

SAN FRANCISCO



VOTER GUIDE

JUNE 2016 | Ballot analysis and recommendations

PROP **A**
Health Facilities
Bond

VOTE YES

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Parks Fund

VOTE YES

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NO POSITION

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VOTE YES

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VOTE YES

PROP **AA**
Bay
Restoration
Tax

VOTE YES

A Health Facilities Bond

Public Health and Safety Bond

Provides up to \$350 million to improve the earthquake safety and general functioning of health centers, safety and emergency response facilities, and homeless shelters.

VOTE YES



WHAT THE MEASURE WOULD DO

Proposition A would authorize a \$350 million general obligation bond to finance construction, acquisition and repairs to improve the earthquake safety and day-to-day functioning of public facilities that provide community health, mental health, emergency response and homeless services throughout San Francisco.

Planned projects include:

1. Health (\$292 million): San Francisco General Hospital, neighborhood health centers and homeless service centers
 - Making earthquake safety improvements and modernizing fire response systems at Building 5 (a 1970s-era hospital building on the San Francisco General Hospital campus), creating an outpatient center, expanding urgent care and preserving the city's only psychiatric emergency department
 - Renovating the Southeast Health Center and other community health centers
 - Improving and expanding services delivered at homeless service sites in San Francisco
2. Safety (\$58 million): San Francisco Fire Department Ambulance Deployment Facility and neighborhood fire stations
 - Constructing a modern ambulance and paramedic facility that would dispatch ambulance and paramedic staff more efficiently and improve emergency response times
 - Making repairs to and modernizing neighborhood fire stations across the city

Transparency and accountability standards are built into the measure, including independent annual reviews, audits and reports to the Citizens' General Obligation Bond Oversight Committee. This bond would not increase local property tax rates.



Ambulances parked at the emergency entrance to San Francisco General Hospital, Building 5. A portion of the bond money in Prop. A would go to rehabilitating Building 5. Photo courtesy Yes on San Francisco Health Campaign

THE BACKSTORY

Many health care facilities and related buildings around San Francisco are deteriorating, inadequate or seismically unsafe. This affects the city's ability to deliver high-demand services at San Francisco General Hospital, health centers and homeless shelters. This bond is the second in what is anticipated to be a series of public health bonds for repairs to health service facilities across the city. As with other general obligation bond programs, the measure must be supported by more than two-thirds of San Francisco voters in order to pass.

Capital planning for public facilities is part of the city's 10-year capital planning process. Projects in this bond proposal represent a portion of the city's current Ten Year Capital Plan, which was approved by the mayor and the Board of Supervisors in 2015. The plan provides a financing strategy for city and county agencies to carry out major infrastructure improvements without raising property tax rates.

A

Health Facilities Bond



PROS

- To continue to provide high-quality public health and safety services, San Francisco must continually reinvest in the physical infrastructure of its hospitals, shelters and clinics. Some of these public structures date back to the early 20th century and require major renovations to continue to stay open, provide quality care, expand access and modernize their services.
- Bolstering the earthquake safety of health and emergency response facilities is critical to San Francisco's disaster preparedness.
- Investing in upgrades now would protect the public's investment in these facilities and save taxpayers the cost of even more expensive repairs in the future if deterioration were to continue.
- A bond is the proper financing tool for these long-range capital planning projects. The estimated cost of the proposed projects is too great to be paid out of the ordinary income and revenue of the city and county.
- The projects in this bond have received a high level of planning and cost analysis. The measure has been developed over eight years, and the city has invested \$11 million in planning and design to ensure that the work will be carried out on schedule and on budget.

CONS

- At a certain point, rehabbing old buildings may not be the best use of public dollars. Many of the San Francisco General Hospital buildings were built in the 1930s and 1970s; some of the older brick buildings are in such poor condition that the ongoing cost of retrofitting may exceed the cost of a new building.
- Passing capital bonds does not address a key issue for the city: the lack of regular funding for maintenance. Snowballing repair needs demand larger and more frequent capital expenditures down the road. The city could save money and extend the life of its capital assets by committing to an adequate level of funding for annual maintenance.

SPUR'S RECOMMENDATION

SPUR has been one of the strongest advocates of the city's capital planning program, an open and transparent process for identifying infrastructure needs and setting priorities. Maintaining and improving San Francisco General Hospital and community health facilities, as well as emergency response and homeless services, are among the key priorities for supporting a high quality of life in San Francisco. This bond is a rational step to improve public safety and community health services now while increasing San Francisco's resilience in the face of future disasters.

