

1 [General Obligation Bonds - Health and Recovery - Not to Exceed \$438,500,000]

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**Resolution determining and declaring that the public interest and necessity demand the acquisition or improvement of real property, including: facilities to deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; parks, open space, and recreation facilities, including green and climate resilient infrastructure; and streets, curb ramps, street structures and plazas, and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; adopting findings under the California Environmental Quality Act; and finding that the proposed Bonds are in conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b).**

WHEREAS, According to the City and County of San Francisco (“City”) Point-in-Time Count conducted in January 2019, about 8,000 people experience homelessness in the City on any given night, and over the course of an entire year, many more people experience homelessness; and

WHEREAS, According to Department of Homelessness and Supportive Housing (“HSH”) records, in Fiscal Year 2018-2019, HSH served about 18,000 people experiencing homelessness, and of those, 4,000 have a history of both mental health and substance use disorders; and

WHEREAS, An estimated 24,500 people inject drugs in the City and recent data indicate that 39 percent of people who inject drugs in the City reported injecting methamphetamine; methamphetamine is increasingly being consumed in public spaces, and

1 residents are more regularly encountering individuals who present challenging psychosis-  
2 related behaviors or experience moments of mental health crisis; and

3 WHEREAS, The City, through HSH, currently offers temporary shelter to approximately  
4 3,400 people per night through shelters, Navigation Centers, stabilization beds, and  
5 transitional housing -- 566 additional beds have opened since October 2018 and another 499  
6 are in development -- but additional shelter beds are needed to match the waitlist for  
7 individuals looking to access shelter; and

8 WHEREAS, The City administers locally and federally funded supportive housing to  
9 provide long-term affordable housing with on-site social services to people exiting chronic  
10 homelessness through a portfolio that includes renovated Single Room Occupancy hotels,  
11 newly constructed units, and apartment buildings that operate under a master lease between  
12 private property owners and the City (“Permanent Supportive Housing”), but the City does not  
13 have a sufficient supply of Permanent Supportive Housing units to meet the demand; and

14 WHEREAS, DPH provides behavioral health services in a number of settings and  
15 through a number of different mechanisms including at existing facilities such as San  
16 Francisco General Hospital, the Behavioral Health Access Center, Residential Care Facilities,  
17 community clinics, and through contracts with nonprofit service providers; and

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

23 WHEREAS, Limited state and federal resources and the high cost of construction put a  
24 greater burden on local governments to contribute their own limited resources to produce  
25 more facilities to serve those struggling with behavioral health and substance use disorders,

1 temporary shelters, and permanent supportive housing, and consequently the City’s supply of  
2 these resources has not kept pace with demand; and

3 WHEREAS, The proposed Health and Recovery Bond (“Bond”) will provide a portion of  
4 the critical funding necessary to acquire or improve real property, including permanent  
5 supportive housing and shelters, and existing and potential new behavioral health facilities  
6 and institutions; and

7 WHEREAS, On March 16, 2020, the Public Health Officers of six Bay Area counties  
8 jointly issued a Shelter in Place Public Health Order to protect the health and well-being of  
9 Bay Area residents in the face of the COVID-19 Public Health Emergency (“Public Health  
10 Emergency”); and

11 WHEREAS, The Public Health Emergency brought with it City unemployment levels  
12 approaching 10% within three weeks of the first Shelter in Place Public Health Order and full  
13 or partial job loss impacts on industries with an estimated 166,936 employees, creating an  
14 urgent need to invest in projects that create jobs and support the City’s economic recovery;  
15 and

16 WHEREAS, The City’s most recent 10-year capital plan identifies a deferred  
17 maintenance backlog of \$799 million for streets and General Fund facilities, and the  
18 Recreation and Parks Department’s more recent facilities condition assessment shows \$950  
19 million in deferred maintenance; and

20 WHEREAS, Infrastructure investment is a known and tested jobs stimulus strategy with  
21 a strong multiplier effect, estimated at 5.93 jobs for every million dollars in construction  
22 spending according to the REMI Policy Insight model; and

23 WHEREAS, Since 2005, the City has engaged in regular, long-term capital planning to  
24 identify and advance shovel-ready projects that deliver improvements in line with adopted  
25 funding principles that prioritize legal and regulatory mandates, life safety and resilience,

