

[General Obligation Bond Election - Transportation and Road Improvement]

1
2
3 **Resolution determining and declaring that the public interest and necessity demand**
4 **the construction, acquisition, improvement, and retrofitting of transportation and**
5 **transit related improvements, and other critical infrastructure and facilities for**
6 **transportation system improvements and safety and related costs necessary or**
7 **convenient for the foregoing purposes; authorizing landlords to pass-through 50% of**
8 **the resulting property tax increase to residential tenants under Administrative Code,**
9 **Chapter 37; providing for the levy and collection of taxes to pay both principal and**
10 **interest on such bonds; incorporating the provisions of Administrative Code, Sections**
11 **5.30–5.36; setting certain procedures and requirements for the election; finding that a**
12 **portion of the proposed bond is not a project under the California Environmental**
13 **Quality Act (CEQA) and adopting findings under CEQA, CEQA Guidelines, and San**
14 **Francisco Administrative Code, Chapter 31, for the remaining portion of the bond; and**
15 **finding that the proposed bond is in conformity with the eight priority policies of**
16 **Planning Code, Section 101.1(b), and with the General Plan consistency requirement of**
17 **Charter Section 4.105, and Administrative Code, Section 2A.53.**

18
19 WHEREAS, The Mayor's Transportation Task Force (the "Task Force") has determined
20 that the City's street and transportation infrastructure (the "Street and Transportation System")
21 is inadequate to meet current demands of City residents and that the Street and
22 Transportation System is in need of significant investment; and

23 WHEREAS, The Task Force estimated that the required improvements to the Street
24 and Transportation System is approximately \$10.1 billion over the next 15 years; and
25

1 WHEREAS, Continued under-investment in the Street and Transportation System
2 increases the risk of loss and injury to City residents, impacts the economic vitality of the City,
3 reduces the City's ability to support growth and reduces the quality of life; and

4 WHEREAS, With adequate funding the City can make significant investments in the
5 City's Street and Transportation System, including but not limited to improved street safety for
6 all users of City streets, a more reliable and faster Muni, and better pedestrian, bike, and
7 disabled access (collectively, the "Street and Transportation Project"); and

8 WHEREAS, The Transportation and Road Improvement General Obligation Bond (the
9 "Bond") will provide a portion of the funding for eligible investments within the Street and
10 Transportation Project; and

11 WHEREAS, The Board recognizes the need to safeguard and enhance the City's
12 Street and Transportation System by making significant investments therein; now, therefore,
13 be it

14 RESOLVED, By the Board:

15 Section 1. The Board determines and declares that the public interest and necessity
16 demand the acquisition, construction and improvement of street, transportation and related
17 infrastructure, and the payment of related costs necessary or convenient for the foregoing
18 purposes.

19 Section 2. The estimated cost of \$500,000,000 of the Bond is and will be too great to
20 be paid out of the ordinary annual income and revenue of the City, will require an expenditure
21 greater than the amount allowed by the annual tax levy, and will require the incurrence of
22 bonded indebtedness in an amount not to exceed \$500,000,000.

23 Section 3. The Board, having reviewed the proposed legislation, makes the following
24 findings in compliance with the California Environmental Quality Act ("CEQA"), California
25 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative

1 Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code
2 Chapter 31 ("Chapter 31"):

3 (a) SFMTA Transit Effectiveness Project.

4 (i) A portion of the bond proposal relates to funds for SFMTA's Transit
5 Effectiveness Project ("TEP"). On March 27, 2014, the San Francisco Planning Commission
6 by Motion No. 19105 certified the Final Environmental Impact Report for the Transit
7 Effectiveness Project ("TEP FEIR"), and on March 28, the SFMTA Board of Directors by
8 Resolution No. 14-041 approved the TEP as described in Resolution No. 14-041, and adopted
9 findings under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and
10 Chapter 31 of the Administrative Code ("CEQA Findings"), including findings rejecting
11 alternatives, adopting a mitigation monitoring and reporting program, and adopting a
12 statement of overriding considerations. Planning Commission Motion No. 19105 and SFTMA
13 Board Resolution No. 14-041 are on file with the Clerk of the Board in File No. 140508 and
14 incorporated in this resolution by reference.

