

THIS PRINT COVERS CALENDAR ITEM NO. : 11

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Chief of Staff

BRIEF DESCRIPTION:

Resolution urging the Board of Supervisors to place the \$500 million Transportation and Road Improvement General Obligation Bond measure on the November 2014 ballot.

SUMMARY:

- Mayor Lee convened the Transportation 2030 Task Force, which investigated what the City must do to fix and strengthen its transportation infrastructure and prepare it for the future.
- On May 13, 2014, Mayor Lee and all 11 members of the Board of Supervisors introduced a \$500 million Transportation and Road Improvement General Obligation Bond.
- The \$500 million Transportation and Road Improvement General Obligation Bond would allow the City to invest in infrastructure projects that significantly improve the City's transportation network without raising property tax rates (under current City policy).
- These meaningful investments would make it easier and safer for San Franciscans to get around the City as they go to work, school, home and everywhere in between.
- If approved by the Board of Supervisors in July, the Bond measure will be on the ballot on November 4, 2014. To pass in November, the General Obligation Bond measure requires a two-thirds majority voter approval.

ENCLOSURES:

1. SFMTAB Resolution
2. General Obligation Bond Ordinance
3. General Obligation Bond Resolution of Public Interest and Necessity

APPROVALS:

DATE

DIRECTOR _____ June 17, 2014

SECRETARY _____ June 17, 2014

ASSIGNED SFMTAB CALENDAR DATE: June 24, 2014

PURPOSE

Resolution urging the Board of Supervisors to place the \$500 million Transportation and Road Improvement General Obligation Bond measure on the November 2014 ballot.

GOAL

This resolution supports all four SFMTA Strategic Plan Goals in that it will generate funding to design and deliver projects that achieve the outcomes and objectives of each respective goal:

Goal 1. Create a safer transportation experience for everyone.

Goal 2. Make transit, walking, bicycling, taxi, ridesharing, and carsharing the preferred means of travel.

Goal 3. Improve the environment and quality of life in the City.

Goal 4. Create a workplace that delivers outstanding service.

DESCRIPTION

On May 13, 2014, Mayor Lee and all members of the Board of Supervisors proposed for the November 2014 ballot a \$500 million Transportation and Road Improvement General Obligation Bond (GO Bond) to fund urgent repairs and upgrades to the City's transportation infrastructure without raising the City's property tax rate under current City policy.

This funding proposal is rooted in the recommendations of the Transportation 2030 Task Force, which Mayor Lee convened last year to investigate what the City must do to fix and strengthen its transportation infrastructure and prepare it for the future. The Task Force included 45 local and regional transportation stakeholders and advocates. SFMTA, BART, the San Francisco County Transportation Authority (SFCTA), Caltrain, and the Metropolitan Transportation Commission (MTC) participated and shared information to ensure decisions were well-informed and made in the context of the whole transportation system and funding picture. The Task Force found that, to meet current need and future demand, the City requires an additional \$10 billion investment in transportation infrastructure through 2030. The City has identified \$3.7 billion in funding, leaving a \$6.3 billion funding gap over the next 15 years. See the final recommendations of the Mayor's 2030 Transportation Task Force in the report released in November 2013.

The Task Force recommended three funding sources to address nearly half of the remaining \$6.3 billion gap including:

- two \$500 million General Obligation Bonds;
- a local increase to the Vehicle License Fee restoring it to its original 2% rate; and
- an increase to the sales tax from 8.75% to 9.25%.

The Task Force recommendations stem in large measure from the realization of the increasingly critical role of local dollars to fund our transportation system. The SFCTA estimates that between FY 2012-13 and FY 2039-40, the City's transportation system will receive approximately \$75 billion for both capital and operating purposes; of this amount, local revenue

sources represent 68% of the total, while federal and state funding make up 15% and 12% respectively.

Federal and state funding to SFMTA has been volatile. Funding levels from federal and state sources in the last decade have varied by 54% and 22% respectively, compared to the City's sales tax, which has only varied by 7% in the same period. While large one-time projects that receive federal and state funding account for some of the variation, the unpredictability of federal and state funding makes these sources less reliable, and local funding sources all the more important.

