will be used to acquire and construct facilities to expand
18 homeless services in the City. ~~San Francisco Animal Shelter, which includes the construction~~
19 ~~of a modern, seismically safe building to care for displaced animals and to prevent the spread~~
20 ~~of communicable diseases in the event of an earthquake.~~

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

23 Section 4. BOND ACCOUNTABILITY MEASURES.

24 The Bond shall include the following administrative rules and principles:
25

1 a. OVERSIGHT. The proposed bond funds shall be subjected to approval
2 processes and rules described in the Charter and Administrative Code. Pursuant to
3 Administrative Code 5.31, the Citizens' General Obligation Bond Oversight Committee shall
4 conduct an annual review of bond spending, and shall provide an annual report of the bond
5 program to the Mayor and the Board of Supervisors.

6 b. TRANSPARENCY. The City shall create and maintain a Web page outlining and
7 describing the bond program, progress, and activity updates. The City shall also hold an
8 annual public hearing and reviews on the bond program and its implementation before the
9 Board of Supervisors, the Capital Planning Committee, the relevant City commissions, and
10 the Citizens' General Obligation Bond Oversight Committee.

11 Section 5. The estimated cost of the bond financed portion of the project described in
12 Section 2 above was fixed by the Board by Resolution No. _____, in the amount of
13 \$350,000,000. Said resolution was passed by two-thirds or more of the Board and approved
14 by the Mayor. In such resolution it was recited and found by the Board that the sum of money
15 specified is too great to be paid out of the ordinary annual income and revenue of the City in
16 addition to the other annual expenses or other funds derived from taxes levied for those
17 purposes and will require expenditures greater than the amount allowed by the annual tax
18 levy.

19 The method and manner of payment of the estimated costs described in this ordinance
20 are by the issuance of bonds of 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, as designed to date.

23 Section 6. The Bond Special Election shall be held and conducted and the votes
24 received and canvassed, and the returns made and the results ascertained, determined, and
25 declared as provided in this ordinance and in all particulars not recited in this ordinance such

1 election shall be held according to State law and the Charter and any regulations adopted
2 under State law or the Charter, providing for and governing elections in the City, and the polls
3 for such election shall be and remain open during the time required by such laws and
4 regulations.

5 Section 7. The Bond Special Election is consolidated with the General Election
6 scheduled to be held in the City on Tuesday, June 7, 2016. The voting precincts, polling
7 places, and officers of election for the June 7, 2016 General Election are hereby adopted,
8 established, designated, and named, respectively, as the voting precincts, polling places, and
9 officers of election for the Bond Special Election called, and reference is made to the notice of
10 election setting forth the voting precincts, polling places, and officers of election for the June
11 7, 2016 General Election by the Director of Elections to be published in the official newspaper
12 of the City on the date required under State law.

13 Section 8. The ballots to be used at the Bond Special Election shall be the ballots used
14 at the June 7, 2016 General Election. The word limit for ballot propositions imposed by
15 Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond
16 Special Election, in addition to any other matter required by law to be printed thereon, shall
17 appear the following as a separate proposition:

18 "SAN FRANCISCO PUBLIC HEALTH AND SAFETY BOND, 2016. "To protect public
19 health and safety, improve community medical and mental health care services, earthquake
20 safety, and emergency medical response; to seismically improve, and modernize
21 neighborhood fire stations and vital public health and homeless service sites; to construct a
22 seismically safe and improved San Francisco Fire Department ambulance deployment facility;
23 ~~construct a seismically safe, modern animal shelter to care for displaced animals and control~~
24 ~~the spread of disease~~; and to pay related costs, shall the City and County of San Francisco
25

1 issue \$350,000,000 in general obligation bonds, subject to citizen oversight and regular
2 audits?"

3
4 Each voter to vote in favor of the issuance of the foregoing bond proposition shall mark
5 the ballot in the location corresponding to a "YES" vote for the proposition, and each voter to
6 vote against the proposition shall mark the ballot in the location corresponding to a "NO" vote
7 for the proposition.

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

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

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

1 Section 12. The Board, having reviewed the proposed legislation, makes the following
2 findings in compliance with the California Environmental Quality Act ("CEQA"), California
3 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 California
4 Administrative Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco
5 Administrative Code Chapter 31 ("Chapter 31"): Each of the facilities proposed to be funded
6 with this Bond have been reviewed as required by CEQA. Certain programmatic facilities to
7 be constructed or acquired with proceeds of the Bonds, including the neighborhood fire
8 stations, the homeless shelters and service facilities and the high demand community health
9 centers are statutorily exempt from environmental review under CEQA Guidelines, Section
10 15273(a)(4). The Environmental Review Officer has determined that the proposed facilities
11 are either exempt from CEQA as follows:

12 a. PUBLIC HEALTH PROJECTS.

13 1. San Francisco General Hospital Building 5. On April 6, 2015, the Planning
14 Department determined that interior alterations and seismic retrofit of San Francisco General
15 Hospital Building 5 is categorically exempt from environmental review under Class 1 of CEQA
16 Guidelines Section 15301.

17 2. Southeast Health Center. On June 16, 2015, the Planning Department determined
18 that renovation of and a two-story horizontal addition to the Southeast Health Center (2401
19 Keith Street) was categorically exempt from environmental review under Class 32 of the
20 CEQA Guidelines, Section 15332.

21 3. Community Health Centers. On January 26, 2016, the Planning Department
22 determined that the Bond funding program for the improvement of high demand community
23 health centers across the City and the expansion of access to mental health, urgent care,
24 substance abuse, dental, and social services was statutorily exempt from environmental
25 review under CEQA Guidelines, Section 15273(a)(4)—establishment of rates, tolls, fares, and

1 charges for the purpose of obtaining funds for capital projects necessary to maintain service
2 within existing service.

3 b. SAFETY PROJECT. On December 11, 2015, the Planning Department determined
4 that the demolition of two small structures and construction of a 30,334 gross square foot San
5 Francisco Fire Department ("SFFD") Emergency Medical Services Facility and 62,000 gross
6 square foot parking structure behind SFFD Fire Station No. 9 at 2245 Jerrold Avenue was
7 categorically exempt from environmental review under Class 32 of the CEQA Guidelines,
8 Section 15332.

9 The Board affirms these exemption determinations of the Planning Department, for the
10 reasons set forth in the analyses in these exemptions contained in Board of Supervisors File
11 No. 151276, incorporated herein by this reference thereto. The Board finds that based on the
12 whole record before it there are no substantial project changes, no substantial changes in
13 project circumstances, and no new information of substantial importance that would change
14 the conclusions set forth in these exemption determinations by the Planning Department that
15 these proposed projects are exempt from environmental review.

16 or have been analyzed in an environmental document and are consistent with such
17 analysis. The Board affirms the determinations, for the reasons set forth in the analyses
18 contained in Board of Supervisors File No. _____, incorporated herein by this reference
19 thereto.

20 3. NEIGHBORHOOD FIRE STATIONS. On January 26, 2016, the Planning
21 Department determined that the Bond funding program for the modernization and upgrade of
22 San Francisco Fire Department neighborhood fire stations citywide was statutorily exempt
23 from environmental review under CEQA Guidelines, Section 15273(a)(4)—establishment of
24 rates, tolls, fares, and charges for the purpose of obtaining funds for capital projects
25 necessary to maintain service within existing service areas:

1 4. HOMELESS HEALTH AND SAFETY PROJECT. On January 26, 2016, the Planning
2 Department determined that the Bond funding program for the improvement of facilities to
3 better serve homeless individuals and families at shelters and homeless service sites, and
4 acquisition and construction of related facilities, was statutorily exempt from environmental
5 review under CEQA Guidelines, Section 15273(a)(4)—establishment of rates, tolls, fares, and
6 charges for the purpose of obtaining funds for capital projects necessary to maintain service
7 within existing service areas.