Vote YES on Prop. A



B Parks Fund

Park, Recreation and Open Space Fund

Extends the existing voter-approved property tax set-aside for San Francisco parks; locks in General Fund support for the Recreation and Parks Department at 2015–2016 levels and increases it \$3 million per year through 2025–2026, after which the level changes based on the city's overall General Fund budget.

VOTE YES



WHAT THE MEASURE WOULD DO

Proposition B would amend the City Charter to make changes to funding dedicated to San Francisco parks. Prop. B would also institute added budgetary planning and review requirements for the San Francisco Recreation and Park Department (RPD), which manages all city-owned parks and recreational facilities.

Specifically, Prop. B would do the following:

1. Extend the amount of annual funding from San Francisco's property tax that is set aside for the city's Park, Recreation and Open Space Fund (the Open Space Fund). The set-aside, which is 2.5 cents per \$100 of assessed valuation, was renewed in fiscal year 2000–01 and is currently slated to expire in 2029–30. Prop. B would extend it to fiscal year 2044–45.
2. Lock in General Fund support for the RPD at 2015–16 levels and mandate that this baseline increase by \$3 million per year through fiscal year 2025–26. After 2026, the level could be adjusted up or down, pegged to the growth or decline in the city's discretionary revenues. Growth in this baseline support would be suspended but not reversed if the city's projected budget deficit exceeded \$200 million. Prop. B would also prevent other city agencies from billing new services to the RPD budget unless requested.
3. Add language to the City Charter that would set social and geographical equity as a guiding principle for how the RPD spends funds, and establish an equity fund to accept and disburse private contributions.
4. Restrict how the RPD spends certain revenues and institute new planning and performance-monitoring requirements for the department and its governing commission, including requirements to produce and annually evaluate capital, operations and strategic plans.

THE BACKSTORY

The three largest sources of funding for San Francisco's RPD operations are the General Fund, the Open Space Fund (a property tax set-aside first established in 1974) and earned revenue (income from concessions, facility rentals, etc).

In 2000, voters approved a measure that extended the existing Open Space Fund set-aside, allowed the RPD to issue bonds, and included various measures to encourage more efficient spending within the RPD, which was viewed as a troubled department at the time.

Since 2000, San Francisco's budget has grown by 45 percent, but RPD funding has only grown by 30 percent. The department's share of General Fund revenue has declined from 2.1 to 1.3 percent. In lean years, the RPD is often among the first city functions to be cut, and the department has not been as successful as others in competing for a share of city revenues through the legislative budgeting process. As a result, it has had to rely more heavily on the Open Space Fund and earned revenue.

This measure attempts to ensure that the Open Space Fund serves its original purpose — supplementing, rather than supplanting, General Fund revenues for San Francisco parks — by locking in and growing the baseline General Fund support levels for the RPD.

In 2010, SPUR convened parks stakeholders to come up with a vision and action plan for a new long-term funding model for the RPD. The resulting 2011 report, *Seeking Green*,¹ recommended potential new sources of funding for San Francisco parks, focusing primarily on revenue-raising measures. These options have not been pursued in Prop. B, which instead targets existing discretionary funds.

¹*Seeking Green*. SPUR Report. September 2011. <http://www.spur.org/publications/spur-report/2011-09-08/seeking-green>

B

Parks Fund



PROS

- Prop. B would shore up core funding for San Francisco parks (which has been repeatedly weakened) and would prevent parks funding from being cut during the annual budget process, as often happens in lean years.
- Prop. B includes strong accountability measures and would introduce socioeconomic and geographic equity metrics into the way the RPD distributes funds for projects.

