COMMITTEE/BOARD OF SUPERVISORS
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Government Audit and Oversight Committee
Date: July 7, 2008

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Completed by: Annette Lonich Date: 7/3/08
Completed by: Date:

An asterisked item represents the cover sheet to a document that exceeds 20 pages. The complete document is in the file.
Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 4th 2008, for the purpose of submitting to San Francisco voters a proposition to incur the following bonded debt of the City and County: $887,400,000 for the building and/or rebuilding and improving of the earthquake safety of the San Francisco General Hospital and Trauma Center 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 in accordance with Chapter 37 of the San Francisco Administrative Code; finding that the estimated cost of such proposed project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy; reciting the estimated cost of such proposed project; fixing the date of election and the manner of holding such election and the procedure for voting for or against the proposition; fixing the maximum rate of interest on such bonds and providing for the levy and collection of taxes to pay both principal and interest; prescribing notice to be given of such election; adopting findings under the California Environmental Quality Act, ("CEQA"), CEQA Guidelines and San Francisco Administrative Code Chapter 31, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations; finding that the proposed project is in conformity with the 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; consolidating the special election with the general election; establishing the election precincts, voting places and officers for the election; waiving
the word limitation on ballot propositions imposed by San Francisco Municipal
Elections Code Section 510; complying with the restrictions on the use of bond
proceeds specified in Section 53410 of the California Government Code; incorporating
the provisions of the San Francisco Administrative Code, Sections 5.30 – 5.36; and
waiving the time requirements specified in Section 2.34 of the San Francisco
Administrative Code.

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. In 1994 the California legislature approved Senate Bill 1953 ("SB 1953"), which
required hospitals to meet progressively higher levels of seismic safety beginning in January
2002.

B. This Board of Supervisors (this "Board") recognizes the need to build a new,
seismically safe acute care hospital at the San Francisco General Hospital and Trauma
Center ("SFGH") to comply with the requirements of SB 1953 and to implement the San
Francisco General Hospital Seismic Compliance Hospital Replacement Program (the
"Project"), as more particularly described in the Final Environmental Impact Report ("FEIR")
for the Project.

C. The Project and its associated costs are identified as the top priority in the City's
10-year capital plan, which reviews the safety and seismic needs of City-owned buildings and
property in the City and is approved each year by the Mayor of the City and the Board.
D. This Board now wishes to describe the terms of a ballot measure seeking
approval for the issuance of general obligation bonds (the "Bonds") to finance all or a portion
of the Project described above.

Section 2. A special election is called and ordered to be held in the City on Tuesday,
the 4th day of November, 2008, 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 GENERAL HOSPITAL AND TRAUMA CENTER
EARTHQUAKE SAFETY BONDS, 2008. $887,400,000 of bonded indebtedness to ensure
the availability of San Francisco General Hospital and Trauma Center in the event of a natural
disaster or emergency, by building and/or rebuilding and improving the earthquake safety of
the hospital and to pay related costs necessary or convenient for the foregoing purposes,
subject to independent 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. 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. __________, $887,400,000.

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 4. 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 5. The Bond Special Election is consolidated with the General Election
scheduled to be held in the City on Tuesday, November 4, 2008. The voting precincts, polling
places and officers of election for the November 4, 2008 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, 2008 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 6. The ballots to be used at the Bond Special Election shall be the ballots to be used at the November 4, 2008 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 GENERAL HOSPITAL AND TRAUMA CENTER EARTHQUAKE SAFETY BONDS, 2008. To ensure the availability of San Francisco General Hospital and Trauma Center in the event of a natural disaster or emergency, by building and/or rebuilding and improving the earthquake safety of the hospital and to pay related costs necessary or convenient for the foregoing purposes, shall the City and County of San Francisco issue $887,400,000 in general obligation bonds subject to independent 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 7. 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 8. 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 9. 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 10. The Board finds and declares that in accordance with the actions contemplated in this ordinance, this Board, in approving Resolution No. _____, including the Attachment A and Exhibit 1 to Attachment A, adopted findings for the Project pursuant to the California Environmental Quality Act, ("CEQA"), CEQA Guidelines and San Francisco Administrative Code Chapter 31, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations, ("CEQA Findings"). The CEQA Findings for the Project are on file with the Clerk of the Board in File No. 080663 and are incorporated into this ordinance by this reference.

Section 11. The Board finds and declares that the proposed Project is (i) in conformity with the priority policies of Section 101.1(b) of the City Planning Code, (ii) in accordance with Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the City Administrative Code, and (iii) consistent with the City's General Plan, and adopts the findings of the City

Mayor Newsom, Supervisors Ammiano, Maxwell, Alioto-Pier, Chu, Daly, Duffy, McGoldrick, Mirkarimi, Sandoval
BOARD OF SUPERVISORS
Planning Department, as set forth in the General Plan Referral Report, dated July 6/19, 2008, a copy of which is on file with the Clerk of the Board in File No.080663 and incorporates said findings by reference.

Section 12. 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 to the Project. The City will comply with the requirements of Sections 53410(c) and 53410(d) of the California Government Code.

Section 13. 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 14. The time requirements specified in Section 2.34 of the San Francisco Administrative Code are waived.

Section 15. 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.
Section 16. Documents referenced in this ordinance are on file with the Clerk of the
Board of Supervisors in File No. 080663, which is hereby declared to be a part of this ordinance as
if set forth fully herein.

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

By: Kenneth David Roux
Deputy City Attorney
June 24, 2008

Ms. Angela Calvillo, Clerk
Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2007.0603ER
Board File Numbers: 08-0664 - Resolution of Intent
08-0663 - Bond Ordinance to incur a bonded debt for the improvement of the earthquake safety of SFGH & Trauma Center

Dear Ms. Calvillo,

On June 19, 2008, the Planning Commission held a duly noticed public hearing on the following three items: (1) Certification of Environmental Impact Report; (2) Adoption of CEQA Findings; and (3) Adoption of General Plan Consistency for the San Francisco General Hospital (SFGH) Seismic Compliance and Hospital Replacement Program.

At the June 19th hearing, the Planning Commission adopted Motion Numbers 17623 and 17624 and Resolution Number 17625 for use as references for the abovementioned Board Files.

Please find attached documents relating to the Commission's actions. If you have any questions or require further information please do not hesitate to contact me.

Sincerely,

John Rahaim
Director of Planning

Attachments
Planning Commission Motion Numbers 17623 and 17624 and Resolution Number 17625

cc: Supervisors Ammiano, Maxwell, Alioto-Pier, Chu, Daly, Dufty, McGoldrick, Mirkarimi, and Sandoval
SAN FRANCISCO
PLANNING DEPARTMENT

Planning Commission Motion No. 17623

Hearing Date: June 19, 2008
Case No.: 2007.0603E
Project Name: San Francisco General Hospital (SFGH) Seismic Compliance, Hospital Replacement Program
Project Address: 1001 Portrero Avenue
Zoning: P (Public) Use District
105-E Height and Bulk District
Block/Lot: 4154/001
Project Sponsor: San Francisco Department of Public Health (DPH)/SFGH Facilities and Hospital Rebuild Office 1001 Portrero Avenue, Ste. 2A5, San Francisco, CA 94110
Staff Contact: Devyani Jain – (415) 575-9051
devyani.jain@sfgov.org

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT, FILE NUMBER 2007.0603, FOR THE PROPOSED SFGH SEISMIC COMPLIANCE, HOSPITAL REPLACEMENT PROGRAM AT 1001 PORTRERO AVENUE (“PROJECT”).

PREAMBLE

On June 20, 2007, pursuant to the provisions of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., hereinafter “CEQA”), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 et seq., hereinafter CEQA “Guidelines”), and Chapter 31 of the San Francisco Administrative Code, (hereinafter “Chapter 31”) the Planning Department (“Department”) received an Environmental Evaluation Application form for the Project, in order that it might conduct an initial evaluation to determine whether the Project might have a significant impact on the environment.

The Planning Department determined that an Environmental Impact Report (hereinafter “EIR”) was required, and provided public notice of that determination and of a public scoping meeting by publication in a newspaper of general circulation on August 2, 2007. Notices of preparation of an EIR and of the public scoping meeting were posted near the project site by Department staff, mailed to the Department’s list of persons requesting such notice, posted in the Department offices and website, and distributed all in accordance with law.