The \$500 million Transportation and Road Improvement General Obligation Bond would allow the City to invest in infrastructure projects that significantly improve the City's transportation network without raising property tax rates. The bond would allow the City to make capital improvements to increase Muni reliability and travel speed – including implementing projects identified through the Transit Effectiveness Project, upgrade transit stops and stations, enhance pedestrian and bicycle safety in support of Vision Zero goals, and prepare for growth on the City's busiest travel corridors. Built-in citizen oversight and regular audits would assure accountability that Bond funds are spent as planned.

If passed, the Transportation and Road Improvement General Obligation Bond will begin to address the transportation funding gap and allow the City to invest in much-needed local infrastructure. These proposals are part of the City's 10-year Capital Plan, which prioritizes critical capital projects that impact public safety and improve our neighborhoods. Other Capital Plan investments have funded the City's roads, parks, libraries, and fire stations. For the first time, transportation is being considered as part of the City's plan for strategic capital investments.

These meaningful investments would make it easier and safer for San Franciscans to get around the City as they go to work, school, home and everywhere in between.

If approved by the Board of Supervisors in July, the Bond measure will be on the ballot on November 4, 2014. To pass in November, the General Obligation Bond measure requires a two-thirds majority voter approval.

ALTERNATIVES CONSIDERED

Various possible funding sources were considered by the Task Force to address the \$6.3 billion in unfunded transportation capital projects over the next 15 years. In response, the Task Force analyzed various new revenue sources to help address the City's critical unfunded transportation needs. The Task Force considered the following criteria when selecting its preferred revenue options:

- Ability to provide significant resources for transportation projects
- Overall feasibility of securing the revenue source within a relatively short timeframe
- Clear nexus between the funding source and benefit to transportation users.

The Task Force began by discussing a large number of potential funding sources before focusing

its analysis on 15 funding sources that could be viable revenue generators for transportation. Based on its three criteria, the Task Force determined that the most viable revenue options that would also generate the largest revenue impact would be the two \$500 million General Obligation Bond issues, a 1.35% local increase to the Vehicle License Fee, and the 0.05% sales tax increase.

FUNDING IMPACT

Should the GO Bond pass, the SFMTA would be expected to receive the following funding amounts by fiscal year in the upcoming SFMTA 5-year Capital Improvement Program:

SFMTA Capital Program	FY 15	FY 16	FY 17	FY 18	FY 19	CIP TOTAL (FY15 - FY19)
Bicycle Facility		\$1,933,333	\$5,870,778	\$6,152,271	\$8,068,395	\$22,024,777
Pedestrian Transit		\$36,872,520	\$6,484,334	\$6,267,009	\$9,000,000	\$70,000,000
Optimization/Expansion	\$23,883,333	\$7,090,154	\$64,662,500	\$33,066,667	\$74,150,000	\$28,841,497
Total	\$23,883,333	\$96,508,507	\$77,017,612	\$78,613,427	\$91,218,395	\$367,241,274

In entirety, and beyond the SFMTA FY15-19 5-year Capital Improvement Program, the Transportation and Road Improvement General Obligation Bond is expected to improve San Francisco transportation in the following Bond Categories. For details on the types of projects that will be constructed in each category, refer to the Transportation and Road Improvement General Obligation Bond Report.

Bond Category	Expected Investment
Provide faster and more reliable transit	\$230 million
Invest in development of critical capital projects along key transit corridors	\$28 million
Improved safety and accessibility at transit stops	\$30 million
Fix obsolete Muni facilities to create productive working conditions and improve vehicle maintenance	\$70 million
Improve pedestrian safety through focused engineering efforts at high-injury locations	\$68 million
Install modern traffic signals to improve safety and mobility	\$22 million
Build "Complete Streets" that enable safe, convenient and comfortable travel for all users and provide safer, well-defined bikeways	\$52 million
Total	\$500,000,000

Should the General Obligation Bond not pass, a significant number of needed transportation and safety capital infrastructure projects would need to seek other funding sources. Some of projects identified for the Bond are capital improvements that are difficult to fund with other available federal, state, and regional transportation funding sources. In addition, construction on projects designed to improve Muni reliability would be delayed until funding can be secured.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

If approved by the Board of Supervisors in July, the Bond measure will be on the ballot on November 4, 2014. To pass in November, the General Obligation Bond requires a two-thirds majority voter approval.