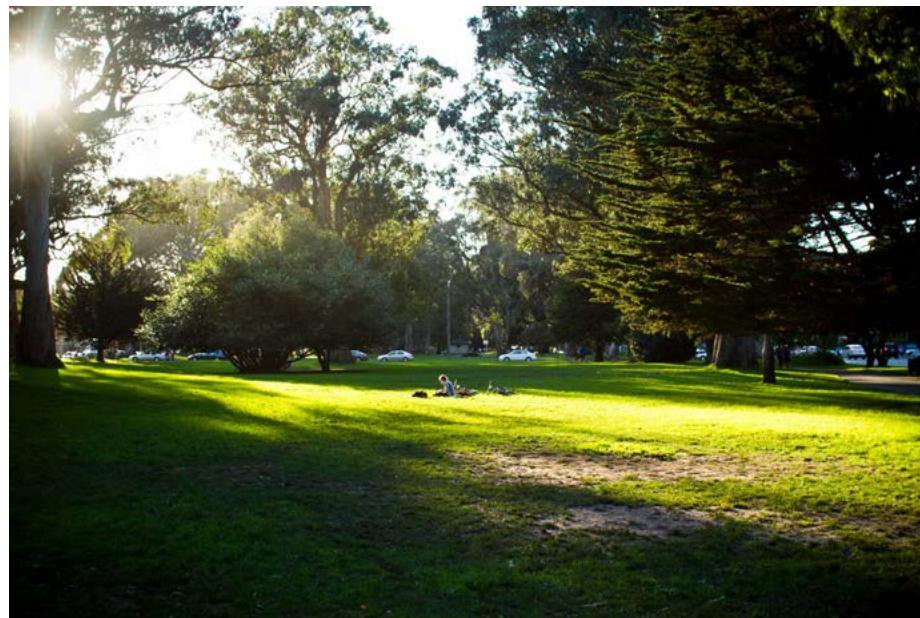
CONS

- Prop. B would mandate new funding without introducing a new revenue source. Set-asides should be tied to a new revenue source so they do not reduce the pool of funding available for other services.
- Budget set-asides reduce flexibility to respond to changing needs in the future by locking up previously discretionary budget funds. Prop. B includes no “sunset clause” or time limit, meaning this set-aside could remain in place long after the conditions that prompted its creation are gone.

SPUR'S RECOMMENDATION

Well-cared-for open spaces, neighborhood parks and recreation facilities are vital to quality of life in San Francisco's dense urban setting. Yet parks remain chronically underfunded. In order for San Franciscans to continue to enjoy parks that are safe, clean and kept up, the city must find ways to increase the funding available for their ongoing operations and maintenance.

Prop. B does not meet all of SPUR's criteria for supporting set-asides² and does not pursue the key strategies for raising new revenue that we recommended in our *Seeking Green* report. However, this measure does begin to address a significant longstanding shortfall in RPD funding and could help prevent more significant cuts to parks funding in lean times. This set-aside is structured to increase in a moderate manner and is pegged to the broader city budget's fluctuations in the long term. On balance, Prop. B represents an important opportunity to channel a reliable source of funding to a key civic resource.



Prop B would increase the baseline funding for the RPD, some of which is slated for much needed maintenance across the city's parks. Photo courtesy of Flickr user [Oscar Rohena](#).

Vote YES on Prop. B



²Setting Aside Differences. SPUR Report. January 2008.
<http://www.spur.org/publications/spur-report/2008-01-16/setting-aside-differences>



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Affordable Housing Requirements

Legislative Updates to Affordable Housing Requirements and Increased Interim Requirements

Increases the percentage of affordable units that new housing developments must include and allows the Board of Supervisors to change these requirements in the future without obtaining voter approval.

NO POSITION

WHAT THE MEASURE WOULD DO

Proposition C would substantially increase San Francisco's inclusionary housing requirements — the percentage of affordable housing that new market-rate developments must either include or pay to build elsewhere. It would also amend the City Charter to allow the Board of Supervisors to make changes to these requirements in the future. (Currently, any changes must go to the voters.)

Today, housing developers in San Francisco can choose to build the required affordable units within their project or on a different site, or they can pay a fee in lieu of building the units themselves, which goes toward building affordable housing elsewhere. Prop. C would keep this framework in place; what would change are the percentages required. Today, 12 percent of units built on site and 20 percent of units built off site must be affordable. Those figures would increase to 25 and 33 percent, respectively. See Figure 1 (on page 8) for more details.

The new requirements would apply to all developments of 25 units or more that were not approved and through the appeals period (when approvals can be challenged) by January 12, 2016.

This measure was put on the ballot by the Board of Supervisors. The new rules are written as “interim” requirements; the board may adjust the requirements at some point in the future, after a financial feasibility analysis is complete.

THE BACKSTORY

San Francisco's inclusionary housing program dates back to 1992, when the Planning Commission set a policy for housing developers to include below-market-rate units in their projects. For many years, this was done in an ad hoc manner, based on the relative political power of the various actors, as well as the policy judgment of the Planning Commission regarding what level of affordability was feasible.

In San Francisco, the phrase “inclusionary housing” refers to housing that is provided at below-market rates but is not paid for by public subsidy. The rest of the project has to generate enough extra revenue to cover the cost of the below-market-rate units.