On August 2, 2007, Notice of Completion was recorded with the State Secretary of Resources via the State Clearinghouse (State Clearinghouse Number 2007082023).

On March 8, 2008, the Planning Department published the Draft Environmental Impact Report (hereinafter “DEIR”), and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning Commission public hearing on the DEIR. This notice was mailed to residents in the Project Area within either a 300-foot radius of the Project Area or within the Zip Codes 94107 or 94110, the Planning Department’s list of

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persons/organizations requesting such notice, and to government agencies, to the latter both directly and through the State Clearinghouse.

On March 8, 2008, notices of availability of the DEIR and of the date and time of the public hearing were posted at approximately 10 locations in and around the Project Area, and the DEIR was posted on the Planning Department’s website.

On March 8, 2008, copies of the DEIR were mailed or otherwise delivered to a list of persons/organizations requesting it, and to government agencies, to the latter both directly and through the State Clearinghouse. Copies of the DEIR were also made available at the Planning Department’s information counter.

On March 8, 2008, Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse (State Clearinghouse Number 2007082023).

On April 10, 2008, the Planning Commission held a duly noticed and advertised public hearing on said DEIR, at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments on the DEIR ended on April 22, 2008.

The Planning Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 45-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in the “San Francisco General Hospital Seismic Compliance Hospital Replacement Program Comments and Responses,” published on June 4, 2008, and was distributed to the Planning Commission and to all parties who commented on the DEIR, and was available to others upon request at Department offices. The Comments and Responses document was posted on the Department website on June 4, 2008.

A Final Environmental Impact Report (hereinafter “FEIR”) has been prepared by the Planning Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses, all as required by law. Since publication of the DEIR, no new information of significance has become available that would require recirculation of the EIR under CEQA Guidelines Section 15088.5.

Project Environmental Impact Report files have been made available for public review at the Planning Department offices at 1650 Mission Street, Suite 400, and are part of the record before the Planning Commission.

On June 19, 2008, at a public hearing, the Planning Commission reviewed and considered the FEIR, and the Planning Commission hereby does find the contents of said report and the procedures through which the FEIR was prepared, publicized and reviewed, comply with the provisions of CEQA, the CEQA Guidelines and Chapter 31.

**FINDINGS**

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. The Planning Commission hereby does find that the Final Environmental Impact Report concerning File No. 2007.0603E: San Francisco General Hospital Seismic Compliance Hospital Replacement Program reflects the independent judgment and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR, and hereby does CERTIFY THE COMPLETION of said Final Environmental Impact Report in compliance with CEQA, the CEQA Guidelines, and Chapter 31.

3. The Planning Commission, in certifying the completion of said FEIR, hereby does find that the Project described in the Environmental Impact Report would have the following significant unavoidable environmental impacts that could not be mitigated to a level of non-significance:

   a) The Project would result in a significant unavoidable impact to the historical integrity of the potential SFGH District, a historical resource under CEQA. Mitigation measures identified in the EIR would reduce this impact, but would not be sufficient to reduce it to a less-than-significant level. Therefore, even with incorporation of mitigation, the Project would result in significant adverse impacts on the potential historic SFGH District.

   b) The Project would have a considerable contribute to adverse cumulative traffic conditions on the southbound U.S. Highway 101 off-ramp to Potrero Avenue and Cesar Chavez Boulevard under future (2021) cumulative conditions. There is no feasible supply-side mitigation measure for increasing capacity at this ramp. It is possible, however, to implement a demand-side mitigation measure, the Transportation Demand Management (TDM) Program Mitigation Measure, for the Project. This mitigation measure would reduce the Project's cumulative traffic impact, but would not be sufficient to reduce it to a less-than-significant level. Therefore, even with incorporation of mitigation, the Project would contribute to significant unavoidable cumulative adverse impacts at the southbound U.S. Highway 101 off-ramp to Potrero Avenue and Cesar Chavez Boulevard.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission on June 19, 2008.

Linda Avery
Commission Secretary

AYES: Commissioners Lee, Sugaya, Moore, Antonini, Miguel, and Olague

NAYS: None

ABSENT: None

ACTION: Certification of Final EIR

ADOPTED: June 19, 2008
ADOPTING ENVIRONMENTAL FINDINGS (AND A STATEMENT OF OVERRIDING CONSIDERATIONS) UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND STATE GUIDELINES IN CONNECTION WITH A FINDING OF GENERAL PLAN CONSISTENCY RELATED TO THE SAN FRANCISCO GENERAL HOSPITAL SEISMIC COMPLIANCE, HOSPITAL REPLACEMENT PROGRAM AND RELATED ACTIONS NECESSARY TO IMPLEMENT THE PROJECT. THE PROJECT SITE IS LOCATED ON THE SAN FRANCISCO GENERAL HOSPITAL CAMPUS, FACING POTRERO AVENUE BETWEEN 22ND STREET AND 23RD STREET IN SAN FRANCISCO.

Whereas, the Planning Department has undertaken a planning and environmental review process for the proposed San Francisco General Hospital Seismic Compliance, Hospital Replacement Program ("Project") and provided for appropriate public hearings before the Planning Commission.

Whereas, the San Francisco General Hospital ("SFGH") Seismic Compliance, Hospital Replacement Program proposes to construct a new acute care hospital building at the SFGH Campus to provide for a seismically safe acute care hospital structure in compliance with Senate Bill 1953 and successor legislation.

Whereas, the Project approval actions listed in Attachment A ("Actions") are part of a series of considerations in connection with the adoption of the San Francisco General Hospital Seismic Compliance, Hospital Replacement Program and various implementation actions, as more particularly described in Attachment A.
Whereas, the Planning Department determined that an Environmental Impact Report ("EIR") was required for the proposed San Francisco General Hospital Seismic Compliance, Hospital Replacement Program, and provided public notice of that determination by publication in a newspaper of general circulation on August 2, 2007.

Whereas, the Planning Department held a public scoping meeting on August 28, 2007, to receive public input and testimony regarding the Environmental Review of the proposed project;

Whereas, the Planning Department on March 8, 2008, published the Draft Environmental Impact Report ("Draft EIR"). The Draft EIR was circulated for public review in accordance with the California Environmental Quality Act, California Public Resources Code section 21000 et seq, ("CEQA Guidelines"), and Chapter 31 of the San Francisco Administrative Code ("Chapter 31"). The Planning Commission held a public hearing on the Draft EIR on April 10, 2008 and received comments and questions through April 22, 2008;

Whereas, the Planning Department prepared responses to comments on the Draft EIR and published the Comments and Responses document on June 4, 2008, which together with the Draft EIR and additional information that became available, constitute the Final Environmental Impact Report ("Final EIR");

Whereas, the Planning Commission, on June 19, 2008, by Motion No. 17623 reviewed and considered the Final EIR and found that the contents of said report and the procedures through which the Final EIR was prepared, publicized, and reviewed complied with the provisions of CEQA, the CEQA Guidelines, and Chapter 31.

Whereas, the Planning Commission by Motion No. 17623 found that the Final EIR was adequate, accurate, and objective, reflected the independent judgment of the Planning Commission and that the Comments and Responses document contains no significant revisions to the Draft EIR, and adopted findings of significant impacts associated with the Project and certified the completion of the Final EIR for the Project in compliance with CEQA and the CEQA Guidelines;

Whereas, the Planning Department prepared proposed Findings, as required by CEQA, regarding the alternatives, mitigation measures, and significant environmental impacts analyzed in the Final EIR and overriding considerations for approving the Project, including all the Actions listed in Attachment A hereto, and a proposed mitigation monitoring and reporting program, attached as Exhibit 1 to Attachment A, which material was made available to the public and this Planning Commission for the Planning Commission’s review, considerations and actions; now,
THEREFORE BE IT RESOLVED, that the Planning Commission certified the Final EIR as adequate, accurate, and objective, and reflecting the independent judgment of the Planning Commission in Motion No. 17623.

AND BE IT FURTHER RESOLVED, that the Planning Commission has reviewed and considered the Final EIR and hereby adopts the Project Findings attached hereto as Attachment A including a statement of overriding considerations, and including as Exhibit 1 the Mitigation Monitoring and Reporting Program.

