PROPOSITION A –
EARTHQUAKE SAFETY AND
EMERGENCY RESPONSE
BOND

General obligation bond
Placed on the ballot by the Board of Supervisors
Requires a 2/3 vote for passage

THE QUESTION:
Should the City of San Francisco issue $400 million in general obligation bonds to finance seismic upgrades to specific public safety and emergency response facilities?

BACKGROUND:
The City owns and operates facilities that provide for public safety and first response to emergencies. Presently, these facilities do not meet current building code seismic standards and would probably cease to function in the event of a major disaster.

The City’s 10-year Capital Plan adopted in 2006 cites the repair and relocation of public facilities as a high priority. Funding for repairs and seismic upgrades to the City’s infrastructure is accomplished through the sale of general obligation bonds. Property tax revenues are used to repay the principal and interest and property tax rates would not increase above the 2006 level.

THE PROPOSAL:
Proposition A is a general obligation bond measure that would authorize the City to sell up to $400 million in bonds – subject to citizen oversight and audits – to improve specific public safety and emergency response facilities.

The bond proceeds could only be used to:
• Improve and retrofit neighborhood police and fire stations;
• Upgrade, repair and retrofit the Emergency Firefighting Water System including pump stations, pipes, and related facilities;
• Relocate the police crime lab and motorcycle unit to seismically secure facilities; and
• Build a seismically secure building for the Medical Examiner.

Proposition A would allow an increase in the property tax and landlords would be permitted to pass through 50% of the cost increase to tenants.

An independent Citizen Oversight Committee would review spending of bond funds. Bond programs, progress, and activity updates would be tracked online and available to the public.

A “YES” Vote Means: you authorize the City to sell up to $400 million in general obligation bonds to finance improvements to fire, earthquake and emergency response facilities.

A “NO” Vote Means: you do not authorize the City to sell bonds to finance improvements to fire, earthquake and emergency response facilities.

ONLINE ELECTION INFO
www.sfvotes.org

ELECTION DAY IS TUESDAY, JUNE 3

Polls open from 7 am to 8 pm
Early voting starts May 5
May 19 last day to register to vote
For more information visit the SF Department of Elections at: www.sfgov.org/election

TO VOTE IN THE JUNE ELECTION YOU MUST:

Be a U.S. citizen and a resident of California.
Be at least 18 years old by the date of the election.
Be registered to vote.
Not be in prison or on parole for a felony conviction.
Not have been judged mentally incompetent to vote by a court.

Federal and State Law now required that every person who registers or re-registers to vote provide either a California Driver’s License (or California ID) number or the last 4 digits of your Social Security number on your registration card.

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FISCAL EFFECTS:

The City Controller states:

Should the proposed $400 million in bonds be authorized and sold under current assumptions, the approximate costs will be as follows:

- In fiscal year 2015–2016, following issuance of the first series of bonds, and the year with the lowest tax rate, the estimated annual costs of debt service would be $13 million and result in a property tax rate of $0.0069 per $100 ($6.79 per $100,000) of assessed valuation.
- In fiscal year 2020-2021, following issuance of the last series of bonds, the estimated annual costs of debt service would be $33.9 million and result in a property tax rate of $0.0149 per $100 ($14.69 per $100,000) of assessed valuation.
- The best estimate of the average tax rate for these bonds from fiscal year 2014-2015 through 2039-2040 is $0.0097 per $100 ($9.61 per $100,000) of assessed valuation
- Based on these estimates, the highest estimated annual property tax cost for these bonds for the owner of a home with an assessed value of $500,000 would be approximately $74.53.

These estimates are based on projections only, which are not binding upon the City. Projections and estimates may vary due to the timing of bond sales, the amount of bonds sold at each sale, and actual assessed valuation over the term of repayment of the bonds. Hence, the actual tax rate and the years in which such rates are applicable may vary from those estimated above. The City’s current debt management policy is to issue new general obligation bonds only as old ones are retired, keeping the property tax impact from general obligation bonds approximately the same over time.

ARGUMENTS IN FAVOR OF PROP A:

- This bond continues seismic upgrades started by the voter approved 2010 Earthquake Retrofit Bond and ensures neighborhood firehouses and police stations remain functional after an earthquake.
- First responders are in seismically unsafe buildings, which require improvements that cannot be funded by the City’s general fund.
- Property taxes will not increase because the City will only issue bonds after it pays off previous bonds that funded improvements made on public assets.