8
9 Section 13. The Board finds and declares that the proposed Bond is (a) in conformity
10 with the priority policies of Section 101.1(b) of the Planning Code, (b) in accordance with
11 Section 4.105 of the Charter and Section 2A.53(f) of the Administrative Code, and (c)
12 consistent with the City's General Plan, and adopts the findings of the Planning Department,
13 and incorporates such findings by reference, as set forth in the General Plan Referral Reports
14 dated ~~December~~ January 26, 2016, for the Public Health Projects— SFGH Building 5;
15 January 26, 2016, for the Public Health Project - Southeast Health Center; January 26, 2016,
16 for the Safety Project – SFFD Emergency Medical Services Facility; and [Homeless Shelter]
17 copies of which is are on file with the Clerk of the Board of Supervisors in File No.
18 151276 _____ and incorporates such findings by reference.

19 Section 14. Under Section 53410 of the California Government Code, the bonds shall
20 be for the specific purposes authorized in this ordinance and the proceeds of such bonds will
21 be applied only for such specific purposes. The City will comply with the requirements of
22 Sections 53410(c) and 53410(d) of the California Government Code.

23 Section 15. The Bonds are subject to, and incorporate by reference, the applicable
24 provisions of Administrative Code Sections 5.30 – 5.36 (the "Citizens' General Obligation
25 Bond Oversight Committee"). Under Section 5.31, to the extent permitted by law, one-tenth of

1 one percent (0.1%) of the gross proceeds of the Bonds shall be deposited in a fund
2 established by the Controller's Office and appropriated by the Board of Supervisors at the
3 direction of the Citizens' General Obligation Bond Oversight Committee to cover the costs of
4 said committee.

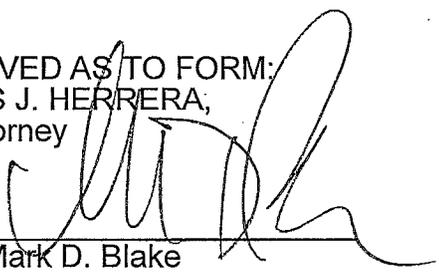
5 Section 16. The time requirements specified in Section 2.34 of the Administrative
6 Code are waived.

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

11 Section 18. Documents referenced in this ordinance are on file with the Clerk of the
12 Board of Supervisors in File No. 151276, which is hereby declared to be a part of
13 this ordinance as if set forth fully herein.

14
15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA,
18 City Attorney

19 By:


20 Mark D. Blake
21 Deputy City Attorney

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23
24
25

AMENDED IN COMMITTEE

1/27/16

FILE NO. 151276

LEGISLATIVE DIGEST

[General Obligation Bonds – Public Health and Safety - \$350,000,000]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety, and homeless shelter and service facilities 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 in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code, Chapter 31; 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; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

Existing Law

This is new legislation.

Background Information

The proposed Ordinance calls for a general obligation bond election to be held on June 7, 2016. The general obligation bonds are authorized in an amount up to \$350,000,000 for the construction, acquisition, improvement and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety.

A portion of the general obligation bond proceeds will be used to fund essential seismic retrofits and fire response system improvements at the Pricilla Chan and Mark Zuckerberg

AMENDED IN COMMITTEE

1/27/16

FILE NO. 151276

San Francisco General Hospital and Trauma Center campus, including the renovation and addition to the Southeast Health Center and the improvement of high-demand community health centers with the expansion of access to mental health, urgent care, substance abuse, dental and social services (referred to in the Ordinance as the "Public Health Projects").

A portion of the general obligation bond proceeds will be used for the construction, acquisition, improvement, retrofitting and upgrade the San Francisco Fire Department Ambulance Deployment Facility, which includes the construction of a modern, seismically safe ambulance and paramedic deployment facility, including the repair and modernization of neighborhood fire stations Citywide (referred to in the Ordinance as the "Safety Project.").

Finally, a portion of the general obligation bond will be used for the construction, acquisition, improvement of facilities to better serve homeless individuals and families at homeless shelters and homeless service sites, and the acquisition and construction of related facilities (referred to in the Ordinance as the "Homeless Health and Safety Project").

The proposed ballot measure must be approved by two-thirds of all the voters voting on the measure to pass. 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, the relevant City commissions, and the Citizen's General Obligation Bond Oversight Committee.

<p>Items 1 and 2 Files 15-1275 and 15-1276 <i>(Continued from January 27, 2016)</i></p>	<p>Departments: Department of Public Works (DPW), Fire Department Department of Public Health, Animal Care and Control City Administrator’s Office, Capital Planning Program Controller’s Office of Public Finance</p>
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EXECUTIVE SUMMARY

Legislative Objectives

- **File 15-1275:** Resolution determining and declaring the public interest and necessity demand the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety and homeless shelter and service facilities and the payment of costs necessary or convenient for the foregoing purposes; finding that the estimated \$350,000,000 cost for such improvements is too great to be paid out of the ordinary annual income and revenue of the City and will require incurring bonded indebtedness; adopting findings under the California Environmental Quality Act (CEQA), Administrative Code Chapter 31 and the Planning Code; and waiving time limits in Administrative Code, Section 2.34.
- **File 15-1276:** Ordinance calling and providing for a special election to be held on June 7, 2016 in order to submit to San Francisco voters a proposition to incur \$350,000,000 for construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety and homeless shelter and service facilities and related costs.

Key Points

- The proposed 2016 Public Health and Safety General Obligation Bond would fund six projects: (1) \$222 million for seismic upgrades and renovations to San Francisco General Hospital (SFGH-Building 5); (2) \$30 million for renovation and expansion of Southeast Health Center; (3) \$44 million for constructing a new ambulance deployment center, (4) \$20 million for Community Health Centers, (5) \$20 million for homeless shelters and service sites, and (6) \$14 million for neighborhood fire stations.

Fiscal Impact

- At least \$10,800,000 for furniture, fixtures and equipment, which cannot be paid with bond proceeds, will likely need General Fund support, subject to approval by the Board of Supervisors.
- The \$350,000,000 GO Bonds at projected annual interest of 6% for 20 years, assuming three issuances, results in total debt service costs of \$603,999,767, including \$253,999,757 interest and \$350,000,000 principal, with \$27,454,535 average annual debt service. Debt service is paid from Property Taxes, such that an owner of a \$600,000 assessed home will pay \$54.27 average annual additional Property Taxes.
- \$54 million of the \$350 million GO bond are not specifically identified in the City’s Ten Year Capital Plan.

Recommendations

- Amend the proposed ordinance and resolution to add, “On January 26, 2016, the Planning Department determined that the Bond funding program for the improvement of high demand community health centers across the City and the expansion of access to mental health, urgent care, substance abuse, dental and social services was statutorily exempt from environmental review under CEQA Guidelines, Section 15273(a)(4)-establishment of rates, tolls, fares, and charges for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas.”
- Approval of the proposed ordinance and resolution to submit a \$350 million General Obligation bond to San Francisco voters for the June 2016 ballot is a policy decision for the Board of Supervisors.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

According to Article 16, Section 18(a) of the State of California Constitution, no county, city, town, township, board of education, or school district, shall incur any indebtedness or liability for any purpose exceeding in any year the income and revenue provided for such year, without the approval of two-thirds of the voters of the public entity voting at an election to be held for that purpose. Section 9.105 of the City's Charter provides that the Board of Supervisors is authorized to approve the issuance and sale of General Obligation bonds in accordance with State law or local procedures adopted by ordinance.

City Administrative Code Section 2.34 requires that (1) a resolution of public interest and necessity for the acquisition, construction or completion of any municipal improvement be adopted by the Board of Supervisors not less than 141 days, and (2) an ordinance ordering the submission of the proposal to San Francisco voters be adopted by the Board of Supervisors not less than 99 days, before the election at which such proposal will be submitted to the voters. These time limits may be waived by resolution of the Board of Supervisors.

BackgroundCity's Ten-Year Capital Plan

The City's Ten Year (FY 2016-2025) Capital Plan, approved by the Board of Supervisors on April 21, 2015, provides an assessment of the City's capital needs, the investment required to meet those needs and a detailed plan to finance capital improvements over the next ten years. This Capital Plan recommends \$23 billion in direct City investments plus \$9 billion of external funding, for a total of \$32 billion in capital improvements over the next ten years, including a \$311 million Public Health and Safety General Obligation (GO) Bond to be submitted to San Francisco voters for the June 2016 ballot. This \$311 million GO Bond included:

(a) \$192 million to seismically retrofit and renovate the existing San Francisco General Hospital (SFGH) (Building 5);

(b) \$30 million for renovation and expansion of the Department of Public Health's (DPH) Southeast Health Center;

(c) \$49 million to seismically retrofit and renovate the City's Animal Care and Control facility; and

(d) \$40 million for a new seismically safe expanded Fire Department Ambulance Deployment Center.