1 asset preservation and sustainability, programmatic and planned needs, and economic  
2 development; and

3 WHEREAS, Parks, recreation facilities, open spaces, streets, curb ramps, street  
4 structures, and plazas are all essential infrastructure for which the City is responsible and  
5 must maintain a state of good repair for public health, safety, and equitable accessibility; and

6 WHEREAS, Parks, recreation facilities, and open spaces offer space to relax and enjoy  
7 nature and places to play and exercise, increase residents' quality of life, support good mental  
8 and physical health, and can help people deal with trauma or find comfort in a time of distress,  
9 as a growing body of work shows that time spent outdoors in natural environments can help  
10 lower stress, depression, anxiety, diabetes, risk of preterm birth, high blood pressure, asthma,  
11 stroke, heart disease and other health improvements; and

12 WHEREAS, During the Public Health Emergency, City residents have sought solace  
13 and refuge in City parks and open spaces and heavily utilized these spaces for exercise and  
14 as an alternative to private back yards, and more so in denser neighborhoods and in Equity  
15 Zones; and

16 WHEREAS, During the Public Health Emergency, many of the City's recreation  
17 facilities served as childcare centers for emergency and healthcare workers, helping to  
18 alleviate child care concerns for these important professionals; and

19 WHEREAS, A recent survey by the National Recreation and Park Association (NRPA)  
20 found that eighty-three percent (83%) of American adults agree that visiting their local parks,  
21 trails and open spaces is essential for their mental and physical well-being during the COVID-  
22 19 Emergency, and fifty nine percent (59%) said that access to these amenities is very or  
23 extremely essential to their mental and physical health during this crisis; and

24 WHEREAS, A park system as large and diverse as the City's -- over 220 parks spread  
25 over 3,400 acres, and containing 181 playgrounds, 82 recreation centers and clubhouses, 37

1 community gardens, 29 off-leash dog areas, 9 swimming pools, and numerous tennis courts,  
2 ball fields, soccer fields, and other sports and athletic venues -- requires continued and  
3 consistent investment to address dilapidated playgrounds, worn out playfields, run-down  
4 buildings, and crumbling outdoor courts; and

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

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

13 WHEREAS, City staff have identified and planned several park, open space, and  
14 recreation facilities improvement projects to address public safety hazards, improve waterfront  
15 access, improve disabled access, enhance the condition of neighborhood and citywide park,  
16 recreation, and open space facilities and lands, address deferred maintenance, support  
17 population growth, enhance green infrastructure, improve climate resiliency and seismic  
18 safety, ensure equitable access to high-quality open spaces, and other issues facing the  
19 City's park system that can put people to work quickly and support local economic recovery;  
20 and

21 WHEREAS, The Bond will provide a portion of the critical funding necessary to acquire  
22 or improve real property, including to improve the safety and quality of neighborhood, citywide  
23 and waterfront parks and open spaces and recreation facilities under the jurisdiction of the  
24 Recreation and Park Commission; and

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1           WHEREAS, City staff have identified street repaving, curb ramp, street structures, and  
2 plaza improvement programs to address public safety hazards, reduce the backlog of  
3 deferred maintenance, improve disabled access, and equitably improve the public right-of-way  
4 that can similarly put people to work quickly; and

5           WHEREAS, The Bond will provide a portion of the funding necessary to acquire or  
6 improve real property, including to improve access for the disabled and the condition of the  
7 City’s streets and other public right-of-way and related assets; and

8           WHEREAS, City staff have identified a capital improvement need totaling  
9 \$438,500,000 in projects and programs relating to acquiring or improving real property,  
10 including to stabilize, improve, and make permanent investments in supportive housing  
11 facilities, shelters, and/or facilities that deliver services to persons experiencing mental health  
12 challenges, substance use disorder, and/or homelessness; improve the safety and quality of  
13 neighborhood, citywide, and waterfront parks and open spaces and recreation facilities under  
14 the jurisdiction of the Recreation and Park Commission; and improve access for the disabled  
15 and the condition of the City’s streets and other public right-of-way and related assets; and  
16 sites or properties otherwise specified in the ordinance submitting this proposal to the voters  
17 (collectively, “Project”); and