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

24 (iii) Additionally, the Board finds that the portion of the bond proposal that
25 relates to funds for the TEP as reflected in the ordinance placing the bond on the ballot: (1)

1 does not require major revisions in the TEP FEIR due to the involvement of new significant
2 environmental effects or a substantial increase in the severity of previously identified
3 significant effects; (2) no substantial changes have occurred with respect to the
4 circumstances under which the project analyzed in the TEP FEIR will be undertaken that
5 would require major revisions to the TEP FEIR due to the involvement of new significant
6 environmental effects, or a substantial increase in the severity of effects identified in the TEP
7 FEIR; and (3) no new information of substantial importance to the project analyzed in the TEP
8 FEIR has become available that would indicate: (i) the TEP will have significant effects not
9 discussed in the TEP FEIR; (ii) significant environmental effects will be substantially more
10 severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or
11 more significant effects have become feasible; or (iv) mitigation measures or alternatives that
12 are considerably different from those in the TEP FEIR will substantially reduce one or more
13 significant effects on the environment.

14 (b) For the reasons set forth in the letter from the Environmental Review Officer of the
15 Planning Department, dated May 28, 2014, a copy of which is on file with the Clerk of the
16 Board in File No. 140508 and incorporated in this resolution by reference, the Board finds that
17 the portion of the bond proposal that relates to funds for transportation and road
18 improvements other than funds for implementation of improvements within the scope of the
19 TEP is not subject to CEQA because as the establishment of a government financing
20 mechanism that does not involve any commitment to specific projects to be constructed with
21 bond funds, it is not a project as defined by CEQA and the CEQA Guidelines. The use of
22 bond proceeds to finance any project or portion of any project that relates to funds for
23 transportation and road improvements other than funds for implementation of improvements
24 within the scope of the TEP will be subject to approval of the Board upon completion of
25 planning and any further required environmental review under CEQA.

1 Section 4. The Board finds and declares that the proposed Bond is (i) in conformity
2 with the priority policies of Section 101.1(b) of the San Francisco Planning Code, (ii) in
3 accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the
4 San Francisco Administrative Code, and (iii) consistent with the City's General Plan, and
5 adopts the findings of the Planning Department, as set forth in the General Plan Referral
6 Report dated May 28, 2014, a copy of which is on file with the Clerk of the Board in File No.
7 140508 and incorporates such findings by reference.

8 Section 5. The time limit for approval of this resolution specified in Section 2.34 of the
9 San Francisco Administrative Code is waived.

10 Section 6. Under Section 2.40 of the San Francisco Administrative Code, the
11 ordinance submitting this proposal to the voters shall contain a provision authorizing landlords
12 to pass-through 50% of the resulting property tax increases to residential tenants in
13 accordance with Chapter 37 of the San Francisco Administrative Code.

14 Section 7. The City hereby declares its official intent to reimburse prior expenditures of
15 the City incurred or expected to be incurred prior to the issuance and sale of any series of
16 bonds in connection with the Project (collectively, the "Future Bonds"). The Board hereby
17 declares the City's intent to reimburse the City with the proceeds of the Future Bonds for the
18 expenditures with respect to the Project (the "Expenditures" and each, an "Expenditure")
19 made on and after that date that is no more than 60 days prior to adoption of this Resolution.
20 The City reasonably expects on the date hereof that it will reimburse the Expenditures with the
21 proceeds of the Future Bonds.

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

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

13 Section 8. Documents referenced in this resolution are on file with the Clerk of the
14 Board of Supervisors in File No. 140508, which is hereby declared to be a part of
15 this resolution as if set forth fully herein.

16
17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA
19 City Attorney

20 By: Kenneth David Roux
21 KENNETH DAVID ROUX
22 Deputy City Attorney

23 n:\leganas2014\1400378\00930444.doc
24
25



City and County of San Francisco

Tails

Resolution

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

File Number: 140508

Date Passed: July 08, 2014

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, and retrofitting of transportation and transit related improvements, and other critical infrastructure and facilities for transportation system improvements and 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 under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; incorporating the provisions of Administrative Code, Sections 5.30-5.36; setting certain procedures and requirements for the election; finding that a portion of the proposed bond is not a project under the California Environmental Quality Act (CEQA) and adopting findings under CEQA, CEQA Guidelines, and San Francisco Administrative Code, Chapter 31, for the remaining portion of the bond; and finding that the proposed bond is in conformity with the eight priority policies of Planning Code, Section 101.1(b), and with the General Plan consistency requirement of Charter Section 4.105, and Administrative Code, Section 2A.53.

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

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

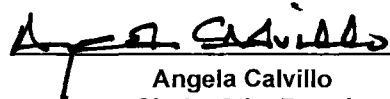
June 23, 2014 Budget and Finance Committee - RECOMMENDED

July 08, 2014 Board of Supervisors - ADOPTED

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

File No. 140508

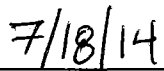
I hereby certify that the foregoing
Resolution was ADOPTED on 7/8/2014 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor



Date Approved