Capital Planning Committee

On January 25, 2016, the Capital Planning Committee met and approved placing a \$350 million GO Bond on the June 2016 ballot, with amendments that substitute the City's Animal Care and Control facility (now estimated to cost \$54 million) with (a) \$20 million for improvement of community health centers, (b) \$20 million for facilities to better serve homeless individuals and

families and (c) \$14 million for neighborhood fire stations. On January 27, 2016, the Budget and Finance Committee approved the Capital Planning Committee amendments to the proposed ordinance and resolution to reflect these changes and continued the legislation to the February 3, 2016 meeting. The Capital Planning Committee also approved amending the City's Certificate of Participation (COP) program to include the construction of a new seismically-safe Animal Care and Control shelter.

San Francisco General Hospital Campus

The new Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center (Zuckerberg San Francisco General), constructed with \$887 million of 2008 San Francisco voter-approved General Obligation bonds and significant private gifts and donations, is scheduled to open in the Spring of 2016. In preparation for the opening of this new facility, the Department of Public Health (DPH) and the Department of Public Works contracted with SOHA Engineers, a structural engineering firm, at a total cost of \$303,015 to evaluate the structural performance of the adjacent older 1970s-era existing hospital facility (Building 5). This evaluation found that significant corrective structural work was needed to reinforce and improve the seismic safety of this facility, as well as fire and life safety and related regulatory requirements and renovations.

Once the new Zuckerberg San Francisco General acute care and trauma center opens and patients are transferred from Building 5, this older 1970s-era existing main hospital facility is proposed to be seismically and structurally upgraded to house outpatients, urgent care and the City's psychiatric emergency services. It should be noted that the overall San Francisco General Hospital campus includes 15 buildings which provide various health services, eight of which need seismic safety improvements¹. Mr. Brian Strong, Director of the Capital Planning Program advises that a future GO bond in 2022 is anticipated to be requested for seismic improvements for SFGH Buildings 80/90. In addition, DPH is currently studying the feasibility of future uses for the eight buildings that would seek alternate financing mechanisms, to offset the use of General Fund monies. These studies are anticipated to be completed in the fall of 2016.

Southeast Health Center

The Department of Public Health (DPH) owns and operates ten neighborhood-based primary care health centers, which are identified in the attached map, including the 17,000 square foot Southeast Health Center, which opened in 1979 at 2401 Keith Street in the Bayview Hunters Point neighborhood. The Southeast Health Center provides acute and chronic illness services, preventive medical care, prenatal, mental health and substance abuse care, as well as dental, optometry and podiatry care. DPH advises that while improvements have been made and planned for the other health centers, the Southeast Health Center facility is both outdated and inadequate to serve the growing needs of the patient community and unique because DPH wants to relocate behavioral health services from leased space into a new adjacent addition to the Southeast Health Center facility in order to develop an integrated model of health care to better meet the needs of vulnerable and at-risk individuals and families.

¹ The eight buildings that require seismic safety improvements are: Buildings 1, 9, 10, 20, 30, 40, 80/90 and 100.

Other DPH Health Centers

DPH recently made improvements to integrate primary care and mental health services at two health centers—Ocean Park Health Center and Sunset Mental Health, as highlighted in the attached map. This integrated approach allows DPH to provide coordinated primary care, mental health, dental care, substance abuse disorder and social services within one facility. DPH would use additional bond funds to reconfigure and upgrade its facilities to provide integrated primary care and behavioral services at all its clinics. As these are programmatic fund allocations, the specific locations, projects and costs have not been identified. However, DPH indicates that changes to the Castro Mission Health and Maxine Hall clinics are currently in the early stages of programming and design.

Fire Department Ambulance Deployment Facility

In 2015, the Fire Department responded to more than 100,000 emergency medical service calls, an average of 274 calls per day, transporting approximately 55,000 patients to local hospitals. A new dynamic deployment model fully implemented by July 2009 strategically deploys ambulances from specified locations throughout the City, depending on demands for emergency medical services. The current 1½ story Ambulance Deployment Facility sits on a 64,000 square foot lot, at 1415 Evans Avenue in the Bayview neighborhood, only has space to restock one ambulance at a time, which can delay the turn-around time to return ambulances to serve, slowing emergency response times.

The proposed bond would construct a new seismically safe 30,000 square foot, three-floor facility and 55,000 square foot parking structure on the City-owned site at 2245 Jerrold Avenue in the Bayview neighborhood. The new facility would include four ambulance restocking bays, ambulance supplies warehouse, locker rooms, on-site training rooms and secure, off-street parking. Currently, 2245 Jerrold Avenue contains Fire Station 9 and three buildings for materials and vehicle storage, two of which would be demolished to allow construction of the new facility. The Fire Department proposes to consolidate its Bureau of Equipment functions from a seismically unsafe unreinforced masonry building at 2510 25th Street to the 1415 Evans Avenue site.

Neighborhood Fire Stations

All 44 City Fire Stations have structural, seismic or other health and safety-related building deficiencies. If not addressed, these deficiencies could render Fire Stations inoperable after a major earthquake or disaster.

The first Earthquake Safety and Emergency Response (ESER) GO Bond in 2010 provided \$65 million for improvements to 23 of the City's 44 neighborhood fire stations in every Supervisorial district. The second ESER GO Bond in 2014 provided \$85 million for additional improvements to fire stations. As of January 2016, the 2014 ESER bond funds were expended on five completed fire stations and planning and design for nine additional stations. The proposed bond funds would be used for additional capital improvements at fire stations, based on existing capital project planning and prioritization.

Homeless Service Sites

The City provides homeless services at various sites including: three City-owned homeless shelters, a Navigation Center at a temporary site and two deployment centers for the San Francisco Homeless Outreach Team (SFHOT) at leased sites. The two homeless shelters at 1001 Polk Street and 525 5th Street provide services to homeless adults, and one shelter at 260 Golden Gate provides services to families. The Navigation Center, at 1950 Mission Street, provides various services to transition homeless individuals to permanent housing solutions. The SFHOT deployment centers deploy multiple agencies' staff to assess medical and behavioral crises, refer persons to emergency care and other services and provide case management to severely disabled individuals living on the street.

As programmatic fund allocations, the specific locations, projects and costs have not been identified. However, the funds would generally be used to repair and replace health and safety systems in the three City-owned homeless shelters, including fire protection systems, plumbing, roofs, ADA requirements, security, heating and ventilation, electrical and seismic upgrades. In addition, funding would be used to remodel, modernize or acquire facilities to improve homeless services, such as through innovative service models as the Navigation Center and SFHOT.

DETAILS OF PROPOSED LEGISLATION

File 15-1275: The proposed resolution would (a) determine and declare that the public interest and necessity demand the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety and homeless shelter and service facilities and the payment of \$350,000,000 costs is necessary or convenient for the foregoing purposes; (b) find that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopt findings under CEQA for the remaining portion of the bond; (c) find that the proposed bond is in conformity with the 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; and (d) waive the time limits set forth in Administrative Code Section 2.34.

File 15-1276: The proposed ordinance would (a) call and provide for a special election to be held in San Francisco on June 7, 2016 in order to submit to San Francisco voters a proposition to incur \$350,000,000 of General Obligation bonded indebtedness to finance the construction, acquisition, improvement, seismic strengthening and betterment of critical community and mental health, emergency response and safety and homeless shelter and service facilities and related costs; (b) specify the tax levy and interest rates; (c) authorize landlords to pass-through 50% of the resulting property tax increase to residential tenants in accordance with Administrative Code Chapter 37; and (d) establish the election provisions.