RECOMMENDATION

The San Francisco Municipal Transportation Agency Board of Directors urges the Board of Supervisors to place the \$500 million Transportation and Road Improvement General Obligation Bond on the November 2014 ballot.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
RESOLUTION No. _____

WHEREAS, Mayor Lee convened a Transportation 2030 Task Force to investigate what the City must do to fix and strengthen its transportation infrastructure and prepare it for the future; and,

WHEREAS, The Task Force found that to meet current need and future demand the City requires a \$10 billion investment in transportation infrastructure through 2030; and,

WHEREAS, The City has identified \$3.7 billion in existing funding, leaving a \$6.3 billion funding gap over the next 15 years; and,

WHEREAS, The Task Force recognized the increasingly critical role of local dollars to fund our transportation system; and,

WHEREAS, State and Federal transportation funding is not expected to increase in the future and has been historically volatile resulting in fiscal uncertainty; and,

WHEREAS, The Task Force began by discussing a large number of potential funding sources before focusing its analysis on 15 funding sources that could be viable revenue generators for transportation; and,

WHEREAS, The Task Force determined that the most viable revenue options that would also generate the largest revenue impact would be the two \$500 million transportation General Obligation Bond issues, a 1.35% increase to the local Vehicle License Fee, and the 0.05% sales tax increase; and,

WHEREAS, On May 13, 2014, Mayor Lee and all 11 members of the Board of Supervisors proposed for the November 2014 ballot a \$500 million Transportation and Road Improvement General Obligation Bond to fund urgent repairs and upgrades to the City's transportation infrastructure without raising the City's property tax rate under current City policy; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors urges the Board of Supervisors to place the \$500 million Transportation and Road Improvement General Obligation Bond on the November 2014 ballot.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 24, 2014.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

GENERAL OBLIGATION BOND ORDINANCE

[General Obligation Bond Election - Transportation and Road Improvement]

Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 4, 2014, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: \$500,000,000 to finance the construction, acquisition, and improvement of certain transportation and transit related 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 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 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.

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

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

Section 1. Findings.

A. This Board of Supervisors (this "Board") recognizes the City's current street and transportation infrastructure (the "Street and Transportation System") is inadequate to meet current demands, and that the safety of City streets and transportation infrastructure will further decline without new investment.

B. The cost of making the necessary and required improvements to the Street and Transportation System has been estimated by the Mayor's Transportation Task Force at \$10.1 billion over the next 15 years.

C. The Board recognizes the need to enhance the City's Street and Transportation System in order to create a system that is more reliable, efficient and meets future demand.

D. The Transportation and Road Improvement General Obligation Bond (the "Bond") will provide a portion of the funding necessary to construct, improve and rehabilitate the Street and Transportation System (as further defined in Section 3 below).

E. This Board now wishes to describe the terms of a ballot measure seeking approval for the issuance of general obligation bonds to finance all or a portion of the City's improvements to its Street and Transportation System as described below.

Section 2. A special election is called and ordered to be held in the City on Tuesday, the

4th day of November, 2014, for the purpose of submitting to the electors of the City a proposition to incur bonded indebtedness of the City for the project described in the amount and for the purposes stated:

" **SAN FRANCISCO TRANSPORTATION AND ROAD IMPROVEMENT BOND.** \$500,000,000 of bonded indebtedness to construct, redesign and rebuild streets and sidewalks and to make infrastructure repairs and improvements that increase MUNI service reliability, ease traffic congestion, reduce vehicle travel times, enhance pedestrian and bicycle safety, and improve disabled access, subject to independent citizen oversight and regular audits; and authorizing landlords to pass-through to residential tenants in units subject to Chapter 37 of the San Francisco Administrative Code (the "Residential Stabilization and Arbitration Ordinance") 50% of the increase in the real property taxes attributable to the cost of the repayment of the bonds."