Inclusionary housing requirements can be an important part of the city's overall housing strategy — but only if two important factors are considered. First, the required percentage of affordable units must not be set so high that it makes development infeasible. Second, changes in these requirements must “grandfather in” projects already underway that have been structured under a previous set of rules. In theory, the costs of the city's inclusionary program function like any other tax or fee; as long as they are predictable and known in advance, they can be factored into the price offered for land. But if requirements change after land has been purchased, there is no way to absorb the added cost.

It is a myth that developers simply make less profit if inclusionary rates go up. In fact, profit goes mostly to investors, and those investors — often pension funds or similar entities — do not finance projects unless they meet their standards for returns on investment. Fees instead reduce what developers can afford to pay for land. If inclusionary requirements go too high, then no housing is produced because developers are unable to offer landowners enough to incentivize them to sell land for residential use.

In the late 1990s, SPUR advocated for an inclusionary housing ordinance that could replace the ad hoc system with a predictable rule of law. Our goal for the inclusionary percentage was a level that would generate affordable housing while still keeping new housing financially viable. A complex negotiation resulted in the Residential Inclusionary Affordable Housing Ordinance of 2002. It applied to all projects of 10 units or more and provided three ways to meet the requirement: build below-market-rate units within the market-rate project; build them somewhere else; or pay a fee to the city to re-grant to nonprofit affordable



Affordable Housing Requirements



housing developers, who could create affordable housing elsewhere. San Francisco’s ordinance instantly became a national model.

SPUR hoped at the time that this would lead to a grand alliance of affordable housing advocates and market-rate housing developers, united by a shared belief in the importance of providing housing at all income levels.

Unfortunately, the grand alliance never materialized. Many affordable housing advocates came to believe that market-rate housing was either irrelevant to solving the city’s housing crisis or even a cause of higher prices. Meanwhile, many homeowners resisted new housing development, based on the belief that preserving existing neighborhood character was more important. Some advocates began to see inclusionary housing as a way to limit market-rate housing: If the requirements were set high enough, it would become infeasible to build new market-rate housing.

The city increased the inclusionary housing requirements in 2006 (see Figure 1.) and adopted higher requirements in the Market and Octavia Plan Area in 2007 and the Eastern Neighborhoods Plan Area in 2008. In return, these neighborhood plans offered something to developers: the reliability of an adopted plan and increased development rights to help offset the increased requirements.

FIGURE 1

History of Inclusionary Requirements in San Francisco

Several adjustments have been made to the percentage of affordable housing required of market-rate developments since the idea was first introduced in 1992.

Year adopted	1992	2002	2006	2012 (current requirements)	2016 proposed measure
Number of units that triggers requirement	10*	10	10	5	5
On-site option	Ad hoc	10%**	15%	12%	25%
Off-site	Ad hoc	15%**	20%	20%	33%
In-lieu fee	Ad hoc	16%**	20%	20%	33%

* Program was applicable only to projects requiring an additional level of Planning Department scrutiny called a Conditional Use Authorization.

**Requirements increased by 2 percent for projects requiring a Conditional Use Authorization.

SPUR and many others believed that the levels set in 2006 were so high that they were beginning to suppress housing production except in the most expensive parts of town. In 2012, we were part of a negotiation to lower inclusionary levels for projects that provided their units on site in exchange for a new, permanent budget set-aside to pay for affordable housing. We sized the new set-aside to generate much more affordable housing than would be theoretically “lost” by lowering the inclusionary numbers. Proposition C of 2012 captured this idea in a City Charter amendment that created the Affordable Housing Trust Fund and capped, in most instances, the on-site inclusionary requirement at 12 percent. (The city is still able to increase this requirement for projects subject to a development agreement or if the city increases the capacity for residential development in a neighborhood through zoning changes)

From SPUR’s perspective, Prop. C from 2012 has worked, creating \$50 million annually to fund new affordable housing while maintaining strong inclusionary housing requirements. However, the 2012 measure relied on two imperfect mechanisms from a good government perspective: a budget set-aside in the City Charter and a cap on the inclusionary levels, also in the charter.

THE PROPOSED MEASURE

This measure was put on the ballot by supervisors who believe the 2012 measure was a mistake and that market-rate development can afford to pay more. They are not proposing to undo the set-aside for affordable housing, which was the other part of the 2012 measure.