AND BE IT FURTHER RESOLVED, That the Planning Commission finds, based on substantial evidence in light of the whole record, that: (1) approval of the actions before it related to implementation of the Project will not require important revisions to the Final EIR as there are no new significant environmental effects or substantial increases in the severity of previously identified significant effects; (2) no new information of substantial importance to the Project has become available that would indicate (a) the Project or the approval actions will have significant effects not discussed in the Final EIR, (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives that are considerably different from those in the Final EIR would substantially reduce one or more significant effects on the environment.

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of June 19, 2008.

[Signature]
Commission Secretary

AYES: Commissioners Lee, Sugaya, Moore, Antonini, Miguel, and Olague

NAYS: None

ABSENT: None

ADOPTED: June 19, 2008
ADOPTING A RESOLUTION FINDING THE SAN FRANCISCO GENERAL HOSPITAL SEISMIC COMPLIANCE REPLACEMENT PROJECT IN CONFORMITY WITH THE GENERAL PLAN. THE PROPOSED NEW HOSPITAL IS APPROXIMATELY 422,000 SQUARE FEET IN SIZE AND 124 FEET IN HEIGHT, AS MEASURED FROM POTRERO AVENUE. THE PROPERTY IS IN A P (PUBLIC) DISTRICT AND 105-E HEIGHT AND BULK DISTRICT.

PREAMBLE

Whereas, on May 14, 2008, Mitchell Katz, MD, Director of Public Health (hereinafter “Project Sponsor”) on behalf of the San Francisco Health Department, (hereinafter “Property Owner”) made an application for a General Plan Referral for construction of a new acute-care hospital at 1001 Potrero Avenue, on Lot 1 in Assessor’s Block 4154; and

Whereas, on June 19, 2008, the San Francisco Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting on General Plan Application No. 2007.0603R at which the Commission reviewed and discussed the findings prepared for its review; and

Whereas, in consideration of environmental effects of the proposed replacement project, the Commission, prior to considering action on consistency findings of the proposed replacement project, determined that on June 19, 2008 under Planning Case 2007.0603E, the Commission, by Motion No. 17623 certified the Final Environmental Impact Report (“FEIR”) for the San Francisco General Hospital Seismic Compliance Hospital Replacement Program as complete and in compliance with the California Environmental Quality Act (“CEQA”) and the State of California CEQA Guidelines; and

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Whereas, the Commission has reviewed and considered the information contained in the
FEIR; and

Whereas, the Commission, by Motion No. 17624 approved on June 19, 2008, adopted findings
pursuant to the California Environmental Quality Act ("CEQA") related to this proposed
replacement project; and

Whereas, the Commission has heard and considered the testimony presented to it at the
public hearing and has further considered written materials and oral testimony presented on behalf
of the applicant, Department staff, and other interested parties; and

Whereas, the General Plan Referral application and all pertinent documents may be found in
the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San
Francisco; and

Whereas, the Commission has reviewed the analysis of the proposed new hospital's
consistency to the General Plan; and

MOVED, that the Commission hereby adopts findings that the proposed San Francisco
General Hospital Replacement Project is, on balance, consistent with the General Plan of the City and
County of San Francisco and is consistent with the eight Priority Policies in City Planning Code
Section 101.1, attached hereto and incorporated herein by reference thereto, based on the following
findings.

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and
arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.

2. Site Description and Present Use. The site is generally bounded on the north by 20th Street,
on the south by 23rd and 24th Streets, on the west by Potrero Avenue, and on the east by
Vermont Street and US-101. Since 1854, the site has been used for San Francisco General
Hospital (hereinafter "SFGH"), formerly known as San Francisco County Hospital. SFGH is
a general acute care hospital within the Community Health Network, which is owned and
operated by the City's Department of Public Health. SFGH is also the only hospital in the
City to operate a Level 1 Trauma Center; it serves the 1.5 million residents of San Francisco
and northern San Mateo.

3. Surrounding Properties and Neighborhood. West and east of the site are the predominantly
residential districts of the Mission and Potrero Hill, respectively. Both areas include two and
three-family house districts (RH-2 and RH-3), low-density mixed residential districts (RM-1),
along with scattered nonconforming commercial uses. It should be noted that the Potrero
Hill neighborhood is distanced from the SFGH campus by the 200-foot-plus-wide US-101 right of way and elevated freeway. The only vehicular connection between SFGH and Potrero Hill is an overpass at 23rd Street, while pedestrian bridges exist near 22nd and 23rd Streets. The 'hospital curve' segment of US-101 and associated landscape buffers are immediately adjacent to the site's northern tip. The southern tip of the site is the eastern terminus of the 24th Street-Mission Neighborhood Commercial District, which provides neighborhood-serving and city-serving goods and services.

4. Project Description. This application is to determine whether the proposed replacement project is in conformity with the General Plan. The Department of Public Health is seeking a General Plan Referral at this time in support of a bond ordinance introduced at the Board of Supervisors on May 13, 2008 and now pending at the Board of Supervisors, that would authorize submittal to the voters of a proposition to incur bonded debt for construction of the hospital replacement project. The Department of Public Health is not seeking the Planning Commission's approval of the project construction at this time. The approval of the replacement project requires a Conditional Use authorization. That will occur at a later time, likely in the Fall of 2008.

The replacement project as described in the EIR is to construct a new acute care hospital in the west lawn area along Potrero Avenue. The proposed hospital, part of which would be below grade, would comprise a total of 9 stories, and would consist of a generally circular tower above a rectangular podium. Once completed, all acute care services in the existing hospital would be relocated to the new hospital; vacated space in the old hospital would be backfilled by non-acute care purpose functions, such as clinical and office spaces. Construction of the replacement project would begin in the summer of 2011 and occupancy would commence in 2015.

Environmental Review. Major Environmental Analysis has determined that an EIR is required for the hospital replacement project. The Commission's June 19th agenda includes a hearing on the certification of the EIR for SFGH's proposed replacement project. The EIR identifies bond financing approval as one of the approval actions required for project implementation. The General Plan Referral is requested in support of the bond financing ordinance and, therefore, is an approval action under CEQA. Also on the Commission's June 19th agenda is the approval of CEQA Findings, including adoption of a statement of overriding considerations and a mitigation monitoring and reporting program.

5. Administrative Code Compliance. Section 4.105 of the Charter and Section2A.53 of the Administrative Code of the City and County of San Francisco mandate that the Planning Department provide reports regarding the conformity with the General Plan for vacation, sale, or change in use or title of public property, and construction or demolition of public buildings or structures and for long-term financing proposals such as general obligation bonds. In most instances, General Plan Referrals are handled administratively by the Planning Department. However, some Referrals may be heard by the Planning Commission. This is required for proposals inconsistent with the General Plan, or proposals generating
public controversy, or for complex proposals. While the SFGH replacement project is not considered to be inconsistent with the General Plan, a public hearing was recommended by the Planning Department because the certification of the EIR for the project is before the Planning Commission.

6. Senate Bill (SB) 1953. In 1994, the California legislature passed Senate Bill 1953 (SB 1953) to require that all California hospitals be able to remain “life safe” following a major seismic event. SB 1953 is an amendment to the Alfred E. Alquist Hospital Seismic Safety Act of 1983 and the Hospital Facilities Seismic Safety Act (HFSSA) of 1973. SB 1953 was passed in response to the 1994 Northridge earthquake and extended the seismic requirement mandate of the earlier legislation to require that all California hospitals be able to survive an earthquake and remain operational in the aftermath of a seismic event. Under SB 1953, any California general acute care hospital at risk of collapsing during a strong earthquake has the following three options:

(1) **Retrofit.** SB 1953 required hospitals to evaluate and rate their hospital buildings for seismic performance and to submit these ratings to the Office of Statewide Health Planning and Development (OSHPD). These structural performance category (SPC) ratings range from 1 to 5, 1 being the worst seismic rating and 5 being the best seismic rating. Facilities that pose a significant risk of collapse and a danger to the public after a strong earthquake must be retrofitted by 2008. Facilities which are retrofitted would generally need to be upgraded again, to even more stringent standards (at least a SPC-3), prior to 2030; or

(2) **Rebuild.** A hospital that is considered a collapse hazard may elect to build a new facility in compliance with the strictest standards of SB 1953, which would extend the 2008 deadline by five years to 2013. Due to market factors and delays facing hospitals statewide, Senate Bill 1661 (SB 1661) was enacted to extend the retrofit deadlines by another two years to 2015; or

(3) **Close.** A hospital not meeting the seismic provisions set forth in SB 1953 must cease to operate as an acute care facility.