Under the proposed resolution (File 15-1275) and ordinance (File 15-1276), the Board of Supervisors would:

- find that the estimated \$350,000,000 cost of the proposed capital improvements are too great to be paid out of the ordinary annual income and revenue of the City and County of San Francisco (City) and will require expenditures greater than the amount allowed in the existing annual tax levy, thus requiring the City to incur bonded indebtedness;
- find that each of the facilities proposed to be funded with this bond have been reviewed as required by the California Environmental Quality Act (CEQA) and the proposed facilities are either categorically exempt from environmental review, or statutorily exempt from CEQA;
- find that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b)² and consistent with the City's General Plan;
- authorize landlords to pass-through 50% of the subject property tax increases to residential tenants in accordance with Chapter 37 of the Administrative Code;
- fix the date of June 7, 2016 and the manner of the election, procedures for voting on the proposition, notice of such election and consolidate the special election with the general election;
- fix the maximum rate of interest on the bonds and provide for the levy and collection of property taxes to pay both the principal and interest on the bonds;
- incorporate (a) Administrative Code Chapter 83, authorizing all contracts funded with the proceeds of these bonds be subject to the City's First Source Hiring Program, and (b) Chapter 14B, requiring the Local Business Enterprise and Non-Discrimination in Contracting Ordinance provisions;
- waive the ballot proposition word limit imposed by Municipal Elections Code Section 510;
- comply with Section 53410 of the California Government Code regarding restrictions on the use of bond proceeds;
- waive Administrative Code Section 2.34 time requirement provisions; and
- incorporate Administrative Code Section 5.30-5.36 provisions regarding the Citizen's General Obligation Bond Oversight Committee (CGOBOC) annual review and report to the Mayor and the Board of Supervisors.

The proposed \$350,000,000 General Obligation Bond would be referred to as the 2016 Public Health and Safety Bond, and would fund the facilities shown in Table 1 below:

².The Eight Priorities of City Planning Code Section 101.1 include: (1) existing neighborhood-serving retail uses be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced; (2) existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods; (3) the City's supply of affordable housing be preserved and enhanced; (4) commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking; (5) a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced; (6) the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake; (7) landmarks and historic buildings be preserved; and (8) parks and open space and their access to sunlight and vistas be protected from development.

Table 1: Summary of Projects and Costs for the Proposed 2016 GO Bond

Projects	Bond Amount	Description
Existing San Francisco General Hospital (Building 5)	\$222,000,000	Seismic improvements, and fire alarm system, fire sprinklers and associated upgrades to electrical and mechanical life and safety systems, including new infection-control and ventilation systems, upgraded restrooms, fixtures, hardware, ADA improvements and modernization of the facility.
Southeast Health Center	30,000,000	Phase I includes \$5 million renovation of the existing Southeast Health Center at 2401 Keith Street in the Bayview-Hunters Point neighborhood to expand patient capacity and upgrade and modernize the facility. Phase II includes \$25 million construction of a new approximately 20,000 square foot adjacent two-story addition to provide comprehensive behavioral patient health services.
Other DPH Health Centers	20,000,000	Capital improvements to reconfigure and upgrade DPH facilities to provide Integrated Wellness Hub concept in community health centers, to coordinate primary care, mental health, dental care, substance abuse disorder and social services.
Fire Department Ambulance Deployment Facility	44,000,000	Construction of a new seismically safe 3-floor facility and parking structure at 2245 Jerrold Avenue to accommodate more efficient restocking of four ambulances at one time, including dispatch, training facilities and Fire Department offices.
Neighborhood Fire Stations	14,000,000	Capital improvements similar to ESER 2010 and 2014 at an additional group of fire stations, including replacement of emergency generators, roof repairs and replacement, repainting and refurbishing, and mechanical and general facility renovations. To extent feasible, will include seismic improvements at selected fire stations.
Homeless Service Sites	20,000,000	Major health and safety system repairs and replacement in three City-owned homeless shelters, including plumbing, roofs, fire alarms, kitchens, ADA and security, heating and ventilation, electrical and seismic upgrades. Funds also to be used to remodel, modernize or acquire facilities to improve homeless services, such as through the Navigation Center and SFHOT.
Total	\$350,000,000	

Regarding the California Environmental Quality Act (CEQA) findings:

- On February 13, 2015, the Planning Department determined that the proposed SFGH Building 5 project is categorically exempt from CEQA.
- On June 16, 2015, the Planning Department determined that the proposed Southeast Health Center project is categorically exempt from CEQA, as an in-fill development project.

- On December 11, 2015, the Planning Department determined that the proposed Fire Department Ambulance Deployment Facility is categorically exempt from CEQA, as an in-fill development project.
- On January 26, 2016, the Planning Department determined that the three added capital programs regarding DPH health centers, neighborhood fire stations and homeless shelters are statutorily exempt from CEQA under CEQA Guidelines, Section 15273(a)(4). If these program bond funds are approved, the individual bond-funded projects would be referred to the Planning Department for environmental review.

Both the proposed ordinance and resolution should be amended to clarify that the Planning Department environmental determination for bond funding programs for the improvement of the other DPH health centers was completed on January 26, 2016 and found to be statutorily exempt from environmental review under CEQA Guidelines, Section 15273(a)(4).

FISCAL IMPACT

Rationale for Proposed Costs

This \$350 million Public Health and Safety General Obligation Bond was initially included in the 2016-2025 City 10-Year Capital Plan at \$311 million³, including a new Animal Care and Control facility. As noted above, on January 25, 2016, the Capital Planning Committee amended the proposal to substitute the \$54 million Animal Care and Control facility with (a) \$20 million for community health centers, (b) \$20 million for homeless facilities and (c) \$14 million for neighborhood fire stations.

Development of the original three projects was based on preliminary planning and seismic analysis funded with General Fund appropriations, including (a) \$11,375,000 for SFGH in FY 2012-13 through FY 2015-16, and (b) \$2,500,000 for the Southeast Health Center in FY 2012-13, which would be reimbursed by the proposed 2016 GO Bond funds, if approved by the voters. Although specific locations and projects have not yet been identified, DPH estimates that average renovation costs for each DPH Health Center would be \$4-\$5 million depending on the extent and scope of work.

A breakdown of the total estimated costs of \$350 million for the six proposed projects is shown in Table 2 below.

³ The Ten Year Capital Plan estimate of \$311 million for the subject GO Bond increased to \$350 million as a result of additional technical seismic analysis, specific identified locations and further defined scope. The SFGH building is now estimated to cost \$222 million (instead of \$192 million), the Animal Care and Control facility budget moved \$5 million of General Fund costs to bond expenses, increasing the estimated bond cost to \$54 million (instead of \$49 million) and the Ambulance Deployment Center is now estimated to cost \$44 million (instead of \$40 million).

Table 2: Estimated Costs for the Six Proposed Projects

	SFGH Existing Hospital	Southeast Health Center	Other DPH Health Centers	Ambulance Deployment	Neighborhood Fire Stations	Homeless Shelters
Arch/Engin/Mgmt	\$61,332,425	\$9,506,550	\$6,750,000	\$8,510,000	\$2,810,000	\$3,840,000
Permits	1,920,075	250,000	200,000	810,000	270,000	390,000
Other City Agencies	<u>750,000</u>	<u>249,700</u>	<u>200,000</u>	<u>680,000</u>	<u>360,000</u>	<u>520,000</u>
Subtotal Proj Control	\$64,002,500	\$10,006,250	\$7,150,000	\$10,000,000	\$3,440,000	\$4,750,000
Construction	134,539,130	17,125,000	11,000,000	29,470,000	9,000,000	13,000,000
Contingency (15%)	<u>20,180,870</u>	<u>2,568,750</u>	<u>1,650,000</u>	<u>2,830,000</u>	<u>1,350,000</u>	<u>1,950,000</u>
Subtotal Construction	\$154,720,000	\$19,693,750	\$12,650,000	\$32,300,000	\$10,350,000	\$14,950,000
Inflation Reserve ⁴				<u>1,000,000</u>		
Subtotal				1,000,000		
Bond Issuance	3,277,500	300,000	200,000	700,000	210,000	300,000
Total Project Cost	\$222,000,000	\$30,000,000	\$20,000,000	\$44,000,000	\$14,000,000	\$20,000,000

The above project costs do not include the costs for furniture, fixtures or equipment, which cannot be paid from the proposed GO bond. Such costs are estimated to total \$10,800,000, including \$7,800,000 for the SFGH existing hospital, \$2,000,000 for the Southeast Health Center and \$1,000,000 for the Ambulance Deployment. This \$10,800,000 cost, which is included in the City's 5-Year Financial Plan, will likely need to be funded with General Fund monies, subject to future appropriation approval by the Board of Supervisors. Additional furniture, fixtures and equipment requirements for the program elements of the proposed bond will not be known until specific projects and locations are determined.