18           WHEREAS, The Bond will allow the City to finance the acquisition or improvement of  
19 the Project in the most cost-effective manner possible; and

20           WHEREAS, The Bond is recommended by the City’s 10-year capital plan, approved  
21 each odd-numbered year by the Mayor of the City and the Board of Supervisors of the City  
22 (“Board”); now, therefore, be it

23           RESOLVED, The Board determines and declares that the public interest and necessity  
24 demand the acquisition or improvement of real property, including facilities to deliver services  
25 for persons experiencing mental health challenges, substance use disorder, and/or

1 homelessness; parks, open space, and recreation facilities, including green and climate  
2 resilient infrastructure; and streets, curb ramps, street structures and plazas, and related costs  
3 necessary or convenient for the foregoing purposes; and, be it

4 FURTHER RESOLVED, The estimated cost of \$438,500,000 for the Bond is and will  
5 be too great to be paid out of the ordinary annual income and revenue of the City, will require  
6 an expenditure greater than the amount allowed by the annual tax levy, and will require the  
7 incurrence of bonded indebtedness in an amount not to exceed \$438,500,000; and, be it

8 FURTHER RESOLVED, The Board, having reviewed the proposed legislation, makes  
9 the following findings in compliance with the California Environmental Quality Act ("CEQA"),  
10 California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 15 Cal.  
11 Administrative Code, Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco  
12 Administrative Code, Chapter 31; the Board, finds, affirms and declares:

13 A. FACILITIES TO DELIVER SERVICES FOR PEOPLE EXPERIENCING  
14 MENTAL HEALTH CHALLENGES, SUBSTANCE USE DISORDER, AND/OR  
15 HOMELESSNESS:

16 The proposed funding described in Section 3A of the Ordinance is excluded from  
17 CEQA because such funding is not defined as a "project" under CEQA Guidelines, Section  
18 15378(b)(4), but is the creation of a government funding mechanism that does not involve any  
19 commitment to any specific projects at any specific locations.

20 B. PARK, OPEN SPACE, AND RECREATION FACILITIES:

21 (i) For the improvements to the India Basin Open Space (as defined in Section  
22 3B of the Ordinance), the Board of Supervisors, in Motion No. 18-136, affirmed certification of  
23 the India Basin Mixed-Use Project Final Environmental Impact Report (State Clearinghouse  
24 No. 2016062003) and, in Ordinance No. 252-18, adopted findings under CEQA related to  
25 approvals in furtherance of the project and Development Agreement, including adoption of a

1 Mitigation Monitoring and Reporting Program (“MMRP”), and a Statement of Overriding  
2 Considerations. The Planning Department determined that no further environmental review  
3 for this proposal is required because there are no changes to the approved Project or its  
4 surrounding circumstances that would necessitate additional environmental review, for the  
5 reasons set forth in its Memorandum dated June 19, 2020. The findings contained in  
6 Ordinance No. 258-18, including the MMRP, and the Planning Department Memorandum  
7 dated June 19, 2020, are hereby incorporated into the Ordinance as though fully set forth  
8 therein. For purposes of the Ordinance, the Board relies on said actions and their supporting  
9 documents, copies of which are in Board of Supervisors File Nos. 180842 and 180681 and  
10 incorporates these documents by reference;

11 (ii) Four other Neighborhood Park projects, the Gene Friend Recreation Center,  
12 the Herz Playground Recreational Center, Buchanan Street Mall, and the Japantown Peace  
13 Plaza, each have been determined to be categorically exempt under CEQA. The separate  
14 projects located at the Gene Friend Recreation Center and the Herz Recreational Center were  
15 each determined to be exempt as Category 32 exemptions for Infill Development Projects,  
16 and the separate projects located at the Buchanan Street Mall and the Japantown Peace  
17 Plaza were each determined to be exempt as a Category 1 exemption as a minor alteration to  
18 an existing facility, with Buchanan Street Mall also determined to be exempt as a Category 4  
19 exemption as a minor alteration to existing land, as set forth in the Planning Department’s  
20 memorandum dated June 19, 2020, which determinations are hereby affirmed and adopted by  
21 this Board for the reasons set forth in the Planning Department’s Memorandum dated June  
22 19, 2020; and

23 (iii) The remaining proposed Parks, Open Space and Recreation Facilities  
24 funding identified in Section 3B2 to 3B10 (the “Program Funding”) is excluded from CEQA  
25 because the Program Funding is not defined as a "project" under CEQA Guidelines, Section



1 15378(b)(4), but is the creation of a government funding mechanism that does not involve any  
2 commitment to any specific projects at any specific locations.

