

Seawall Earthquake Safety Bond*

Digest by the Ballot Simplification Committee

Status: Approved

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 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 fortify 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 allow the City to borrow up to \$425 million by issuing general obligation bonds for the repair and upgrade of the City's seawall. The Citizens' General Obligation Bond Oversight Committee would oversee the spending of general obligation bond revenue proceeds.

The Port and the Board of Supervisors will conduct a public process to determine the specific projects to repair and upgrade the City's 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 for the repair and upgrade of the City's seawall.

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