The proposed measure would affect all projects that are not fully approved by January 12, 2016, which would mean changing the rules for many projects that committed to land acquisitions years ago and have since been working within the city’s multiyear approval process.

There has been an attempt to negotiate follow-up legislation to address some concerns about Prop. C. This “trailing legislation,” which would go into effect if Prop. C passes, does two things: It allows some projects that were already in the planning approval pipeline to go forward with lower inclusionary rates; and it requires a financial feasibility study to inform the setting of future inclusionary levels (although this study would be non-binding).

C

Affordable Housing Requirements



PROS

- From a good government perspective, it's appropriate to remove the inclusionary cap from the City Charter. Inclusionary housing is complicated and would benefit from a legislative process that is informed by technical studies to determine how the requirement should be adjusted over time.
- Some projects in San Francisco can afford to pay a higher fee. By taking the inclusionary cap out of the City Charter, the Board of Supervisors would have greater flexibility to identify those types of projects and tailor the inclusionary ordinance accordingly.

CONS

- We believe that the inclusionary levels in this measure are not financially feasible for most projects and would severely reduce housing development unless revised. The "interim" requirements could become permanent if the Board of Supervisors does not adopt a new inclusionary ordinance with new percentages based on a financial feasibility analysis. If overall housing development is halted or slowed because of a higher requirement, then the amount of affordable housing produced may actually be lower than it would be with a lower requirement.
- Making frequent changes to the inclusionary requirement creates uncertainty in the land market, which leads to fewer transactions and less housing production.
- A perception that there is no predictable rule of law regarding inclusionary levels means that investors in housing development will factor into their costs a higher risk premium. In other words, this measure will drive up the cost of capital for housing, again leading to reduced housing production and higher prices for residents.
- Because this measure unravels a "grand bargain" between affordable housing advocates and market-rate developers, it reduces trust and reduces the likelihood of future coalitions forming to address the city's housing crisis.

SPUR'S RECOMMENDATION

We debated this measure extensively but were ultimately unable to resolve our conflicting opinions about it. We have serious concerns about how Prop. C and the associated trailing legislation would impact the already tight housing market. And there is a lot not to like about the way the measure was crafted: The 25 percent requirement is based on politics, not analysis. The measure has been put forward for the June election, but waiting until the November election would have allowed the percentages to be informed by a feasibility analysis.

Most importantly, we believe the practical effect of this measure would be to reduce the supply of both affordable and market-rate housing, driving up housing costs for San Franciscans.

However, the fact that this measure would remove the inclusionary requirement from the City Charter comports with good government principles: Future inclusionary housing decisions wouldn't require a vote at the ballot but could be adjusted by the Board of Supervisors to respond to market changes and future feasibility studies. We deeply appreciate that Prop. C's sponsors proposed enabling future boards of supervisors to alter the measure. An optimistic interpretation holds that this measure could set the table for further productive discussions among housing stakeholders on reasonable modifications to the requirements.

We believe inclusionary housing is a good idea, and we are proud of SPUR's decades of support for it. But we are increasingly concerned that San Francisco's inclusionary housing policy is being twisted into something that has more negative impacts on housing affordability than positive ones. It's unclear whether this measure will in fact improve the situation or make it worse.

The true effect of Prop. C depends on what happens next if it passes. Would the city conduct a well-designed financial feasibility study of inclusionary housing, and would the Board of Supervisors use that study to design a workable policy? We are going to give the supervisors the benefit of the doubt and enter into the next phase of the process with good faith.

Weighing the many conflicting considerations, SPUR's board was not able to reach consensus on this measure.

SPUR has no recommended position on Prop. C



D Officer-Involved Shootings

Office of Citizen Complaints Investigations

Requires that the Office of Citizen Complaints investigate all incidents in which the discharge of a firearm by a police officer results in an injury or death in San Francisco.

VOTE YES



WHAT THE MEASURE WOULD DO

Proposition D would amend San Francisco's Administrative Code to require the Office of Citizen Complaints (OCC) to investigate any incident where the discharge of a firearm by the San Francisco police resulted in the physical injury or death of a person. The measure would apply to accidental discharges as well as intentional ones, regardless of whether an official complaint were filed. It would require the prompt and full cooperation of the San Francisco Police Department in these investigations.

THE BACKSTORY

Created in 1982, the OCC investigates citizen complaints against San Francisco police officers, and reports findings to the Chief of Police and Police Commission for disciplinary action. The OCC currently investigates officer-involved shootings only in cases where an official citizen complaint is filed or if a person dies. Of the 35 police shootings reported in San Francisco in the past five years, 31 have resulted in injury or death, but the OCC has investigated just eight of these cases.