3 C. STREETS, CURB RAMPS, STREET STRUCTURES AND PLAZAS: The  
4 proposed funding described in Section 3C of the Ordinance is excluded from CEQA because  
5 such funding is not defined as a "project" under CEQA Guidelines, Section 15378(b)(4), but is  
6 the creation of a government funding mechanism that does not involve any commitment to  
7 any specific projects at any specific locations.

8 D. CITIZENS' OVERSIGHT COMMITTEE: The funding described in Section 3D of  
9 the Ordinance is excluded from CEQA because the funding is not defined as a "project" under  
10 CEQA Guidelines, Section 15378(b)(5), but is organizational activity that does not result in a  
11 direct or indirect impact on the environment; and, be it

12 FURTHER RESOLVED, The Board finds and declares that the proposed Bonds (a)  
13 were referred to the Planning Department in accordance with Section 4.105 of the San  
14 Francisco Charter and Section 2A.53(f) of the Administrative Code, (b) are in conformity with  
15 the priority policies of Section 101.1(b) of the San Francisco Planning Code, and (c) are  
16 consistent with the City's General Plan, and adopts the findings of the Planning Department,  
17 as set forth in the General Plan Referral Report dated May 15, 2020, a copy of which is on file  
18 with the Clerk of the Board in File No. 200479 and incorporates such findings by this  
19 reference; and, be it

20 FURTHER RESOLVED, The time limit for approval of this resolution specified in  
21 Administrative Code, Section 2.34 is waived; and, be it

22 FURTHER RESOLVED, Under Administrative Code, Section 2.40, the ordinance  
23 submitting this proposal to the voters shall contain a provision authorizing landlords to pass-  
24 through 50% of the resulting property tax increases to residential tenants in accordance with  
25 Administrative Code, Chapter 37; and, be it

1 FURTHER RESOLVED, The City hereby declares its official intent to reimburse prior  
2 expenditures of the City incurred or expected to be incurred prior to the issuance and sale of  
3 any series of the Bonds in connection with the Bond; the Board hereby declares the City's  
4 intent to reimburse the City with the proceeds of the Bond for the expenditures with respect to  
5 the Project (the "Expenditures" and each, an "Expenditure") made on and after that date that  
6 is no more than 60 days prior to the adoption of this Resolution; and, be it

7 FURTHER RESOLVED, The City reasonably expects on the date hereof that it will  
8 reimburse the Expenditures with the proceeds of the Bond; and, be it

9 FURTHER RESOLVED, Each Expenditure was and will be either (a) of a type properly  
10 chargeable to a capital account under general federal income tax principles (determined in  
11 each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bond,  
12 (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to  
13 a party that is not related to or an agent of the City so long as such grant does not impose any  
14 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the  
15 City; the maximum aggregate principal amount of the Bond expected to be issued for the  
16 Project is \$438,500,000; the City shall make a reimbursement allocation, which is a written  
17 allocation by the City that evidences the City's use of proceeds of the applicable series of the  
18 Bond to reimburse an Expenditure, no later than 18 months after the later of the date on which  
19 the Expenditure is paid or the related portion of the Project is placed in service or abandoned,  
20 but in no event more than three years after the date on which the Expenditure is paid; the City  
21 recognizes that exceptions are available for certain "preliminary expenditures," costs of  
22 issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of  
23 issuance and not the year of expenditure) and Expenditures for construction projects of at  
24 least 5 years; and, be it

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1           FURTHER RESOLVED, Documents referenced in this resolution are on file with the  
2 Clerk of the Board of Supervisors in File No. 200479, which is hereby declared to be a part of  
3 this resolution as if set forth fully herein.

4  
5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA  
7 City Attorney

8  
9 By: /s/ Kenneth DavidRoux  
10 KENNETH DAVID ROUX  
11 Deputy City Attorney  
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