Proposed Bond Financing Costs

If the proposed \$350,000,000 Public Health and Safety General Obligation Bonds are approved by San Francisco voters in June of 2016, Ms. Nadia Sesay, Director of the Office of Public Finance anticipates that these bonds would be sold in three issuances in approximately October 2016 (\$120 million), January 2018 (\$137 million) and January 2019 (\$93 million), as summarized in Table 3 below.

Table 3: Sources and Uses of \$350,000,000 Public Health and Safety Bonds

Issuances	1: October 2016	2: January 2018	3: January 2019	Total
Total Sources	\$120,000,000	\$137,000,000	\$93,000,000	\$350,000,000
Uses				
Project Funds	\$118,241,500	\$135,065,000	\$91,526,000	\$344,832,500
CSA Audit Fee	<u>238,500</u>	<u>270,000</u>	<u>183,500</u>	<u>692,500</u>
Total Fund Deposit	\$118,480,000	\$135,335,500	91,709,500	\$345,525,000
Cost of Issuance	\$500,000	\$500,000	\$500,000	\$1,500,000
Underwriter's Discount	900,000	1,027,500	697,500	2,625,000
CGOBOC Fees	<u>120,000</u>	<u>137,000</u>	<u>93,000</u>	<u>350,000</u>
Total Uses	\$120,000,000	\$137,000,000	\$93,000,000	\$350,000,000

In accordance with Section 5.31 of the Administrative Code, one-tenth of one percent (0.1%) of the bonds gross proceeds shall be deposited into a Controller's Office fund, to be appropriated by the Board of Supervisors to cover the costs of the Citizens' General Obligation Bond

⁴ Inflation Reserve included to supplement budgeted expenses in the event inflation exceeds budgeted 5% per year.

Oversight Committee (CGOBOC). The Controller's City Service Audit (CSA) fee, bond issuance costs, underwriter's discount and the CGOBOC fee are included in the total estimated project costs of \$350,000,000 reflected in Table 1 above. These costs total approximately \$5,167,500, which would be separately charged to each of the projects, based on the actual costs.

According to Ms. Sesay, the \$350,000,000 of General Obligation Bonds are projected to have an annual interest rate not to exceed 6.0 percent, with each issuance for 20 years, such that debt service payments will extend from 2017 through 2038, depending on the issuance date. The bonds will result in estimated total debt service payments of \$603,999,767, including \$253,999,767 in interest and \$350,000,000 in principal, with average annual debt service payments of \$27,454,535.

Repayment of the annual debt service will be recovered through increases to the annual Property Tax rate. The owner of a single family residence with an assessed value of \$600,000, assuming a homeowners exemption of \$7,000, would pay average annual additional Property Taxes to the City of \$54.27 per year to cover the debt service on the proposed \$350,000,000 Public Health and Safety General Obligation Bonds. However, all such property tax increases should be offset through the retirement of existing General Obligation bonds.

The City's Charter imposes a three percent limit on the amount of General Obligation Bonds that can be outstanding at any given time, relative to the total assessed value of property in the City. The FY 2015-16 net assessed value of property in the City is \$194,392,571,976, such that the three percent limit is currently \$5,831,777,159. According to Ms. Sesay, as of January 1, 2016, there was \$1,972,113,899 of General Obligation Bonds outstanding, or approximately 1.01% of the total assessed value of property in the City.

If the subject \$350,000,000 General Obligation Bonds are issued, the outstanding General Obligation Bonds would total \$2,322,113,899, or approximately 1.19% of the total assessed value of property. However, the proposed issuances would be consistent with the City's approved Ten-Year Capital Plan, which states that General Obligation bonds will be issued such that Property Tax rates will not increase above the FY 2006 Property Tax rates. Therefore, new General Obligation bonds would only be issued as outstanding General Obligation bonds are retired.

POLICY CONSIDERATION

Since 2008, San Francisco voters have approved seven General Obligation bonds, totaling \$2.8 billion. If the proposed \$350,000,000 General Obligation Bond is approved, it would result in a total of \$3.15 billion of General Obligation bonds. As noted above, the Ten Year Capital Plan includes a total of \$32 billion in capital improvements over the next ten years.

Requires Two-thirds Approval

Approval of the proposed resolution requires two-thirds or more of the Board of Supervisors approval and approval by Mayor. In addition, approval of this \$350,000,000 General Obligation Bond would require approval by at least two-thirds of San Francisco voters. The use

of GO Bond proceeds to finance any project or portion of any project would also be subject to future appropriation approval by the Board of Supervisors.

Coordination with Jail Mental Health Facilities Project

The proposed \$350,000,000 GO bond includes \$222,000,000 to renovate and seismically upgrade the existing SFGH hospital (Building 5) for outpatient services, urgent care and the City's only psychiatric emergency services. The Board of Supervisors is also considering the purchase of property adjacent to the Hall of Justice for a jail replacement and/or mental health facility, which may include \$80 million of State grant funding. Based on recommendations by the Board of Supervisors, the City has established a Jail Closure Committee whose purpose is to define programming requirements and costs associated with a prisoner mental health facility. DPH advises that the Jail Closure Committee will coordinate with other planned programs, such as the renovation and seismic upgrade of Building 5 that may overlap in the delivery of psychiatric emergency services or behavioral health services in the City.

Certificates of Participation for Animal Care and Control

As noted above, the Capital Planning Committee amended the \$350 million GO bond to remove the proposed new \$54 million Animal Care and Control shelter and instead include this facility under the City's Certificate of Participation (COP) program. GO bonds, require two-thirds approval by the voters, are generally less expensive than COPs and impose additional property taxes to pay for the debt on the bonds. In contrast, COPs do not require voter approval, are generally more expensive including higher interest rates than GO bonds, and are typically repaid from revenues related to the project or the City's General Fund.

According to Ms. Sesay, assuming the City's proposed jail replacement and/or mental health facility adjacent to the Hall of Justice moves forward with \$80 million in awarded State grant funding, the \$54 million Animal Care and Control project would fit within the constraints of the City's COP capital plan, without significant impact on the timing of other capital projects. However, Ms. Sesay advises that assuming an interest rate of 6.5% for a \$54 million Animal Care and Control project funded with COPs would result in a total issuance of \$77.7 million and net debt service costs⁵ of \$131.4 million, or average annual debt payments of \$5.7 million over 23 years. In comparison, if the \$54 million Animal Care and Control facility were issued as a stand-alone GO bond, the interest rate is assumed at 6%, the total issuance would be \$55.2 million and total debt service would be \$95.5 million over approximately 20 years or an average of \$4.8 million annually.

Capital Planning Process

As noted above, the City's Ten Year Capital Plan anticipated the need for a GO bond in June 2016 to address (a) SFGH, Building 5, (b) DPH's Southeast Health Center, (c) Fire Department's Ambulance Deployment Center, and (d) Animal Care and Control shelter. However, the Ten Year Capital Plan does not specifically address the additional DPH health centers, neighborhood fire stations or homeless shelters and services.

⁵ The total issuance of \$77.7 million includes a debt service reserve fund of \$7.1 million and capitalized interest of \$15.1 million, such that the net debt service costs deduct the debt service reserve and capitalized interest expense.