SFCH is rated an SPC-1 facility, the worse rating, and has elected to build a new acute care hospital on campus to comply with SB 1953.

7. **General Plan Compliance.** The proposed replacement project is, on balance, consistent with the following Objectives and Policies of the General Plan:

**L. AIR QUALITY ELEMENT**
The AIR QUALITY ELEMENT OF THE GENERAL PLAN SUPPORTS THE GOAL OF CLEAN AIR THROUGH AIR QUALITY REGULATIONS AND POLICIES ENCOURAGING THE LOCATION OF LAND USES ADJACENT TO TRANSIT SERVICES.
GOAL
GIVE HIGH PRIORITY TO AIR QUALITY IMPROVEMENT IN SAN FRANCISCO TO
PROTECT ITS POPULATION FROM ADVERSE HEALTH AND OTHER IMPACTS OF AIR
POLLUTANTS.

OBJECTIVE 3
DECREASE THE AIR QUALITY IMPACTS OF DEVELOPMENT BY COORDINATION OF
LAND USE AND TRANSPORTATION DECISIONS.

POLICY 3.7
Exercise air quality modeling in building design for sensitive land uses such as residential
developments that are located near the sources of pollution such as freeways and industries.

POLICY 3.9
Encourage and require planting of trees in conjunction with new development to enhance
pedestrian environment and select species of trees that optimize achievement of air quality
goals.

OBJECTIVE 4
IMPROVE AIR QUALITY BY INCREASING PUBLIC AWARENESS REGARDING THE
NEGATIVE HEALTH EFFECTS OF POLLUTANTS GENERATED BY STATIONARY AND
MOBILE SOURCES.

POLICY 4.3
Minimize exposure of San Francisco’s population, especially children and the elderly, to air
pollutants.

OBJECTIVE 5
MINIMIZE PARTICULATE MATTER EMISSIONS FROM ROAD AND CONSTRUCTION
SITES.

POLICY 5.1
Continue policies to minimize particulate matter emissions during road and building
construction and demolition.

POLICY 5.2
Encourage the use of building and other construction materials and methods, which generate
minimum amounts of particulate matter during construction as well as demolition.

OBJECTIVE 6
LINK THE POSITIVE EFFECTS OF ENERGY CONSERVATION AND WASTE
MANAGEMENT TO EMISSION REDUCTIONS.
POLICY 6.1
Encourage emission reduction through energy conservation to improve air quality.

POLICY 6.2
Encourage recycling to reduce emissions from manufacturing of new materials in San Francisco and the region.

POLICY 6.3
Encourage energy conservation through retrofitting of existing facilities.

OBJECTIVE 12
ESTABLISH THE CITY AND COUNTY OF SAN FRANCISCO AS A MODEL FOR ENERGY MANAGEMENT.

POLICY 12.1
Incorporate energy management practices into building, facility, and fleet maintenance and operations.

POLICY 12.3
Investigate and implement techniques to reduce municipal energy requirements.

The development of the proposed acute-care facility on the existing SFGH campus which is already served by transit and is located along a transit corridor, represents an efficient location of the new land use and development on the campus would reduce the number of personal vehicle trips and related vehicle emissions when compared with other locations that are less well served. While the new acute-care facility would locate sensitive land uses near U.S. Highway 101, which is a source of air pollution, DPH has determined that the mechanical ventilation system required by State standards for hospital design would assure interior air quality is safe for sensitive hospital receptors. The proposed replacement project would also include the planting of trees and landscaping, which could help off-set potential air quality effects and would have a beneficial effect on air quality.

II. ARTS ELEMENT
THE ARTS ELEMENT OF THE GENERAL PLAN RECOGNIZES THE ARTS AS A MAJOR ECONOMIC FORCE IN SAN FRANCISCO, INTEGRAL TO THE HEALTH AND VITALITY OF THE CITY.

GOAL
SUPPORT AND NURTURE THE ARTS THROUGH CITY LEADERSHIP.

OBJECTIVE I-3
MAINTAIN AND STRENGTHEN THE ARTS COMMISSION SO THAT IT CAN BETTER SERVE THE PUBLIC AND CITY GOVERNMENT THROUGH ARTS POLICY COORDINATION, PLANNING AND PROGRAMMING.
POLICY I-3.3
Strive for the highest standards of design of public buildings and grounds and structures placed in the public right of way.

While the proposed replacement project would not directly relate to the arts, it would involve development of a publicly-owned building and therefore, be subject to high expectations for design. The new hospital would be owned and operated by the DPH and would be subject to the review of the Arts Commission during the project approval process. In addition to the various reviews of the project design by the Planning Department, the Arts Commission review would help ensure that the proposed replacement project is consistent with the Arts Element of the General Plan.

III. COMMERCE AND INDUSTRY ELEMENT
THE COMMERCE AND INDUSTRY ELEMENT OF THE GENERAL PLAN SETS FORTH OBJECTIVES AND POLICIES THAT ADDRESS THE BROAD RANGE OF ECONOMIC ACTIVITIES, FACILITIES, AND SUPPORT SYSTEMS THAT CONSTITUTE SAN FRANCISCO'S EMPLOYMENT AND SERVICE BASE.

GOALS
THE THREE GOALS OF THE COMMERCE AND INDUSTRY ELEMENT OF THE GENERAL PLAN RELATE TO CONTINUED ECONOMIC VITALITY, SOCIAL EQUITY, AND ENVIRONMENTAL QUALITY.

OBJECTIVE 1
MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

POLICY 1.1
Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

OBJECTIVE 7
ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL AND REGIONAL CENTER FOR GOVERNMENTAL, HEALTH, AND EDUCATIONAL SERVICES.

POLICY 7.2
Encourage the extension of needed health and educational services, but manage expansion to avoid or minimize disruption of adjacent residential uses.

POLICY 7.3
Promote the provision of adequate health and educational services to all geographical districts and cultural groups in the City.
SFGH is the only Level I Trauma Center and provides the only Psychiatric Emergency Service in San Francisco. As a Level I Trauma Center, SFGH offers a full range of specialists and equipment available 24 hours a day and admits a high volume of severely injured patients. SFGH also provides health care services to the most vulnerable populations in San Francisco, including the uninsured, homeless, children, elderly, low-income, and racial and ethnic minorities. SFGH is one of the two acute-care hospitals serving the southeast section of San Francisco; the other is Saint Luke’s Hospital, located at 3555 Cesar Chavez Street, which also serves the southeast quadrant of the City. Saint Luke’s Hospital is one of California Pacific Medical Center’s four medical campuses.

The proposed replacement project will allow SFGH to continue to provide services to local residents (48 percent of the patients treated at the SFGH reside in the area), and to serve as a safety net for the uninsured (less than 2 percent of SFGH’s patients have commercial insurance coverage) and the homeless population. Approximately 85 percent of SFGH’s patient population either receives health care services subsidized by government programs such as Medicare or MediCal or are uninsured.

SFGH proposes to build a new acute-care facility on the west lawn area along Potrero Avenue with minimal disruption to the community and existing hospital operations. Once completed, the acute-care functions will relocate from the existing main hospital building leaving the vacated space for non-acute care activities.

IV. COMMUNITY FACILITIES ELEMENT
THE COMMUNITY FACILITIES ELEMENT OF THE GENERAL PLAN ESTABLISHES POLICIES RELATED TO COMMUNITY FACILITIES, EDUCATION, POLICE, FIRE, AND WASTE MANAGEMENT AND GOVERN THEIR LOCATION, DISTRIBUTION AND DESIGN.

GOAL
THE GOALS OF THE PUBLIC HEALTH PROGRAM ARE TO CREATE AND MAINTAIN A HEALTHY ENVIRONMENT IN WHICH PEOPLE MAY LIVE AND WORK, TO HELP EACH INDIVIDUAL IN A COMMUNITY REACH AND SUSTAIN HIS MAXIMUM CAPACITY FOR HEALTH, AND TO PROMOTE PHYSICAL AND MENTAL EFFICIENCY THROUGH ORGANIZED COMMUNITY EFFORT. IN A CITY SUCH AS SAN FRANCISCO, DISTRICT HEALTH CENTERS PROPERLY LOCATED TO SUIT THE PUBLIC NEED AND CONVENIENCE, ARE IMPORTANT IN ACHIEVING THESE GOALS.