This measure was placed on the ballot by four San Francisco supervisors amid growing public concern over the use of force by police officers — both nationally and locally. In particular the fatal shooting of Mario Woods on December 2, 2015, has inspired calls for more oversight of officer-involved shootings in San Francisco.

PROS

- Excessive violence by law enforcement officers, particularly toward people of color, is one of the major civic issues of our time. San Francisco has a legacy of leadership in modeling policies that better protect human rights. This measure is a step toward greater transparency, accountability and justice.
- Requiring investigations by the OCC creates better public information and could result in reforms to limit preventable officer-involved shootings. An empowered OCC could also help repair the relationship between law enforcement and communities that have been unjustly treated.
- Placing this ordinance on the ballot is a way for San Franciscans to take direct action on an issue of intense and widespread public concern.

CONS

- Prop. D is an unfunded mandate that would likely add to the caseload of the OCC but would not create or specify new funding to fulfill the OCC's duties.
- The Board of Supervisors has the authority to pass this legislation; it did not need to go on the ballot as an initiative ordinance. If this measure passes, it would not be amendable, except by additional ballot measures.

SPUR'S RECOMMENDATION

San Francisco's police officers have an important and difficult job to do enforcing the law and keeping our communities safe. Improper use of force by police officers devastates lives and contributes to the mistrust of police by the people they are meant to serve. Inadequate public information about officer involved shooting incidents undermines faith in law enforcement as well as government.

This legislation would ensure a layer of citizen oversight for many of the most serious uses of force by police officers. While this ordinance could have been addressed through the legislative process, taking it to the ballot gives citizens a chance to send a message that firearm discharges by law enforcement must be taken seriously. SPUR strongly supports this effort to advance policy that could limit preventable injuries and deaths.

Vote YES on Prop. D





We delve into the
details so that you
don't have to.

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E

Paid Sick Leave

Paid Sick Leave for City Employees

Amends San Francisco's paid sick leave rules to align with recent changes to California state law.

VOTE YES



WHAT THE MEASURE WOULD DO

Proposition E would expand San Francisco's paid sick leave requirements to match the State of California's requirements in those situations where the state's paid sick leave law offers a greater benefit.

Since 2006, San Francisco has had a paid sick leave policy that applies to all employers — public or private — that have employees within the city limits. In 2014, the State of California adopted similar rules requiring employers with employees performing work in the state to provide paid sick leave to their California employees. Currently, employers with employees in San Francisco must follow both the city's and the state's rules. In some cases, the state's rules are more generous than the city's (meaning that more people get paid sick leave under more circumstances). Key among those provisions are:

- Paid sick time for bone marrow and/or organ donors
- Paid sick time for victims of domestic violence, sexual assault and/or stalking
- A requirement that companies provide sick time up front, not on an accrued basis

Prop. E would expand San Francisco's paid sick leave policy to parallel the broader state provisions.

In addition, Prop. E would authorize the Board of Supervisors to amend the city's Paid Sick Leave Ordinance in the future to match any changes in state or federal law that are more expansive than the city's program.

THE BACKSTORY

In 2006, San Francisco voters approved the city's Paid Sick Leave Ordinance. At the time, the ordinance was considered groundbreaking because it required all employers to provide paid sick leave to all employees, subject to certain thresholds. In 2014, the State of California adopted the Healthy Workplaces, Healthy Families Act, which similarly established that all employers in its jurisdiction must provide paid sick leave. In some cases, the state's legislation requires more paid sick leave benefit than the San Francisco ordinance does. San Francisco employers must comply with both the state and the city's policies.

Prop. E was placed on the ballot by all 11 members of the Board of Supervisors as a clean-up measure; in practice, it does not change the rules governing paid sick leave. Backers of the measure say that aligning San Francisco's and the state's rules would make local enforcement of these rules easier by consolidating a single set of rules and placing all relevant requirements under the authority of the Office of Labor Standards Enforcement.

PROS

- Prop. E would simplify enforcement of San Francisco's Paid Sick Leave Ordinance. Employers would have a single source of information for all the rules they must comply with.
- Prop. E would allow the Board of Supervisors to make administrative changes to expand the Paid Sick Leave Ordinance in the future; any expansions to benefits could be enacted legislatively and would not have to go to the ballot.