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

Section 3. PROPOSED PROGRAM. All contracts that are funded with the proceeds of bonds authorized hereby shall be subject to the provisions of Chapter 83 of the City's Administrative Code (the "First Source Hiring Program"), which fosters construction and permanent employment opportunities for qualified economically disadvantaged individuals. In addition, all contracts that are funded with the proceeds of bonds authorized hereby also shall be subject to the provisions of Chapter 14B of the City's Administrative Code (the "Local Business Enterprise and Non-Discrimination in Contracting Ordinance"), which assists small and micro local businesses to increase their ability to compete effectively for the award of City contracts, to the extent the Local Business Enterprise and Non-Discrimination Contracting Ordinance does not conflict with applicable state or federal law.

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

Projects to be funded under the proposed Bond may include but are not limited to the following:

B. PROVIDE FASTER AND MORE RELIABLE TRANSIT. A portion of the Bond may be allocated to constructing improvements, such as those identified in the Transit Effectiveness Project, that will improve Muni service reliability and reduce travel time on Muni. Examples of improvements that are designed to reduce travel time and improve reliability include: adding transit bulbs/boarding islands and accessible platforms; the addition of transit-only lanes; and installation of traffic signals or other traffic calming measures at intersections.

A portion of the Bond may be allocated to fund the City's share of needed improvements to Caltrain's infrastructure. This investment will improve reliability.

C. IMPROVE SAFETY AND ACCESSIBILITY AT TRANSIT STOPS.

A portion of the Bond may be allocated to improve street conditions for people who have limited mobility or other disabilities that can impede access to transit. The construction of infrastructure like new escalators and boarding islands will improve the safety and accessibility of transit stations and stops and allow for level boarding for people with mobility impairments.

D. IMPROVE PEDESTRIAN SAFETY THROUGH FOCUSED ENGINEERING EFFORTS AT HIGH-INJURY LOCATIONS.

A portion of the Bond may be allocated to deliver pedestrian safety improvements at

locations throughout the City where the majority of pedestrian injuries and fatalities occur. Pedestrian safety capital projects will be designed and built to most effectively address the specific safety issues present at each intersection or corridor. Examples of improvements include refuge islands, speed tables, and corner curb bulb-outs.

E. INSTALL MODERN TRAFFIC SIGNALS TO IMPROVE SAFETY AND MOBILITY.

A portion of the Bond may be allocated to more effectively manage traffic congestion in the City, improve the overall reliability of the transit system, and improve pedestrian safety by replacing obsolete and deteriorating traffic signal infrastructure. The program will install and update traffic signals and install pedestrian countdown signals and audible pedestrian signals to improve visibility and the overall safety and efficiency of the roadway.

F. BUILD STREETS THAT ENABLE SAFE TRAVEL FOR ALL USERS AND PROVIDE SAFER, WELL-DEFINED BIKEWAYS.

A portion of the Bond may be allocated to building streets, including but not limited to curb bulb-outs, raised crosswalks, and improved sidewalks at intersection corners; median islands; separated bikeways, and bicycle parking. This program could also include installing basic infrastructure to decrease the cost of future projects, such as underground signal conduit.

G. INVEST IN DEVELOPMENT OF CRITICAL CAPITAL PROJECTS ALONG KEY TRANSIT CORRIDORS.

A portion of the Bond may be allocated to upgrade City streets that anchor the transit system in order to increase transit speed and reliability, reduce congestion, and to ensure that people can safely and efficiently move around the City. The focus of this program is to fund corridor-wide projects that encourage street interconnectivity to create a comprehensive, integrated, efficient and connected network for all modes.

H. FIX MUNI FACILITIES TO IMPROVE VEHICLE MAINTENANCE EFFICIENCY.

A portion of the Bond may be allocated to build new and improve the conditions and operations of existing SFMTA facilities, some of which are over 100 years old. The improvements will update facility layouts and structures to streamline SFMTA's capacity for maintenance work, improve access to necessary parts and materials, and enable reliable service delivery.