OBJECTIVE 7
DISTRIBUTION THROUGHOUT THE CITY OF DISTRICT PUBLIC HEALTH CENTERS TO MAKE THE EDUCATIONAL AND PREVENTIVE SERVICES OF THE DEPARTMENT OF PUBLIC HEALTH CONVENIENT TO THE PEOPLE, THEREBY HELPING TO ACHIEVE THE GOALS OF THE PUBLIC HEALTH PROGRAM IN SAN FRANCISCO.

OBJECTIVE 9
ASSURE THAT INSTITUTIONAL USES ARE LOCATED IN A MANNER THAT WILL ENHANCE THEIR EFFICIENT AND EFFECTIVE USE.
POLICY 9.1
Locate institutional uses according to the Institutional Facilities Plan.

The proposed replacement project would make the services of the DPH convenient to the people and would help support the goals of the public health program in San Francisco by ensuring the continued provision of acute-care services at the SFGH campus.

V. COMMUNITY SAFETY ELEMENT
THE COMMUNITY SAFETY ELEMENT PROVIDES POLICIES TO ENSURE THAT THE COMMUNITY IS RESILIENT TO NATURAL DISASTERS.

GOAL
IT IS THE GOAL OF THE CITY AND COUNTY OF SAN FRANCISCO TO THE EXTENT FEASIBLE, TO AVOID THE LOSS OF LIFE AND PROPERTY AS A RESULT NATURAL AND TECHNOLOGICAL DISASTERS, TO REDUCE THE SOCIAL, CULTURAL AND ECONOMIC DISLOCATIONS OF DISASTERS, AND TO ASSIST AND ENCOURAGE THE RAPID RECOVERY FROM DISASTERS.

OBJECTIVE 2
REDUCE STRUCTURAL AND NON-STRUCTURAL HAZARDS TO LIFE SAFETY, MINIMIZE PROPERTY DAMAGE AND RESULTING SOCIAL, CULTURAL AND ECONOMIC DISLOCATIONS RESULTING FROM FUTURE DISASTERS.

POLICY 2.1
Assure that new construction meets current structural and life safety standards.

SFGH proposes to construct a seismically compliant hospital that would meet State standards for acute care facilities and would reduce the hazards to acute care patients that exist now with the present hospital.

VI. ENVIRONMENTAL PROTECTION ELEMENT
THE ENVIRONMENTAL PROTECTION ELEMENT ADDRESSES THE IMPACT OF URBANIZATION INCLUDING THE USE OF OIL AND GAS RESOURCES AND HAZARDOUS WASTE ON THE NATURAL ENVIRONMENT.

GOAL
MINIMIZE THE CONSUMPTION OF RESOURCES, PRODUCTION OF HAZARDOUS WASTES, AND TRANSPORTATION NOISE AND ENERGY USE.

OBJECTIVE 4
ASSURE THAT THE AMBIENT AIR OF SAN FRANCISCO AND THE BAY REGION IS CLEAN, PROVIDES MAXIMUM VISIBILITY, AND MEETS AIR QUALITY STANDARDS.
POLICY 4.1
Support and comply with objectives, policies, and air quality standards of the Bay Area Air Quality Management District.

OBJECTIVE 10
MINIMIZE THE IMPACT OF NOISE ON AFFECTED AREAS.

POLICY 10.1
Promote site planning, building orientation and design, and interior layout that will lessen noise intrusion.

POLICY 10.2
Promote the incorporation of noise insulation materials in new construction.

OBJECTIVE 11
PROMOTE LAND USES THAT ARE COMPATIBLE WITH VARIOUS TRANSPORTATION NOISE LEVELS.

POLICY 11.1
Discourage new uses in areas in which the noise level exceeds the noise compatibility guidelines for that use.

POLICY 11.3
Locate new noise-generating development so that the noise impact is reduced.

OBJECTIVE 12
ESTABLISH THE CITY AND COUNTY OF SAN FRANCISCO AS A MODEL FOR ENERGY MANAGEMENT.

POLICY 12.1
Incorporate energy management practices into building, facility, and fleet maintenance and operations.

The proposed hospital building would comply with the City's Green Building Ordinance and is required to achieve a LEED Silver rating. Energy management practices would be integrated into the building design to help achieve this rating. The proposed replacement project would also comply with the standards of the Bay Area Quality District and the transportation noise policies as described in the EIR by incorporating mitigation measures into the project construction and design to control construction dust and to protect sensitive receptors from noise sources.

VII. HOUSING ELEMENT
THE HOUSING ELEMENT OF THE GENERAL PLAN PROVIDES POLICIES THAT PROMOTE AND DIRECT THE DEVELOPMENT OF HOUSING IN APPROPRIATE LOCATIONS IN A MANNER THAT ENHANCES EXISTING NEIGHBORHOOD CHARACTER
OBJECTIVE 11
IN INCREASING THE SUPPLY OF HOUSING, PURSUE PLACE MAKING AND NEIGHBORHOOD BUILDING PRINCIPLES AND PRACTICES TO MAINTAIN SAN FRANCISCO’S DESIRABLE URBAN FABRIC AND ENHANCE LIVABILITY IN ALL NEIGHBORHOODS.

POLICY 11.4
Avoid or minimize disruption caused by expansion of institutions, large-scale uses and auto-oriented development into residential areas.

While housing is not part of the proposed replacement project, this policy requires that institutional expansion avoid disrupting residential areas. The proposed replacement project would not expand into the surrounding residential area, as the proposed hospital site is located on the existing SFGH campus.

VIII. RECREATION AND OPEN SPACE ELEMENT
THE RECREATION AND OPEN SPACE ELEMENT OF THE GENERAL PLAN IS COMPOSED OF SEVERAL SECTIONS, EACH DEALING WITH A CERTAIN ASPECT OF THE CITY’S RECREATION AND OPEN SPACE SYSTEM.

OBJECTIVE 2
DEVELOP AND MAINTAIN A DIVERSIFIED AND BALANCED CITYWIDE SYSTEM OF HIGH QUALITY PUBLIC OPEN SPACE.

POLICY 2.2
Preserve existing public open space.

While the west lawn area is technically not considered to be public open space owned and managed by the San Francisco Recreation and Park Department, it is considered to be open space from both a visual and physical standpoint. The proposed new hospital would be located on the largest single open space area on the SFGH campus, approximately 45,000 square feet in size. While development of the proposed replacement project would result in the loss of the west lawn, the replacement project would provide new landscaped areas adjacent to the new hospital as well as create a publicly accessible rooftop garden. The Department of Public Health has gone through an eight-year planning effort to determine the best option to comply with the State’s seismic safety requirements for hospitals. For the reasons set forth in the EIR and CEQA Findings, construction of a new hospital of the west lawn area is the most viable option.

IX. TRANSPORTATION ELEMENT
THE TRANSPORTATION ELEMENT OF THE GENERAL PLAN PROVIDES POLICIES AND OBJECTIVES RELATED TO TRANSPORTATION, CONGESTION MANAGEMENT, CIRCULATION, TRANSIT, ALTERNATIVE MODES OF TRANSIT (BICYCLES AND WALKING), PARKING AND MOVEMENT OF GOODS.
OBJECTIVE 10
DEVELOP AND EMPLOY METHODS OF MEASURING THE PERFORMANCE OF THE CITY'S TRANSPORTATION SYSTEM THAT RESPOND TO ITS MULTI-MODAL NATURE.

POLICY 10.4
Consider the transportation system performance measurements in all decisions for projects that affect the transportation system.

OBJECTIVE 12
DEVELOP AND IMPLEMENT PROGRAMS IN THE PUBLIC AND PRIVATE SECTORS, WHICH WILL SUPPORT CONGESTION MANAGEMENT AND AIR QUALITY OBJECTIVES, MAINTAIN MOBILITY AND ENHANCE BUSINESS VITALITY AT MINIMUM COST.

POLICY 12.1
Develop and implement strategies which provide incentives for individuals to use public transit, ridesharing, bicycling and walking to the best advantage, thereby reducing the number of single occupant auto trips.

POLICY 12.3
Implement private and public sector Transportation Demand Management programs which support each other and explore opportunities for private-public responsibility in program implementation.

POLICY 12.7
Promote coordination between providers of transportation management services, where possible, to enhance the quality of individual programs.