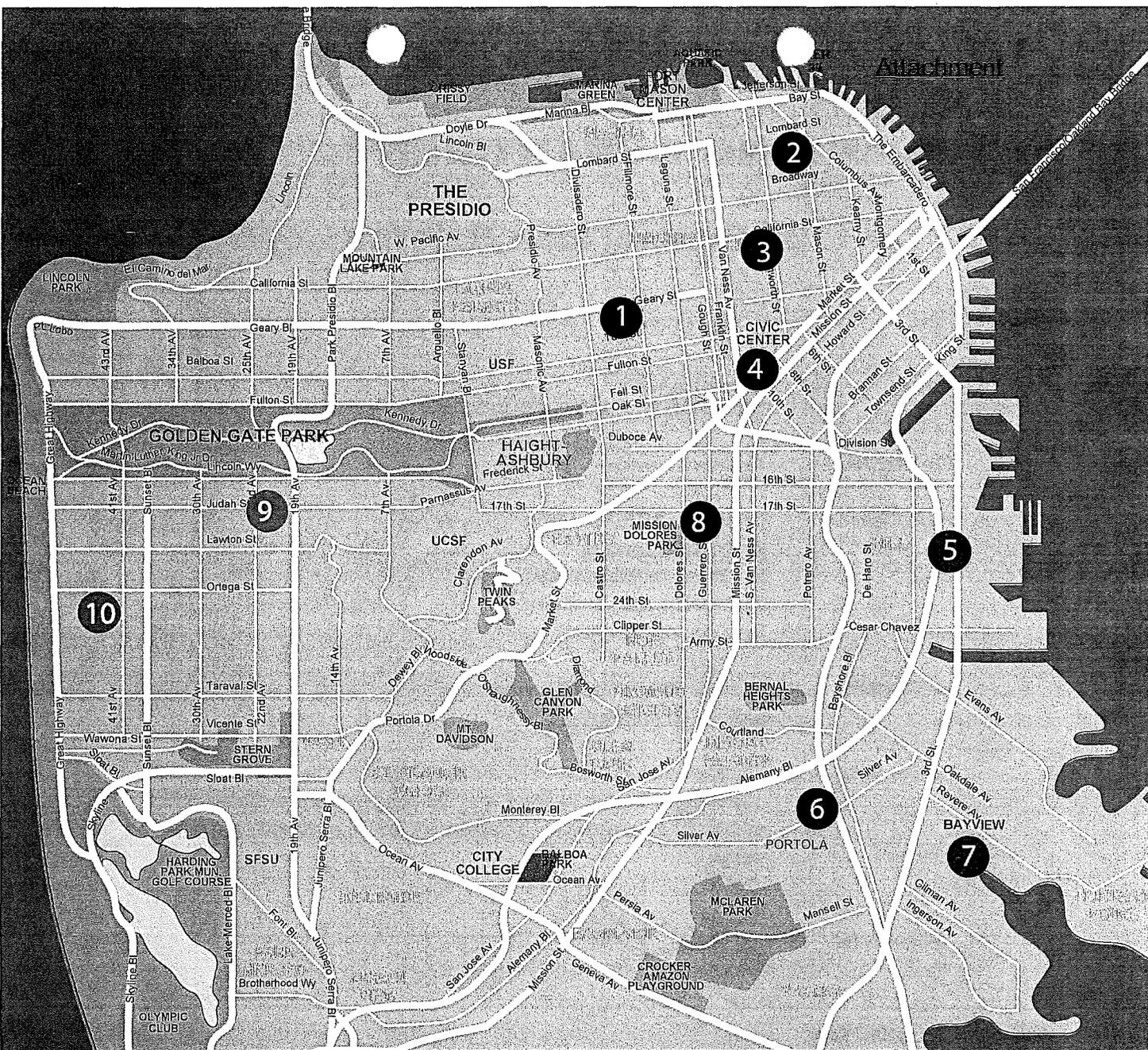
Rather, the Ten Year Capital Plan generally addresses the City's existing Earthquake Safety and Emergency Response Bond (ESER) Program, previously funded with a (a) \$412.3 million voter-approved 2010 GO Bond, which included \$65 million to improve 23 neighborhood fire stations, and (b) an additional \$400 million voter-approved 2014 GO Bond, which included another \$85 million for 21 neighborhood fire stations. Together, these two prior ESER GO Bonds funded \$150 million to improve neighborhood fire stations. Mr. Charles Higuera, Program Manager for ESER advises that recent assessments reflect a \$580 million cost to address the remaining needs at City fire stations. As noted above, the proposed GO bond would fund an additional \$14 million for neighborhood fire stations.

In addition, one of the emerging needs identified in the Ten Year Capital Plan is the Department of Public Health's (DPH) clinic expansion. However, the Plan does not identify any specific details or costs. The Ten Year Capital Plan does not address or specify any homeless shelter or services capital projects.

In total, \$54 million of the total \$350 million GO bond are not project specific nor identified in the City's Ten Year Capital Plan.

RECOMMENDATIONS

- Amend the proposed ordinance and resolution to add, "On January 26, 2016, the Planning Department determined that the Bond funding program for the improvement of high demand community health centers across the City and the expansion of access to mental health, urgent care, substance abuse, dental and social services was statutorily exempt from environmental review under CEQA Guidelines, Section 15273(a)(4)-establishment of rates, tolls, fares, and charges for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas."
- Approval of the proposed ordinance and resolution, as amended, to submit a \$350 million General Obligation bond to San Francisco voters for the June 2016 ballot is a policy decision for the Board of Supervisors.



- | | |
|--|--|
| <p>1 Maxine Hall Health Center
1301 Pierce Street</p> <p>2 Chinatown Public Health Center
1490 Mason Street</p> <p>3 Curry Senior Center
333 Turk Street</p> <p>4 Tom Waddell Urban Health
50 Tom Waddell</p> <p>5 Potrero Hill Health Center
1050 Wisconsin Street</p> | <p>6 Silver Avenue Family Health Center
1525 Silver Avenue</p> <p>7 Southeast Health Center
2401 Keltch Street</p> <p>8 Castro Mission Health Center
3850 17th Street</p> <p>9 Ocean Park Health Center*
1351 24th Ave.</p> <p>10 Sunset Mental Health*
1990 41st Ave</p> |
|--|--|

*Recent renovation projects integrating Behavioral Health with Primary Care services. At Sunset Mental Health, Primary Care services were integrated with existing Mental Health services and at Ocean Park, Mental Health services were integrated with existing Primary Care Services.



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

Date: January 26, 2016

Case 2016-001101GPR
2016 Public Health & Safety Bond

Block/Lot No.: Various, Citywide

Project Sponsor: Jim Buker – (415) 557-4758
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San Francisco Public Works
30 Van Ness Ave., 4th floor
San Francisco, CA 94102

1650 Mission St.
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415.558.6378

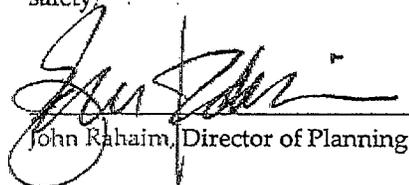
Fax:
415.558.6409

Planning
Information:
415.558.6377

Staff Contact: Nicholas Perry – (415) 575-9066
nicholas.perry@sfgov.org

Recommendation: Finding the proposed 2016 Public Health & Safety Bond, on balance, in conformity with the General Plan. The bond would provide up to \$350 million for improvements to community health, emergency response and safety.