Section 4. BOND ACCOUNTABILITY MEASURES

The Bond shall include the following administrative rules and principles:

A. OVERSIGHT. The proposed bond funds shall be subjected to approval processes and rules described in the San Francisco Charter and Administrative Code. Pursuant to S.F. Administrative Code 5.31, the Citizen's General Obligation Bond Oversight Committee shall conduct an annual review of bond spending, and shall provide an annual report of the bond program to the Mayor and the Board.

B. TRANSPARENCY. The City shall create and maintain a Web page outlining and describing the bond program, progress, and activity updates. The City shall also hold an annual public hearing and reviews on the bond program and its implementation before the Capital Planning Committee and the Citizen's General Obligation Bond Oversight Committee.

Section 5. The estimated cost of the bond financed portion of the project described in Section 2 above was fixed by the Board by the following resolution and in the amount specified below:

Resolution No. _____, \$500,000,000.

Such resolution was passed by two-thirds or more of the Board and approved by the Mayor of the City (the "Mayor"). In such resolution it was recited and found by the Board that the sum of money specified is too great to be paid out of the ordinary annual income and revenue of the City in addition to the other annual expenses or other funds derived from taxes levied for those purposes and will require expenditures greater than the amount allowed by the annual tax levy.

The method and manner of payment of the estimated costs described in this ordinance are by the issuance of bonds of the City not exceeding the principal amount specified.

Such estimate of costs as set forth in such resolution is adopted and determined to be the estimated cost of such bond financed improvements and financing, as designed to date.

Section 6. The Bond Special Election shall be held and conducted and the votes received and canvassed, and the returns made and the results ascertained, determined and declared as provided in this ordinance and in all particulars not recited in this ordinance such election shall be held according to the laws of the State of California (the "State") and the Charter of the City (the "Charter") and any regulations adopted under State law or the Charter, providing for and governing elections in the City, and the polls for such election shall be and remain open during the time required by such laws and regulations.

Section 7. The Bond Special Election is consolidated with the General Election scheduled to be held in the City on Tuesday, November 4, 2014. The voting precincts, polling places and officers of election for the November 4, 2014 General Election are hereby adopted, established, designated and named, respectively, as the voting precincts, polling places and officers of election for the Bond Special Election called, and reference is made to the notice of election setting forth the voting precincts, polling places and officers of election for the November 4, 2014 General Election by the Director of Elections to be published in the official newspaper of the City on the date required under the laws of the State of California.

Section 8. The ballots to be used at the Bond Special Election shall be the ballots to be used at the November 4, 2014 General Election. The word limit for ballot propositions imposed by San Francisco Municipal Elections Code Section 510 is waived. On the ballots to be used at the Bond Special Election, in addition to any other matter required by law to be printed thereon, shall appear the following as a separate proposition:

"SAN FRANCISCO TRANSPORTATION AND ROAD IMPROVEMENT BOND. To construct, redesign and rebuild streets and sidewalks and to make infrastructure repairs and improvements that increase MUNI service reliability, ease traffic congestion, reduce vehicle travel times, enhance pedestrian and bicycle safety, and improve disabled access, shall the City and County of San Francisco issue \$500 million in general obligation bonds, subject to independent citizen oversight and regular audits?"

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

Section 9. If at the Bond Special Election it shall appear that two-thirds of all the voters voting on the proposition voted in favor of and authorized the incurring of bonded indebtedness for the purposes set forth in such proposition, then such proposition shall have been accepted by

the electors, and bonds authorized shall be issued upon the order of the Board. Such bonds shall bear interest at a rate not exceeding applicable legal limits.

The votes cast for and against the proposition shall be counted separately and when two-thirds of the qualified electors, voting on the proposition, vote in favor, the proposition shall be deemed adopted.

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

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

Section 12. The Board, having reviewed the proposed legislation, makes the following findings in compliance with the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code Chapter 31 ("Chapter 31"):

(a) SFMTA Transit Effectiveness Project.

