

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.**

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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  
11 who have limited transportation options and rely on Muni, impacts the economic vitality of the  
12 City, 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, By the Board:

24           Section 1. The Board determines and declares that the public interest and necessity  
25 demand the acquisition, construction and improvement of street, transit, transportation and

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

3 Section 2. The estimated cost of \$400,000,000 of the Bond is and will be too great to  
4 be paid out of the ordinary annual income and revenue of the City, will require an expenditure  
5 greater than the amount allowed by the annual tax levy, and will require the incurrence of  
6 bonded indebtedness in an amount not to exceed \$400,000,000.

7 Section 3. The Board, having reviewed the proposed legislation, makes the following  
8 findings in compliance with the California Environmental Quality Act ("CEQA"), California  
9 Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Code Regs.  
10 Title 14, Sections 15000 et seq. ("CEQA Guidelines"), and San Francisco Administrative Code  
11 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. \_\_\_\_\_ and incorporated in  
14 this resolution by reference, the Board finds that the bond proposal is not subject to CEQA.  
15 As 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.

21 Section 4. The Board finds and declares that the proposed Bond is (i) in conformity  
22 with the priority policies of Section 101.1(b) of the San Francisco Planning Code, (ii) in  
23 accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the  
24 San Francisco Administrative Code, and (iii) consistent with the City's General Plan, and  
25 adopts the findings of the Planning Department, as set forth in the General Plan Referral

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

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

5 Section 6. Under Section 2.40 of the San Francisco Administrative Code, the  
6 ordinance submitting this proposal to the voters shall contain a provision authorizing landlords  
7 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.

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

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

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

8 Section 8. Documents referenced in this resolution are on file with the Clerk of the  
9 Board of Supervisors in File No. \_\_\_\_\_, 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  
14 City Attorney

15 By: /s/ Mark D. Blake  
16 Mark D. Blake  
17 Deputy City Attorney

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