OBJECTIVE 16
DEVELOP AND IMPLEMENT PROGRAMS THAT WILL EFFICIENTLY MANAGE THE SUPPLY OF PARKING AT EMPLOYMENT CENTERS THROUGHOUT THE CITY SO AS TO DISCOURAGE SINGLE-OCCUPANT RIDERSHIP AND ENCOURAGE RIDE-SHARING, TRANSIT AND OTHER ALTERNATIVES TO THE SINGLE-OCCUPANT AUTOMOBILE.

POLICY 16.1
Reduce parking demand through the provision of comprehensive information that encourages the use of alternative modes of transportation.

POLICY 16.2
Reduce parking demand where parking is subsidized by employers with "cash-out" programs in which the equivalency of the cost of subsidized parking is offered to those employees who do not use the parking facilities.
POLICY 16.3
Reduce parking demand through the provision of incentives for the use of carpools and vanpools at new and existing parking facilities throughout the City.

POLICY 16.4
Manage parking demand through appropriate pricing policies including the use of premium rates near employment centers well-served by transit, walking and bicycling, and progressive rate structures to encourage turnover and the efficient use of parking.

POLICY 16.5
Reduce parking demand through limiting the absolute amount of spaces and prioritizing the spaces for short-term and ride-share uses.

POLICY 16.6
 Encourage alternatives to the private automobile by locating public transit access and ride-share vehicle and bicycle parking at more close-in and convenient locations on-site, and by locating parking facilities for single-occupant vehicles more remotely.

OBJECTIVE 24
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

POLICY 24.1
Preserve existing historic features such as streetlights and encourage the incorporation of such historic elements in all future streetscape projects.

POLICY 24.2
Maintain and expand the planting of street trees and the infrastructure to support them.

OBJECTIVE 26
CONSIDER THE SIDEWALK AREA AS AN IMPORTANT ELEMENT IN THE CITYWIDE OPEN SPACE SYSTEM.

OBJECTIVE 28
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

POLICY 28.2
Provide secure bicycle parking at existing city buildings and facilities and encourage it in existing commercial and residential buildings.

OBJECTIVE 31
ESTABLISH PARKING RATES AND OFF-STREET PARKING FARE STRUCTURES TO REFLECT THE FULL COSTS, MONETARY AND ENVIRONMENTAL, OF PARKING IN THE CITY.
POLICY 31.1
Set rates to encourage short-term over long-term automobile parking.

POLICY 31.2
Where off-street parking near institutions and in commercial areas outside downtown is in short supply, set parking rates to encourage higher turnover and more efficient use of the parking supply.

POLICY 31.3
Encourage equity between drivers and non-drivers by offering transit fare validations and/or cash-out parking programs where off-street parking is validated or subsidized.

OBJECTIVE 33
CONTAIN AND LESSEN THE TRAFFIC AND PARKING IMPACT OF INSTITUTIONS ON SURROUNDING RESIDENTIAL AREAS.

POLICY 33.1
Limit the provision of long-term automobile parking facilities at institutions and encourage such institutions to regulate existing facilities to assure use by short-term clients and visitors.

POLICY 33.2
Protect residential neighborhoods from the parking impacts of nearby traffic generators.

OBJECTIVE 40
ENFORCE A PARKING AND LOADING STRATEGY FOR FREIGHT DISTRIBUTION TO REDUCE CONGESTION AFFECTING OTHER VEHICULAR TRAFFIC AND ADVERSE IMPACTS ON PEDESTRIAN CIRCULATION.

POLICY 40.1
Provide off-street facilities for freight loading and service vehicles on the site of new buildings sufficient to meet the demands generated by the intended uses. Seek opportunities to create new off-street loading facilities for existing buildings. One way to address deficiencies in freight-loading facilities for existing buildings is to make short-term parking for loading and deliveries a high priority use of adjacent curb space.

POLICY 40.5
Loading docks and freight elevators should be located conveniently and sized sufficiently to maximize the efficiency of loading and unloading activity and to discourage deliveries into lobbies or ground floor locations except at freight-loading facilities.

POLICY 40.9
Where possible, mitigate the undesirable effects of noise, vibration and emission by limiting late evening and early hour loading and unloading in retail, institutional, and industrial facilities abutting residential neighborhoods.
Although there are some trips to institutions which are appropriately made by automobile, especially for medical appointments and hospital visits, work trips would be made by transit wherever possible. As part of the long-term improvement measures to reduce the amount of traffic and parking generated to the extent possible, long-term parking of any kind would not be permitted on campus.

As part of the mitigation measure identified in the EIR, SFGH would implement a working Transportation Demand Management program. Because SFGH would not add any additional parking for the proposed replacement project, it is estimated that, by 2021, there would be a need for additional 400 parking spaces. In order to avoid parking spillover into the adjacent neighborhoods, existing single-occupant auto share (59 percent drive alone) must be reduced to 45 percent of drivers. This would require aggressive marketing and financial incentives to shift employees away from driving alone to transit, carpool, and vanpools, and would include the following elements: - information dissemination and campus-wide coordination of all services promoting transit, ridesharing and parking management, annual travel behavior survey, shuttle service to Caltrain, BART and Transbay terminal and other transportation improvement measures as outlined in the EIR.

In collaboration with SFMTA and the Sheriff’s Office (which currently enforces the parking regulations on campus and have parking ticket-writing and towing authority), SFGH would develop an overall parking arrangement and enforcement plan to ensure strict enforcement of tow-away at this location, as well as other parking enforcement including the residential parking permit zone W to ensure residents be given preference in the use of residential neighborhood on-street parking spaces.

Bicycle parking facilities would be expanded on the SFGH campus and walkways and pedestrian linkages as well as loading and service areas would be designed to be consistent with the policies of the Transportation Element. Showers for bicyclist would be required as part of the Transportation Demand Management program.

The proposed replacement project would include planting of new street trees to provide shade, create a human scale on the street, soften the edge between the building and the street, and serve as a buffer between pedestrian space and the street. Moreover, street trees are an important environmental consideration as they contribute to cleaner air.

The west lawn area along Potrero Avenue has historically functioned as the symbolic main entrance to the SFGH campus and currently functions as a pedestrian entrance. The design of the proposed hospital would be oriented towards Potrero Avenue through the introduction of architectural features at the pedestrian level and above. Architectural features along the Potrero Avenue elevation shall direct any foot traffic to continue to use the Potrero Avenue side of the campus as a primary pedestrian entry, helping to make the pedestrian environment more agreeable and safe.

As described in the EIR, the proposed replacement project would include restoration or rehabilitation of the 1915 perimeter fence of the SFGH Historic District, as well as the repair of the damaged portions of the fence to prevent further deterioration. Additionally, the proposed replacement project would restore or rehabilitate the historic light standards and flagpoles, historic landscape, trees, planting beds,
shrubs, walkways, and other landscape features along Potrero Avenue to their historic condition based upon physical or photographic evidence dating from the 1920s until 1976.

X. URBAN DESIGN
THE URBAN DESIGN ELEMENT CONCERNS THE PHYSICAL CHARACTER AND ORDER OF THE CITY, AND THE RELATIONSHIP BETWEEN PEOPLE AND THEIR ENVIRONMENT.

OBJECTIVE 1
EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.3
Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

POLICY 1.7
Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 2
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

POLICY 2.4
Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.6
Respect the character of older development nearby in the design of new buildings.

POLICY 2.7
Recognize and protect outstanding and unique areas that contribute in an extraordinary degree to San Francisco's visual form and character.

OBJECTIVE 3
MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

POLICY 3.1
Promote harmony in the visual relationships and transitions between new and older buildings.
POLICY 3.5
Relate the height of buildings to important attributes of the city pattern and to the height and character of existing development.

POLICY 3.6
Relate the bulk of buildings to the prevailing scale of development to avoid an overwhelming or dominating appearance in new construction.

OBJECTIVE 4
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY

POLICY 4.12
Install, promote and maintain landscaping in public and private areas.

POLICY 4.13
Improve pedestrian areas by providing human scale and interest.

The proposed replacement project would be generally consistent with applicable urban design policies, which are particularly relevant to the proposed new hospital building because buildings on the SFGH campus appear to be eligible for listing on the National Historic Register as a district, although they are currently not listed. The setbacks between the proposed new building and Buildings 20 and 30 would try to respect the character and design of the SFGH campus and provide continuity with elements of the older buildings.

While the proposed design exceeds the bulk limits of the 105-E zoning district, the additional bulk would allow the circular tower element of the building to be stepped back from the podium façade, thus maintaining the spacing and character of the adjacent finger wards and allowing for a design that would be more consistent with the character of the SFGH campus.