CONS

- Prop. E would allow the Board of Supervisors to change the Paid Sick Leave Ordinance only to comply with expansions of the law. If state or federal law restricts paid sick leave in the future, the city's ordinance would need to go back on the ballot for a vote before it could be changed. Prop. E takes a step in the right direction in restoring some legislative authority but stops short of doing it fully.

SPUR'S RECOMMENDATION

San Francisco was one of the first jurisdictions in the country to mandate paid sick leave for all workers. This consensus measure builds on that legacy and would make compliance easier for employers and enforcement simpler for the city. While the measure would not completely eliminate the need to go to the ballot for future amendments to the Paid Sick Leave Ordinance, we believe this consensus measure is a good policy.

Vote YES on Prop. E



AA Bay Restoration Tax

San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Program

Creates a \$12 parcel tax, in all nine Bay Area counties, dedicated to restoring San Francisco Bay.

VOTE YES



WHAT THE MEASURE WOULD DO

Measure AA would establish a \$12 parcel tax to create new funding for protecting and restoring San Francisco Bay. The revenue would be dedicated to reducing trash and pollution, enhancing wetlands and wildlife habitat, increasing public access and recreational areas, and protecting communities from flooding. The tax would raise \$25 million annually for 20 years and is expected to leverage significant additional state and federal money as well.

Measure AA would require that revenues be spent in all nine counties over the 20-year life of the tax and that 50 percent of revenues be spent on a population-weighted basis in four subregions of the Bay (North, South, East and West).

The measure includes several oversight requirements. Key among them are:

- Public meetings of the Bay Restoration Authority, the agency that would administer the tax revenues
- An advisory committee and an independent citizen oversight committee
- An annual audit and report
- A 5 percent limit on the amount of revenues that could be spent on program administration

The parcel tax must receive two-thirds of all votes in the nine-county region to pass (not two-thirds within each county). The \$12 parcel tax would expire in 2037 and is expected to raise \$500 million over the next 20 years.

THE BACKSTORY

San Francisco Bay was once home to more than 200,000 acres of ecologically rich tidal wetlands. By the mid-20th century, dredging and filling had decimated more than 90 percent of Bay wetlands. In 1999, the Baylands Ecosystem Habitat Goals project convened scientists to identify the types and amounts of wetland habitat necessary to sustain the health of the Bay and established a restoration goal of 100,000 acres. Since then, 15,000 acres have been restored and 35,000 additional acres acquired for the purpose of restoration. A recent climate change update to the Baylands Goals report found that 50,000 acres of wetlands must be restored in the next 15 years to keep pace with sea level rise.³

Although federal and state funding has made acquisitions possible, restoration work — which includes breaching, repairing and building levees; assessing and monitoring tidal flows and habitat needs; and creating walking and biking paths — has been underfunded. San Francisco Bay currently attracts far fewer federal resources than other large, significant estuaries such as Chesapeake Bay and Puget Sound. According to Save the Bay, the backlog of restoration work on existing acquired lands is decades long.

The Bay Restoration Authority is made up of local elected officials and chaired by the State Coastal Conservancy. Created in 2008 to raise and allocate local resources for the restoration and protection of Bay wetlands, the Authority voted in January 2016 to place the parcel tax on the ballot in all nine Bay Area counties.

³The Baylands and Climate Change. Baylands Ecosystem Habitat Goals Science Update 2015. http://baylandsgoals.org/wp-content/uploads/2015/10/Baylands_Complete_Report.pdf