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

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

(iii) Additionally, the Board finds that the portion of the bond proposal that

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

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

Section 13. The Board finds and declares that the proposed Bond is (i) in conformity with the priority policies of Section 101.1(b) of the San Francisco Planning Code, (ii) in accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the San Francisco Administrative Code, and (iii) consistent with the City's General Plan, and adopts the findings of the Planning Department, as set forth in the General Plan Referral Report dated _____, a copy of which is on file with the Clerk of the Board in File No. _____ and incorporates such findings by reference.

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

Section 15. The Bonds are subject to, and incorporate by reference, the applicable provisions of San Francisco Administrative Code Sections 5.30 – 5.36 (the "Citizens' General Obligation Bond Oversight Committee"). Under Section 5.31 of the Citizens' General Obligation Bond Oversight Committee, to the extent permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of the Bonds shall be deposited in a fund established by the Controller's Office and appropriated by the Board of Supervisors at the direction of the Citizens' General Obligation Bond Oversight Committee to cover the costs of such committee.

Section 16. The time requirements specified in Section 2.34 of the San Francisco Administrative Code are waived.

Section 17. The City hereby declares its official intent to reimburse prior expenditures of

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

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

Section 18. The appropriate officers, employees, representatives and agents of the City are hereby authorized and directed to do everything necessary or desirable to accomplish the calling and holding of the Bond Special Election, and to otherwise carry out the provisions of this ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

By: _____
Kenneth David Roux
Deputy City Attorney

GENERAL OBLIGATION BOND RESOLUTION OF PUBLIC INTEREST AND NECESSITY

[General Obligation Bond Election - Transportation and Road Improvement]

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.

WHEREAS, The Mayor’s Transportation Task Force (the “Task Force”) has determined that the City’s street and transportation infrastructure (the “Street and Transportation System”) is inadequate to meet current demands of City residents and that the Street and Transportation System is in need of significant investment; and

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

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

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

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

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

RESOLVED, By the Board:

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

Section 2. The estimated cost of \$500,000,000 of the Bond is and will be too great to be

paid out of the ordinary annual income and revenue of the City, will require an expenditure greater than the amount allowed by the annual tax levy, and will require the incurrence of bonded indebtedness in an amount not to exceed \$500,000,000.

Section 3. The Board, having reviewed the proposed legislation, makes the following findings in compliance with the California Environmental Quality Act ("CEQA"), California Public Resources Code Sections 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative Code Sections 15000 et seq., ("CEQA Guidelines"), and San Francisco Administrative Code Chapter 31 ("Chapter 31"):

(a) SFMTA Transit Effectiveness Project.

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

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

(iii) Additionally, the Board finds that the portion of the bond proposal that relates to funds for the TEP as reflected in the ordinance placing the bond on the ballot: (1) does not require major revisions in the TEP FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the TEP FEIR will be undertaken that would require major revisions to the TEP FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the TEP FEIR; and (3) no new information of substantial importance to the project analyzed in the TEP FEIR has become available that would indicate: (i) the TEP will have significant effects not discussed in the TEP FEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives that are considerably different from those in the TEP FEIR will substantially reduce one or more significant effects on the environment.

(b) For the reasons set forth in the letter from the Environmental Review Officer of the Planning Department, dated _____, a copy of which is on file with the Clerk of the Board in File No. _____ and incorporated in this resolution by reference, the Board finds that the portion of the bond proposal that relates to funds for transportation and road improvements

other than funds for implementation of improvements within the scope of the TEP is not subject to CEQA because as the establishment of a government financing mechanism that does not involve any commitment to specific projects to be constructed with bond funds, it is not a project as defined by CEQA and the CEQA Guidelines. The use of bond proceeds to finance any project or portion of any project that relates to funds for transportation and road improvements other than funds for implementation of improvements within the scope of the TEP will be subject to approval of the Board upon completion of planning and any further required environmental review under CEQA.

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

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

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

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

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

Section 8. Documents referenced in this resolution are on file with the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to be a part of this

resolution as if set forth fully herein.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By: _____
KENNETH DAVID ROUX
Deputy City Attorney