*Recommended
By:*


John Rahaim, Director of Planning

PROJECT DESCRIPTION

The City and County of San Francisco is proposing a \$350 million Public Health & Safety Bond for the June 2016 ballot. The proposed bond will fund essential projects and improvements to City infrastructure in two areas: health and safety. Projects which have been identified for funding by the Public Health & Safety Bond are summarized in the table below. This General Plan Referral is for the Bond itself. If approved, Bond-funded projects that meet the following criteria should be referred to the Planning Department to determine whether they require separate Environmental Review or General Plan referral(s), pursuant to Section 4.105 of the Charter and Sections 2A.52 and 2A.53 of the Administrative Code, or other authorization:

- Demolition of buildings / structures
- Construction of new buildings / structures
- Additions to existing structures (enlargement)

GENERAL PLAN REFERRAL

CASE NO. 2016-001101GPR
PUBLIC HEALTH & SAFETY BOND

	Project	Address	Description	Cost
1	San Francisco Department of Public Health San Francisco General Hospital, Building No. 5	1001 Potrero Avenue	Make earthquake safety improvements and modernize fire response and life safety systems to the existing 1970's era hospital building. Renovate the interior to provide outpatient healthcare services.	\$222 Million
2	San Francisco Department of Public Health Southeast Health Center	2401 Keith Street	Renovate the existing health center and construct a 20,000 gsf addition to provide primary care health services and comprehensive behavioral health services	\$30 Million
3	San Francisco Fire Department Emergency Medical Services Facility	2245 Jerrold Avenue	Construct a modern, seismically safe ambulance and paramedic deployment facility consisting of a three-story, approx. 30,000 gsf building and a three-level approx. 55,000 gsf parking structure.	\$44 Million
4	Homeless Shelters and Homeless Service Sites	Various	Modernization and expansion of existing City-owned homeless shelters and homeless service sites.	\$20 Million
5	San Francisco Department of Public Health Neighborhood Public Health Clinics	Various	Renovation to neighborhood public health clinics that provide primary care and behavioral health across the City	\$20 Million
6	San Francisco Fire Department Neighborhood Fire Stations	Various	Repairs and modernization of San Francisco Fire Department's neighborhood fire stations.	\$14 Million

GENERAL PLAN REFERRAL

ENVIRONMENTAL REVIEW

The projects listed on the previous page and their funding under the bond have received environmental review, summarized below:

(1) San Francisco Department of Public Health, San Francisco General Hospital, Building No. 5, 1001 Potrero Avenue. On April 4, 2015, the Planning Department determined the project categorically exempt from environmental review under Class 1 of CEQA Guidelines Section 15301 (Planning Case No. 2014-002709ENV).

(2) San Francisco Department of Public Health, Southeast Health Center, 2401 Keith Street. On June 16, 2015, the Planning Department determined that renovation of and a two-story horizontal addition to the Southeast Health Center (2401 Keith Street) was categorically exempt from environmental review under Class 32 of the CEQA Guidelines, Section 15332 (Planning Case No. 2014.0500E).

(3) San Francisco Fire Department Emergency Medical Services Facility, 2245 Jerrold Avenue. On December 11, 2015, the Planning Department determined that the demolition of two small structures and construction of a 30,334 gross square foot San Francisco Fire Department ("SFFD") Emergency Medical Services Facility and 62,000 gross square foot parking structure behind SFFD Fire Station No. 9 at 2245 Jerrold Avenue was categorically exempt from environmental review under Class 32 of the CEQA Guidelines, Section 15332 (Planning Case No. 2015-011249ENV).

(4) Homeless Shelters & Homeless Service Sites, (5) Neighborhood Public Health Clinics, and (6) Neighborhood Fire Stations. Bond funding for improvements to these facilities are statutorily exempt from CEQA under CEQA Guidelines Section 15273 – establishment of rates, tolls, fares, and charges for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas. If approved, these Bond-funded projects would be referred to the Planning Department for environmental review.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The proposed Bond to fund Public Health and Safety improvements is, on balance, **in conformity** with the General Plan, as described in the body of this Case Report. If the Bond is approved and funds for improvements become available, **projects may require project-level General Plan referrals**, as required by San Francisco Charter §4.105 and § 2A.53 of the Administrative Code and/or other discretionary actions by the Planning Department.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 6

REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS

POLICY 6.1

Prioritize permanent housing and service-enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness

GENERAL PLAN REFERRAL

POLICY 6.3

Aggressively pursue other strategies to prevent homelessness and the risk of homelessness by addressing its contributory factors.

Comment: The Bond would provide funds which would be directed toward the modernization of the City's homeless shelters and homeless services sites and provide expanded services to an at-risk population.

COMMUNITY FACILITIES ELEMENT

OBJECTIVE 7

DISTRIBUTION THROUGHOUT THE CITY OF DISTRICT PUBLIC HEALTH CENTERS TO MAKE THE EDUCATIONAL AND PREVENTIVE SERVICES OF THE DEPARTMENT OF PUBLIC HEALTH CONVENIENT TO THE PEOPLE, THEREBY HELPING TO ACHIEVE THE GOALS OF THE PUBLIC HEALTH PROGRAM IN SAN FRANCISCO.

Comment: The Bond would provide funds for renovation of the existing Southeast Health Center and construct a 20,000 gsf addition to provide primary care health services and comprehensive behavioral health service. The Bond would also fund renovations to neighborhood public health clinics across the City.

COMMUNITY HEALTH & SAFETY ELEMENT

OBJECTIVE 1

REDUCE STRUCTURAL AND NON-STRUCTURAL HAZARDS TO LIFE SAFETY AND MINIMIZE PROPERTY DAMAGE RESULTING FROM FUTURE DISASTERS.

POLICY 1.15

Abate structural and non-structural hazards in City-owned structures.

POLICY 1.18

Identify and replace vulnerable infrastructure and critical service lifelines in high-risk areas.

Comment: The Bond would provide funds for renovations, additions, and seismic safety improvements to a variety of City-owned structure that provide critical public health functions such as San Francisco General Hospital, the Southeast Health Center, the San Francisco Fire Department Emergency Medical Services Facility and neighborhood fire stations.

RECOMMENDATION:

Finding the 2016 Public Health & Safety Bond, on balance, in-conformity with the General Plan

If the Bond is approved and funds for improvements become available, future projects may require project-level General Plan referrals, as required by San Francisco Charter §4.105 and § 2A.53 of the Administrative Code and/or other discretionary actions by the Planning Department.

GENERAL PLAN REFERRAL

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, the proposed \$350,000,000 General Obligation Bond for Public Health and Safety, proposed to be placed on the June 2016 ballot, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

The project will not displace or restrict access to any existing neighborhood-serving or restrict future opportunities.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The project will not displace any existing housing.

3. That the City's supply of affordable housing be preserved and enhanced.

The project will not adversely impact the City's supply of affordable housing and existing neighborhood housing will be preserved.

4. That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking.

The project will not impede Muni transit service or overburden streets or neighborhood parking.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The project will not displace any individual businesses.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The project would fund improvements to City facilities which will enhance the City's ability to protect against injury and loss of life in an earthquake.

7. That landmarks and historic buildings be preserved.

The project would not have an adverse effect on landmarks or historic buildings. Projects funded by the Bond will be evaluated individually for any impacts to historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The project will not impact parks and open spaces.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

January 7, 2016

File No. 151276

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On December 15, 2015, Mayor Lee introduced the following legislation:

File No. 151276

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety 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 in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code, Chapter 31; 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; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410;

incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board


By: Linda Wong, Assistant Clerk

Attachment

c: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

- (1) San Francisco General Hospital, Building No. 5, 1001 Potrero Avenue. On April 4, 2015, the Planning Department determined the project categorically exempt from environmental review under Class 1 of CEQA Guidelines Section 15301 (Planning Case No. 2014-002709ENV).
- (2) Southeast Health Center, 2401 Keith Street. On June 16, 2015, the Planning Department determined that renovation of and a two-story horizontal addition to the Southeast Health Center (2401 Keith Street) was categorically exempt from environmental review under Class 32 of the CEQA Guidelines, Section 15332 (Planning Case No. 2014.0500E).
- (3) San Francisco Fire Department Emergency Medical Services Facility, 2245 Jerrold Avenue. On December 11, 2015, the Planning Department determined that the project at 2245 Jerrold Avenue was categorically exempt from environmental review under Class 32 of the CEQA Guidelines, Section 15332 (Planning Case No. 2015-011249ENV).
- (4) San Francisco Animal Care and Control Facility, 1419 Bryant Street. On January 6, 2016, the Planning Department determined that the proposal at 1419 Bryant Street to an Animal Care and Control Facility was exempt from environmental review under CEQA Section 21083.3 and CEQA Guidelines Section 15183 under the statutory community plan exemption of CEQA (Planning Case No. 2015-005388ENV).