The proposed building material (brick and glass) would help to integrate the proposed new building into the existing fabric of the campus and help create a unified campus character. In addition, the proposed new building design of the podium and setting back of the circular tower would help to create a more human scale for the pedestrian area along Potrero Avenue.

Landscape on the building terrace (floors two and seven) would help soften the building façade and publicly usable open space would be provided on the seventh floor rooftop garden.

The proposed replacement project would preserve all of the existing historic buildings on campus (i.e. Building 1, 9, 10/20, 30/40, 80/90, and 100). In fact, the mitigation measure described in the EIR would include conducting a conditions assessment of historic buildings and recommending a maintenance program to ensure the continued preservation of these historic resources.
8. The proposed replacement project is consistent with the eight General Plan priority policies set forth in Section 101.1 in that:

A) The existing neighborhood-serving retail uses will be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses will be enhanced:

*The proposed replacement project would not adversely affect existing neighborhood-serving retail uses or opportunities for employment in or ownership of such businesses.*

B) The existing housing and neighborhood character will be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods:

*The proposed replacement project would have no adverse effect on existing housing and neighborhood character.*

C) The City’s supply of affordable housing will be preserved and enhanced:

*The proposed replacement project would have no adverse effect on the City’s supply of affordable housing.*

D) The commuter traffic will not impede MUNI transit service or overburden our streets or neighborhood parking:

*The proposed replacement project would, on balance not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking. As part of the mitigation measure identified in the EIR, SFGH would implement a working Transportation Demand Management program. Because SFGH would not add any additional parking for the proposed replacement project, it is estimated that, by 2021, there would be a need for additional 400 parking spaces. In order to avoid parking spillover into the adjacent neighborhoods, existing single-occupant auto share (59 percent drive alone) must be reduced to 45 percent drive. This would require aggressive marketing and financial incentives to shift employees away from driving alone to transit, carpool, and vanpools, and would include the following elements, - information dissemination and campus-wide coordination of all services promoting transit, ridesharing and parking management, annual travel behavior survey, enhanced shuttle services and other transportation improvement measures as outlined in the EIR.*

E) A diverse economic base will be maintained by protecting our industrial and service sectors from displacement due to commercial office development. And future opportunities for resident employment and ownership in these sectors will be enhanced:
The proposed replacement would not adversely affect the industrial or service sectors or future opportunities for resident employment or ownership in these sectors.

F) The City will achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed replacement project is in direct response to SB 1953 mandating that all acute-care facilities in the State of California meet established seismic requirements by 2008 or be forced to shut down. Needless to say, the proposed replacement project is designed and will be constructed to conform to the structural and seismic safety requirements of the City Building Code.

G) That landmark and historic buildings will be preserved:

The proposed replacement project would, on balance, have no adverse effect on landmark and historic buildings. The project would preserve many of the existing historic buildings on campus (i.e. Building 1, 9, 10/20, 30/40, 80/90, and 100) and the proposed building material (brick and glass) would help to integrate the proposed new building into the existing fabric of the campus and help create a unified campus character. Although the project would impact the integrity of the potential historic SFGH District, mitigation measures would assure that the SFGH District retains its historic significance.

Additionally, the mitigation measure described in the EIR would include conducting a conditions assessment and recommending a maintenance program for these structures to ensure the continued preservation of these historic resources.

H) Parks and open space and their access to sunlight and vistas will be protected from development:

The proposed replacement project would, on balance, have no adverse effect on parks or open space or their access to sunlight and vistas. The proposed replacement project would remove approximately 45,000 square feet of open space, which is part of SFGH's campus and owned by the San Francisco Public Health Department. The replacement project would provide new landscaped areas adjacent to the new hospital as well as create a publicly accessible rooftop garden. Further, the project would be required to restore perimeter fencing, and historic landscape, trees, planting beds, shrubs, walkways and other landscape features along Potrero Avenue to their historic condition, along with removing non-historic trailers and restoring and relocating historic light standards and flagpole.

9. The proposed replacement project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the proposed replacement project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
10. The Commission hereby adopts consistency findings of the San Francisco General Hospital Seismic Compliance Hospital Replacement Program with the General Plan.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on June 19, 2008.

[Signature]
Linda Avery
Commission Secretary

AYES: Commissioners Lee, Sugaya, Moore, Antonini, Miguel, and Olague

NAYS: None

ABSENT: None

ADOPTED: June 19, 2008
REBUILD PROJECT HISTORY

In 2000, the San Francisco Department of Public Health (DPH) commissioned a seismic evaluation that concluded the Main Hospital at SFGH had significant seismic deficiencies and may not be capable of providing acute care services to the public after a major seismic event. The hospital was categorized as a Structural Performance Category 1 (SPC-1). Because of state mandates requiring higher seismic safety standards for all acute care hospitals in California, the San Francisco Health Commission adopted resolution in 2001 supporting the construction of a new acute care hospital. The Commission also approved the formation of the San Francisco General Hospital Rebuild Planning Committee to plan for the new hospital.

This Committee launched a two-year, multi-phased planning process. In Phase I, a preliminary plan to build at the Emergency Department parking lot (south of the current hospital) was developed. The plan was met with concern from both the neighboring community, which raised concerns about the impacts on 23rd Street and surrounding residences, and hospital staff due to the impact on the Emergency Department and program compromises that would be necessary at that site. The Planning Committee determined that a different solution was needed.

Phase II involved the development of the Long Range Service Delivery Plan (LRSD). Working with the Lewin Group (a health care consulting firm), the Rebuild Committee began planning the kinds of programs, partnerships and configurations of programs that would best meet the future acute healthcare needs of San Francisco. Two key recommendations were developed: first, Initial discussions with UCSF to partner or co-locate SFGH and a new UCSF hospital at Mission Bay, and second, to further explore options for rebuilding at the Potrero campus.

Phase III began the Institutional Master Plan process to present strategic recommendations for the LRSD Plan. In 2003, a consultant team of Skidmore, Owings & Merrill (SOM) and Tsang Architecture were engaged to begin the master planning process. This planning effort led to programmatic projections that summarized future patient and hospital needs. Based upon these projections, multiple scenarios were reviewed that included both rebuilding at Potrero and co-location of a hospital with a planned UCSF hospital at Mission Bay.

In the summer of 2003, UCSF decided that it was not feasible to pursue the co-location option. Planning Committee members still felt strongly that even absent the co-location option, Mission Bay South should be considered as a stand-alone option for a rebuilt SFGH. In the Fall of 2003, the Committee presented two master plan concepts to the Health Commission: 1) rebuild at the Potrero campus (recommended by the consultants) or 2) rebuild at Mission Bay South (preferred by the committee).

Throughout the remainder of 2003 and 2004, the Committee explored various ideas around building on the Potrero Campus, including building an acute care tower on the site of the current M-Wing (which currently houses the majority of the ambulatory services and clinical labs) and Building 100 (which houses the dialysis clinic and some clinical labs) and constructing a hospital on the West Lawn site (the site of a former hospital building demolished in 1972). Both options involved challenges, including the tearing down of both functional and historic buildings on the

Source: Proposed $887.4 Million G.O. Bond for San Francisco General Hospital and Trauma Center Rebuild
campus, disruption to current services, and high costs. Various cost estimates, feasibility discussions, staff and community opinions were heard and discussed, with no final recommendation ever formulated.

Also at that time, UCSF's new Dean of the School of Medicine had expressed interest in reviving the discussions on co-location. DPH indicated it was open to a further exchange of ideas on this issue. Thus, in 2005, a Blue Ribbon Committee convened to study San Francisco General Hospital and Trauma Center's future location, with an emphasis on comparing the Mission Bay and Potrero campus options. In the fall of 2005, the Blue Ribbon Committee issued a report recommending rebuilding on the existing Potrero Campus instead of at the new UCSF Mission Bay Campus, for a variety of reasons, including the higher costs at Mission Bay and the difficulty of site acquisition.

