

1 [General Obligation Bond Election - Muni Reliability and Street Safety]

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3 **Resolution determining and declaring that the public interest and necessity demand**

4 **the construction, acquisition, improvement, and retrofitting of transportation, street**

5 **safety and transit related improvements, and other critical infrastructure and facilities**

6 **for transportation system improvements and safety improvements and related costs**

7 **necessary or convenient for the foregoing purposes; authorizing landlords to pass-**

8 **through 50% of the resulting property tax increase to residential tenants under**

9 **Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay**

10 **both principal and interest on such bonds; incorporating the provisions of**

11 **Administrative Code, Sections 5.30-5.36; setting certain procedures and requirements**

12 **for the election; finding that the proposed bond is not a project under the California**

13 **Environmental Quality Act (CEQA); and finding that the proposed bond is in conformity**

14 **with the eight priority policies of Planning Code, Section 101.1(b), and with the General**

15 **Plan consistency requirement of Charter, Section 4.105, and Administrative Code,**

16 **Section 2A.53.**

17

18 WHEREAS, The Mayor's 2030 Transportation Task Force Report, dated November

19 2013 ("2030 Task Force Report") determined that the City's street, transit and transportation

20 infrastructure ("Street, Transit and Transportation System") was unable to meet current and

21 future demands, and that the reliability, efficiency and safety of City streets, transit and

22 transportation infrastructure requires substantial investment for modernization and to

23 maintain a state of good repair and to meet future demands; and

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1 WHEREAS, The 2030 Task Force Report estimated that the required cost of
2 improvements to the Street, Transit and Transportation System is \$10.1 billion over the next
3 15 years; and

4 WHEREAS, The analysis of the 2030 Task Force Report was supplemented by the
5 Mayor's 2045 Transportation Task Force Report, dated January 2018 ("2045 Task Force
6 Report") which identified additional transportation system improvement needs estimated at a
7 cost of \$22 billion; and

8 WHEREAS, Both the 2030 and 2045 Task Force Reports were augmented by the
9 efforts of Transportation 2050 ("Transportation 2050") to update the vision for transportation
10 developed though the City's ConnectSF process, including additional community input
11 received through the SFMTA's 2021 Citywide Community Survey; and

12 WHEREAS, Transportation 2050 outlines the resources needed to achieve a
13 community-driven vision and identify revenue and reliable funding solutions to fund the cost of
14 transportation needs in San Francisco, which includes among other resources, the issuance
15 of general obligation bonds; and

16 WHEREAS, A significant number of Muni bus yards and facilities were constructed
17 decades ago, with some being over one hundred years old, are obsolete and need to be
18 repaired, upgraded and rebuilt to allow for Muni buses to be repaired faster, prevent
19 breakdowns to support reliable Muni service; and

20 WHEREAS, On-street infrastructure improvements for public transit helps reduce travel
21 times and delays for Muni and enables more reliable and more frequent service; and

22 WHEREAS, Muni's train control system is over 20 years old and is obsolete and needs
23 to be replaced in order increase subway capacity, reduce delays and deliver reliable, high-
24 frequency Muni Metro light rail service; and

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1 WHEREAS, Redesigning and constructing streets to improve safety, accessibility and
2 visibility for pedestrians and cyclists, and implementing traffic calming and speed reduction
3 tools, all supports the City's Vision Zero policy of eliminating all traffic deaths in San
4 Francisco; and

5 WHEREAS, Strong public transit systems is one of the most important tools the City
6 has to mitigate the adverse effects of climate change, and by improving the reliability and
7 speed of Muni service and creating safer spaces to for pedestrians and cyclists, the City will
8 become more livable and sustainable; and

9 WHEREAS, Under-investment in the Street, Transit and Transportation System
10 increases the risk of loss and injury to City residents, has an outsized impact on residents who
11 have limited transportation options and rely on Muni, impacts the economic vitality of the City,
12 reduces the City's ability to support growth and reduces the quality of life; and

13 WHEREAS, Substantial investment in the City's Street, Transit and Transportation
14 System will result in improved street safety for all users of City streets, a more reliable and
15 faster Muni, and better pedestrian, bike, and disabled access (collectively, the "Street, Transit
16 and Transportation Project"); and

17 WHEREAS, The Muni Reliability and Street Safety General Obligation Bond ("Bond")
18 will provide a portion of the funding for eligible investments within the Street, Transit and
19 Transportation Program; and

20 WHEREAS, The Board recognizes the need to safeguard and enhance the City's
21 Street, Transit and Transportation System by making significant investments therein; now,
22 therefore, be it

23 RESOLVED, The Board determines and declares that the public interest and necessity
24 demand the acquisition, construction and improvement of street, transit, transportation and