Joy
Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete,
o=Planning, ou=Environmental
Planning,
email=joy.navarrete@sfgov.org,
c=US
Date: 2016.01.25 12:04:57 -08'00'



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

January 26, 2016

Ms. Angela Calvillo
Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place Room 244
San Francisco, CA 94102-4689

RE: File 151276 Public Health and Safety General Obligation Bond - \$350M

Dear Ms. Calvillo,

Should the proposed \$350 million in bonds be authorized and sold under current assumptions, the approximate costs will be as follows:

- In fiscal year 2016-2017, following issuance of the first series of bonds, and the year with the lowest tax rate, the estimated annual costs of debt service would be \$10.4 million and result in a property tax rate of \$0.0051 per \$100 (\$5.07 per \$100,000) of assessed valuation.
- In fiscal year 2021-2022, following issuance of the last series of bonds, the estimated annual costs of debt service would be \$30.7 million and result in a property tax rate of \$0.0121 per \$100 (\$12.00 per \$100,000) of assessed valuation.
- The best estimate of the average tax rate for these bonds from fiscal year 2016-2017 through 2037-2038 is \$0.0092 per \$100 (\$9.04 per \$100,000) of assessed valuation.
- Based on these estimates, the highest estimated annual property tax cost for these bonds for the owner of a home with an assessed value of \$600,000 would be approximately \$77.03.

These estimates are based on projections only, which are not binding upon the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City's current debt management policy is to issue new general obligation bonds only as old ones are retired, keeping the property tax impact from general obligation bonds approximately the same over time.

Sincerely,

Ben Rosenfield
Ben Rosenfield
Controller

Note: This analysis reflects our understanding of the proposal as of the date shown. At times further information is provided to us which may result in revisions being made to this analysis before the final Controller's statement appears in the Voter Information Pamphlet.

Wong, Linda (BOS)

From: Wong, Linda (BOS)
Sent: Wednesday, December 23, 2015 4:13 PM
To: Strong, Brian (311); Quattrin, Monica (FIR); Suhr, Chief (POL); Monroe, John (POL); Rosenfield, Ben (CON); Rydstrom, Todd (CON); Cisneros, Jose (TTX)
Cc: Fried, Amanda (TTX)
Subject: File No. 151276 - REFERRAL FROM BOARD OF SUPERVISORS (Budget & Finance Committee)
Attachments: 151276.pdf

Good afternoon,

Attached is a referral for BOS File No. 151276, which is being sent to you for informational purposes. If you have any comments or reports to be included with the file, please respond to this email or forward them to me at the address listed below.

Thank you for your attention.

Sincerely,

Linda Wong
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Phone: 415.554.7719 | Fax: (415) 554-5163
Linda.Wong@sfgov.org | www.sfbos.org

Please complete a Board of Supervisors Customer Service Satisfaction form by clicking [here](#).

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Brian Strong, Program Director, Capital Planning Program
Monica Quattrin, Commission Secretary, Fire Commission
Greg Suhr, Chief, Police Department
Inspector John Monroe, Secretary, Police Commission
Ben Rosenfield, City Controller, Office of the Controller
Todd Rydstrom, Deputy City Controller, Office of the Controller
Jose Cisneros, Treasurer, Office of the Treasurer & Tax Collector

FROM: Linda Wong, Assistant Clerk, Budget and Finance Committee, Board of Supervisors

DATE: December 23, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation, introduced by Mayor Lee:

File No. 151276

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety 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 in accordance with Administrative Code, Chapter 37; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"),

CEQA Guidelines, and Administrative Code, Chapter 31; 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; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code, Section 510; complying with the restrictions on the use of bond proceeds specified in California Government Code, Section 53410; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30-5.36; and waiving the time requirements specified in Administrative Code, Section 2.34.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

Date: January 6, 2016

Case No. 2014.0500R
SEDPH 2401 Keith Street Project Expansion

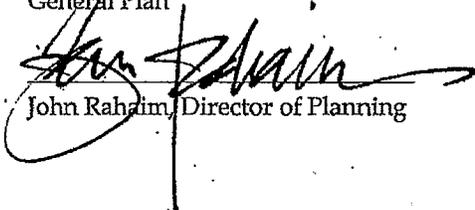
Block/Lot No: 4849/016

Project Sponsors: John Updike, Acting Director
San Francisco Real Estate Department
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102

Applicant: Same as Above

Staff Contact: Lily Langlois -- (415) 575-9083
lily.langlois@sfgov.org

Recommendation: Finding the project, on balance, is in conformity with the
General Plan

Recommended By: 
John Rahaim, Director of Planning

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

RECEIVED

JAN 12 2016

REAL ESTATE DIV.

PROJECT DESCRIPTION

On April 07, 2014, the Planning Department (herein "the Department") received a request from the San Francisco Department of Public Health to build a new two-story 36-foot high clinic adjacent to the existing one-story 16-foot high Southeast Health Center (SEHC) located at 2401 Keith Street in Bayview Hunters Point.

The subject property is located at the northeast corner of Keith Street and Armstrong Avenue. Currently there is a one story health center and parking on the property. The property is located in a P (Public Use) Zoning District and a 40-X Height District.

ENVIRONMENTAL REVIEW

On June 16, 2015, the Environmental Planning Division of the Planning Department determined that the project is Categorically Exempt from Environmental Review as a Categorical Exemption Class 32 (CEQA Guidelines Section 15332: In-Fill Development Projects). Exemption issued under Case No. 2012.1103E.

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

As described below, the Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, *in-conformity* with the following Objectives and Policies of the General Plan:

Note: General Plan Objectives and Policies are in **bold font**; General Plan text is in regular font. Staff comments are in *italic font*.

Community Facilities Element

OBJECTIVE 3

ASSURE THAT NEIGHBORHOOD RESIDENTS HAVE ACCESS TO NEEDED SERVICES AND A FOCUS FOR NEIGHBORHOOD ACTIVITIES.

The project would expand an existing public health facility to better serve the needs of local residents.

OBJECTIVE 7

DISTRIBUTION THROUGHOUT THE CITY OF DISTRICT PUBLIC HEALTH CENTERS TO MAKE THE EDUCATIONAL AND PREVENTIVE SERVICES OF THE DEPARTMENT OF PUBLIC HEALTH CONVENIENT TO THE PEOPLE, THEREBY HELPING TO ACHIEVE THE GOALS OF THE PUBLIC HEALTH PROGRAM IN SAN FRANCISCO.

The project would expand an existing public health facility to better serve the needs of local residents.

Bayview Hunters Point Area Plan

POLICY 16.3

Support improved health services that are more relevant to social-oriented health problems in Bayview Hunters Point, and promote the expansion of the Southeast Health Center.

The project would expand the Southeast Health Center

Eight Priority Policies Findings

The subject project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.
The project will not affect existing neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.
2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.
The project will not affect existing housing.
3. That the City's supply of affordable housing be preserved and enhanced.
The project would have no adverse effect on the City's supply of affordable housing.
4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.
The project would not result in commuter traffic impeding MUNI's transit service, overburdening the streets or altering current neighborhood parking.
5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.
The project would not affect the existing economic base in this area.
6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.
The project would not affect the City's preparedness to protect against injury and loss of life in an earthquake.
7. That landmarks and historic buildings be preserved.
The project will not affect landmarks or historic buildings.
8. That our parks and open space and their access to sunlight and vistas be protected from development.
The proposed project would not affect City parks or open spaces, or their access to sunlight and vistas.

RECOMMENDATION:	Finding the Project, on balance, in-conformity with the General Plan
------------------------	---

cc: Lisa Zayas-Chien, Department of Public Health

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OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *for* Mayor Edwin M. Lee *NE*
RE: Public Health and Safety General Obligation Bond Election
DATE: December 15, 2015

Attached for introduction to the Board of Supervisors is an ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2016, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$350,000,000 to finance the construction, acquisition, improvement, and betterment of critical community health, emergency response and safety, and animal care facilities for earthquake safety 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 in accordance with Chapter 37 of the Administrative Code; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code Chapter 31; finding that the proposed bond is in conformity with the 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; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving the word limitation on ballot propositions imposed by Municipal Elections Code Section 510; complying with the restrictions on the use of bond proceeds specified in Section 53410 of the California Government Code; incorporating the provisions regarding the citizens' bond oversight committee in Administrative Code, Sections 5.30 – 5.36; and waiving the time requirements specified in Section 2.34 of the Administrative Code.

I respectfully request that this item be calendared in Budget & Finance Committee no later than February 3rd, 2016.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