ARGUMENTS AGAINST PROP A:

- The ballot argument for Prop A makes inconsistent statements regarding whether or not property taxes will be raised to fund the improvements.
- The City should establish a major improvement fund and incorporate this fund into the annual budget rather than issuing an expensive bond project.
- The expected costs for seismic upgrades will most likely double, increasing the amount taxpayers will contribute to the bond program.

PROPOSITION B – WATERFRONT HEIGHT LIMIT RIGHT TO VOTE INITIATIVE

Ordinance
Placed on the ballot by initiative petition
Requires a simple majority of votes for passage

THE QUESTION:

Should San Francisco voters approve all exceptions to the current height limits on proposed waterfront construction?

BACKGROUND:

The City of San Francisco, through its Port Commission, administers about 7-1/2 miles of the waterfront along the bay including: piers, land near the piers, and areas that were filled and are no longer adjacent to the bay. The City acquired most of this property from the State and holds the land in trust for the benefit of the people of California. State law restricts the allowable uses of this property.

In 1990 the City’s voters adopted Proposition H, a zoning law that required the City to prepare a Waterfront Land Use Plan with public input. From this, the Port Commission adopted a comprehensive waterfront and land use plan consistent with Prop H and public trust requirements.
The City’s zoning laws regulate development on waterfront property, including the maximum allowed height. The existing height limits generally range from 40 feet to 84 feet. Changes in existing height limits usually require neighborhood notification, public hearings and approval by the Planning Commission and Board of Supervisors. These changes do not require the voters to approve a ballot measure.

**THE PROPOSAL:**

Proposition B would prevent the City from allowing any development on Port property that exceeds the height limits in effect as of January 1, 2014, unless the voters have first approved an increase to the height limit for that development. The measure applies to property currently under the control of the Port Commission, as well as any property they may acquire. Any ballot measure to increase height limits on Port property must specify both the existing and proposed height limits.

A “YES” Vote Means: you want voters to approve all waterfront developments seeking exceptions to the current height limits.

A “NO” Vote Means: you do not require voters to approve all waterfront developments seeking exceptions to the current height limits.

**FISCAL EFFECTS:**
The Controller states:

*Should the proposed measure be approved by the voters, in my opinion, it would in and of itself, have no direct impact on the cost of government.*

Approval of the measure would change certain land use processes on Port of San Francisco property. Currently, projects proposed for Port property generally require approval by the Planning Commission and the Board of Supervisors following required public consideration processes. These approvals can include adoption of increases to existing height limits deemed necessary or desirable to enable a given proposed project. The proposed measure would instead require voter approval for any changes to existing height limits before a project could be permitted. Proposed – but no yet approved – projects affected by the measure include possible development plans for Pier 30-32, Pier 48, and Pier 70.

In a number of cases, given the condition of various Port properties, increases to existing height limits will likely be required to generate sufficient property value to cover required project and infrastructure costs. The proposed measure, if approved, will increase the time, cost, and uncertainty that proposers and the Port can expect for future development efforts on certain Port property. To the extent that the proposed voter approval requirement, over time, results in fewer such increases, it will reduce tax and other revenues to both the City’s General Fund and to the Port of San Francisco.

**ARGUMENTS IN FAVOR OF PROP B:**

- The current system regarding waterfront development excludes the public and allows special interests to gain exemptions to the existing height limits.
- San Franciscans have an interest to preserve the historic waterfront from becoming walled off by luxury high-rises and tall private buildings that block public access.
- Waterfront height limits were created to ensure access to the views of the bay. Exemptions to the height limits set a precedent for spot zoning that violates the City’s zoning code.
- Few San Franciscans can afford to live in the housing developments planned for the waterfront on Pier 30-32, Pier 48 and Pier 70.

**ARGUMENTS AGAINST PROP B:**

- Prop B will impact the production of affordable housing and will immediately delay the construction of mixed-use housing, high-rise hotels, condo towers, and three planned construction projects along the bay.
- The loss of construction jobs and revenue will also impact voters.
- The City and Port Commission approved height limit exemptions for specific construction projects and deemed them essential for providing revenue to repair and maintain the City’s seawall.
- Prop B intrudes on the State’s jurisdiction over the shoreline and the Port Commission’s authority to manage the waterfront.

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