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1 related infrastructure, and the payment of related costs necessary or convenient for the
2 foregoing purposes; and, be it

3 FURTHER RESOLVED, The estimated cost of \$400,000,000 of the Bond is and will be
4 too great to be paid out of the ordinary annual income and revenue of the City, will require an
5 expenditure greater than the amount allowed by the annual tax levy, and will require the
6 incurrence of bonded indebtedness in an amount not to exceed \$400,000,000; and, be it

7 FURTHER RESOLVED, The Board, having reviewed the proposed legislation, makes
8 the following findings in compliance with the California Environmental Quality Act ("CEQA"),
9 California Public Resources Code, Sections 21000 et seq., the CEQA Guidelines, 15 Cal.
10 Code Regs. Title 14, Sections 15000 et seq. ("CEQA Guidelines"), and San Francisco
11 Administrative Code, Chapter 31 ("Chapter 31"):

12 As set forth by the Planning Department, in a determination dated October 21, 2021, a
13 copy of which is on file with the Clerk of the Board in File No. 211291 and incorporated in this
14 Resolution by reference, the Board finds that the bond proposal is not subject to CEQA. As
15 the establishment of a government financing mechanism that does not involve any
16 commitment to specific projects to be constructed with bond funds, it is not a project as
17 defined by CEQA and the CEQA Guidelines. The use of bond proceeds to finance any
18 project or portion of any project will be subject to approval of the applicable decision-making
19 body at that time, upon completion of planning and any further required environmental review
20 under CEQA; and, be it

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

1 Report dated November 18, 2021, a copy of which is on file with the Clerk of the Board in File
2 No. 211291 and incorporates such findings by reference; and, be it

3 FURTHER RESOLVED, The time limit for approval of this Resolution specified in
4 Section 2.34 of the San Francisco Administrative Code is waived; and, be it

5 FURTHER RESOLVED, Under Section 2.40 of the San Francisco Administrative Code,
6 the Ordinance submitting this proposal to the voters shall contain a provision authorizing
7 landlords to pass-through 50% of the resulting property tax increases to residential tenants in
8 accordance with Chapter 37 of the San Francisco Administrative Code; and, be it

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

17 FURTHER RESOLVED, Each Expenditure was and will be either (a) of a type
18 properly chargeable to a capital account under general federal income tax principles
19 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with
20 respect to the Future Bonds, (c) a nonrecurring item that is not customarily payable from
21 current revenues, or (d) a grant to a party that is not related to or an agent of the City so long
22 as such grant does not impose any obligation or condition (directly or indirectly) to repay any
23 amount to or for the benefit of the City; the maximum aggregate principal amount of the
24 Future Bonds expected to be issued for the Project is \$400,000,000; the City shall make a
25 reimbursement allocation, which is a written allocation by the City that evidences the City's

1 use of proceeds of the applicable series of Future Bonds to reimburse an Expenditure, no
2 later than 18 months after the later of the date on which the Expenditure is paid or the Project
3 is placed in service or abandoned, but in no event more than three years after the date on
4 which the Expenditure is paid; the City recognizes that exceptions are available for certain
5 "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by
6 "small issuers" (based on the year of issuance and not the year of expenditure) and
7 expenditures for construction projects of at least 5 years; and, be it

8 FURTHER RESOLVED, Documents referenced in this Resolution are on file with the
9 Clerk of the Board of Supervisors in File No. 211291, which is hereby declared to be a part of
10 this Resolution as if set forth fully herein.

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12 APPROVED AS TO FORM:
13 DAVID CHIU, City Attorney

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

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City and County of San Francisco

Tails Resolution

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

File Number: 211291

Date Passed: February 15, 2022

Resolution determining and declaring that the public interest and necessity demand the construction, acquisition, improvement, and retrofitting of transportation, street safety and transit related improvements, and other critical infrastructure and facilities for transportation system improvements and safety improvements and related costs necessary or convenient for the foregoing purposes; authorizing landlords to pass-through 50% of the resulting property tax increase to residential tenants under Administrative Code, Chapter 37; providing for the levy and collection of taxes to pay both principal and interest on such bonds; incorporating the provisions of Administrative Code, Sections 5.30-5.36; setting certain procedures and requirements for the election; finding that the proposed bond is not a project under the California Environmental Quality Act (CEQA); 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.

January 26, 2022 Budget and Finance Committee - CONTINUED

February 02, 2022 Budget and Finance Committee - RECOMMENDED

February 08, 2022 Board of Supervisors - CONTINUED

Ayes: 10 - Chan, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

Excused: 1 - Haney

February 15, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 211291

I hereby certify that the foregoing
Resolution was ADOPTED on 2/15/2022 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

2/25/22

Date Approved