

Seawall Earthquake Safety Bond*

Digest by the Ballot Simplification Committee

Status: Final digest

On: Monday, July 30, 2018

Members: Packard, Anderson, Patterson, Raveche

Deadline to Request Reconsideration: 5 p.m. on Tuesday, July 31

The Way It Is Now: The 100-year-old Embarcadero seawall is the foundation of approximately 3 miles of San Francisco's northeastern waterfront. The seawall supports Muni, BART, and power and water utilities. The seawall no longer adequately protects The City from tides, floods and rising sea levels. The seawall is also not protected from earthquake damage.

Through the Port of San Francisco, The City is responsible for maintaining the seawall. The City plans to modernize, upgrade and repair the seawall over the next 30 years. The Port's recommended plan is estimated to cost up to \$5 billion, and the City seeks to finance the first phase.

To pay for large capital projects, The City relies on several funding sources, including borrowing money by selling general obligation bonds. The City uses property tax revenues to pay the principal and interest on these bonds.

The Proposal: Proposition ___ would authorize The City to borrow up to \$425 million by issuing general obligation bonds to modernize, repair and upgrade the Embarcadero seawall. The Citizens' General Obligation Bond Oversight Committee would review the spending of general obligation bond revenue proceeds.

The City will conduct a public process to determine the specific projects to modernize, repair and upgrade the seawall. The bond will fund ongoing design and construction improvements that address the most significant earthquake and flood risks to the seawall.

Proposition ___ would allow an increase in the property tax to pay for the bonds, if needed. It is City policy to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. Landlords would be permitted to pass through up to 50 percent of any resulting property tax increase to tenants.

A "YES" Vote Means: If you vote "yes," you want The City to issue up to \$425 million in bonds to modernize, repair and upgrade the Embarcadero seawall.

A "NO" Vote Means: If you vote "no," you do not want The City to issue these bonds.

**Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*