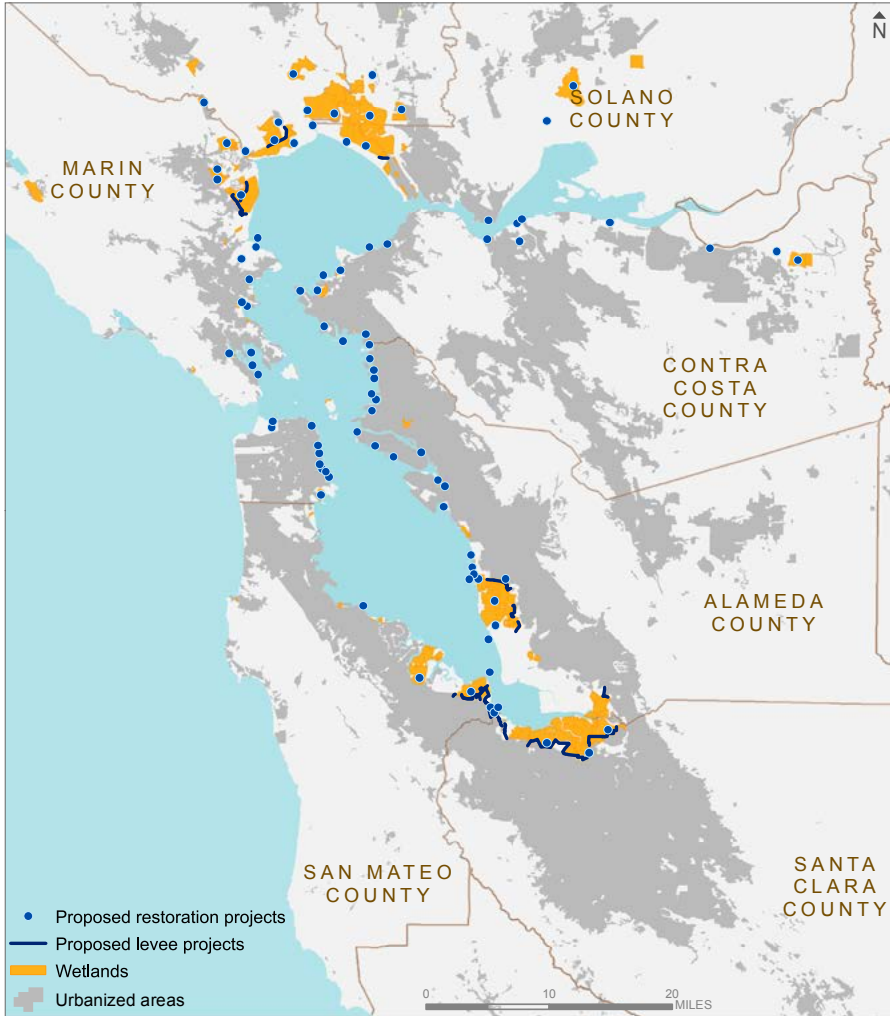
AA

Bay Restoration Tax



FIGURE 2

Potential Projects Measure AA Would Fund



PROS

- Measure AA would create a revenue source for the Bay and is likely to leverage additional state and federal resources — a historically underfunded and urgent need in light of climate change and sea level rise.
- The measure would distribute resources in a fair way by committing to fund projects in all nine Bay Area counties according to a population-weighted formula.
- The measure is a historic opportunity for the Bay Area to vote as a region for a unifying cause; there has never been a nine-county ballot measure before.

CONS

- A parcel tax is a regressive approach to raising revenue. Although the actual amount of the tax is small, parcels that could afford to pay more would not do so under the structure of the tax.

SPUR'S RECOMMENDATION

SPUR has been a supporter of the Bay and its protection for more than 50 years. We think Measure AA is historic, urgent and fair. Though the resources collected by a small parcel tax are well below what's needed to fully save the Bay, we see it as a meaningful step to address the problem for two reasons. First, due to its small size, polling suggests it is a measure that can pass. Second, demonstrating regional support is likely to attract additional resources for the Bay.

This measure is a historic opportunity for the region to vote together in support of a cause that unifies us. It would benefit everyone by enhancing our region's signature natural resource.

Vote YES on Prop. AA





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The SPUR Board of Directors reviewed, debated and adopted this analysis as official SPUR policy on March 16, 2016, and April 20, 2016.

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Five city propositions and one regional measure appear on the San Francisco ballot on June 7, 2016. As we do every election, SPUR provides in-depth analysis and recommendations on each one.

We evaluate measures based on two sets of factors:

Outcomes

- Will the measure make the city better?
- Do the positive impacts of the measure outweigh any negative impacts?

Process

- Is it necessary and appropriate to be on the ballot?
- Is it written in a clear and straightforward way?
- Will it be implementable?
- Does the measure make it easier or harder to make future governance and management decisions?

San Francisco faces many urgent issues. Ballot measures that offer solutions, reflect broad community consensus and allow flexibility in implementation can move the city forward. SPUR supports such good public policy.

By the same token, complex challenges won't be solved by inadequate public policy. Sometimes the intentions behind a measure are laudable, but the policy as written will not have its desired effect — and may have negative unintended consequences. Often the ballot is not the best way to move forward on an issue.

SPUR focuses on outcomes, not ideology. The goal of the SPUR Voter Guide is to provide objective analysis and advise voters on which measures will deliver real solutions.