That Committee also reevaluated previous Rebuild Committee work regarding the options for locating the new hospital at the Potrero campus, thus focusing the City back on locating a feasible site there. Because of the conclusions regarding the undesirability of demolishing functioning buildings, SFGH decided to focus on the feasibility of building in the space west of the existing hospital, between buildings 20 and 30. At the same time, Mayor Newsom proposed, and the Board approved, $25 million in planning funds for the project. This significant up-front funding led first to a September 2006 feasibility study that determined that a compliant hospital could be built on the west lawn without affecting the historic buildings that front Potrero Avenue. Following that feasibility study and a finding by the Board of Supervisors that the project was Fiscally Feasible (as required under Chapter 29 of the Administrative Code), general consensus was reached that the West Lawn site was the final site for the project. Shortly thereafter, project managers were hired to initiate the EIR and planning process as well as design and other work resulting in this bond proposal.

PROJECT DESCRIPTION

Description of Concept Design

The new Acute Care Hospital Building will be comprised of two main forms – a rectangular diagnostic and treatment podium on the lower floors and interlocking circular forms that comprise the patient bed tower. The form of the patient bed tower directly corresponds to the operational organization of the various nursing units to provide centralized observation, support and control. In addition to these main forms, a rectangular vertical mass that culminates at the penthouse joins the two circles together and ties the forms together with the podium level. This element also houses all the vertical components of the elevators and utility systems.

The exterior façade of the building will be a combination of brick cladding, glass curtain wall and built-up sunshade elements. The materials will connect the building to the surrounding building context while expressing the modernity of the SFGH & Hospital Rebuild Project.
### Overall Space Program Area

<table>
<thead>
<tr>
<th>Comparison of beds with the existing hospital &amp; proposed new facility</th>
<th>Existing Beds(^1)</th>
<th>New Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICU beds</td>
<td>30</td>
<td>38</td>
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<tr>
<td>Step-Up Beds (Flex up to ICU)</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Step-Up Beds (Flex down to Med/Surg)</td>
<td>24</td>
<td>28</td>
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<tr>
<td>Medical/Surgical Beds</td>
<td>158</td>
<td>148</td>
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<tr>
<td>Medical Surgical Forensic Beds</td>
<td>10</td>
<td>4</td>
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<tr>
<td>LDRP Beds</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Postpartum Beds</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Pediatrics Beds/swing Beds</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>NICU Bassinets</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total Acute Care Beds</strong></td>
<td><strong>252</strong></td>
<td><strong>284</strong></td>
</tr>
</tbody>
</table>

\(^1\)Existing bed counts refer to the number of beds in the existing Hospital-Building 5

**Source:** Proposed $887.4 Million G.O. Bond for San Francisco General Hospital and Trauma Center Rebuild
City and County of San Francisco  
Proposed General Obligation Bonds  
San Francisco General Hospital  
*Estimated Sources and Uses*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Par Amount</td>
<td>$83,710,000</td>
<td>$203,165,000</td>
<td>$225,745,000</td>
<td>$210,990,000</td>
<td>$163,600,000</td>
<td>$887,400,000</td>
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<td>Project Fund Deposit</td>
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<td>$210,990,000</td>
<td>$163,600,000</td>
<td>$887,400,000</td>
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* Figures are estimates only and are subject to change due to market conditions.*
City and County of San Francisco  
Proposed General Obligation Bonds  
San Francisco General Hospital  
*Estimated Sources and Uses

<table>
<thead>
<tr>
<th>Estimated Sources</th>
<th>Combined Total - 5 Planned Sales</th>
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<tr>
<td>Par Amount</td>
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<table>
<thead>
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<td>Underwriters Discount</td>
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<td>GOBOC</td>
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<td>Total</td>
<td>$ 887,400,000</td>
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*Figures are estimates only and are subject to change due to market conditions.
<table>
<thead>
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<th></th>
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<tr>
<td>Date</td>
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<td>Interest</td>
<td>Debt Service</td>
<td>Principal</td>
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Total: $42,750,000 $ 40,632,430 $ 144,632,530 $ 201,100,000 $ 144,042,952 $ 299,925,902 $ 228,748,704 $ 195,979,467 $ 234,053,692 $ 270,390,005 $ 115,123,945 $ 341,513,890 $ 293,956,029 $ 312,212,056 $ 272,627,327

* Figures are estimates only and are subject to change due to market conditions.
## Combined Debt Service - 5 Planned Sales

<table>
<thead>
<tr>
<th>Date</th>
<th>Principal</th>
<th>Interest</th>
<th>Debt Service</th>
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<tr>
<td>6/15/2009</td>
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<td>6/15/2014</td>
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<tr>
<td>6/15/2015</td>
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<td>6/15/2016</td>
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<td>6/15/2019</td>
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<td>6/15/2025</td>
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<td>6/15/2026</td>
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<td>6/15/2032</td>
<td>$13,670,000</td>
<td>$820,200</td>
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**Total**

$887,400,000  
$639,827,100  
$1,527,227,100

*Figures are estimates only and are subject to change due to market conditions.*
City and County of San Francisco
Proposed General Obligation Bonds
San Francisco General Hospital
* Estimated Debt Capacity

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Net Assessed value (Fiscal year 2007-08)</td>
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<td>Bond Debt Limit</td>
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<td>Bonding Capacity</td>
<td>$3,900,134,356</td>
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<td>Outstanding GO Bonds at 5/15/08</td>
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<tr>
<td>Outstanding Indebtedness</td>
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<tr>
<td>Principal Amount of Proposed 2008 San Francisco General Hospital Bonds*</td>
<td>$887,400,000</td>
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<tr>
<td>Total Outstanding Indebtedness plus Proposed SFGH Bonds</td>
<td>$2,051,039,021</td>
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<td>Available Debt Capacity</td>
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<tr>
<td>Outstanding Indebtedness plus Proposed 2008 SFGH Bonds</td>
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<tr>
<td>Authorized &amp; Unissued bonds</td>
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<tr>
<td>Available Debt Capacity less Authorized &amp; Unissued Bonds</td>
<td>$1,358,790,563</td>
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* Assumes that all the $887.4 million in general obligation bonds are issued at the same time. The current proposal assumes 5 planned sales from 2009 through 2013.
BOND ISSUANCE ILLUSTRATION ON PROPERTY TAXES
CCSF GO SFGH Bonds, $887,400,000

SFGH GOB

TOTAL CCSF Assessed Valuation for FY 2007-08*  $ 130,643,088,543

MAXIMUM GO BOND ISSUANCE  $ 887,400,000

LIFE OF BONDS (YEARS, estimated)  20

AVERAGE ANNUAL DEBT SERVICE (estimated)  $ 76,782,068

INTEREST RATE (estimated)  6.000000%

Semi-Annual Debt Service  $ (36,391,034)
Annual Debt Service  $ (76,782,068)

<table>
<thead>
<tr>
<th>DEBT SERVICE REQUIREMENT</th>
<th>Annual (Yr. 1)</th>
<th>Life of Bond</th>
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<tr>
<td>PRINCIPAL (Year 1 est.)</td>
<td>$ 23,538,068</td>
<td>30.7% $887,400,000 57.8%</td>
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<tr>
<td>INTEREST (Year 1 est.)</td>
<td>$ 55,244,000</td>
<td>69.3% $648,241,366 42.2%</td>
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<tr>
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<td>$ 76,782,068</td>
<td>$ 1,536,641,366</td>
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ANNUAL DEBT SERVICE  $ 76,782,068

EFFECT ON PROPERTY TAX RATE  0.0587724%
$ PER $100 OF ASSESSED VALUATION  $0.05877239
$ PER $100,000 OF ASSESSED VALUATION  $58.77

WITHOUT Homeowner's Exemption

EFFECT ON TYPICAL $300,000 HOME  $ 176.32
EFFECT ON TYPICAL $400,000 HOME  $ 235.09
EFFECT ON TYPICAL $500,000 HOME  $ 293.36

WITH Homeowner's Exemption (includes $7,000 AV reduction)

EFFECT ON TYPICAL $300,000 HOME-  $ 172.20
EFFECT ON TYPICAL $400,000 HOME-  $ 230.98
EFFECT ON TYPICAL $500,000 HOME-  $ 289.75

1 Basis Point on Property Tax Rate Costs a $300K Homeowner / yr.  $ 38.00
1 Basis Point on Property Tax Rate Costs a $400K Homeowner / yr.  $ 48.00
1 Basis Point on Property Tax Rate Costs a $500K Homeowner / yr.  $ 58.00
1 Basis Point on Tax Rate Generates... $ in revenue /yr.  $ 13,064,369

NOTES
* Basis of Tax Levy found on the Controller’s Certificate of Assessed Valuation.
The Basis of Levy nets out non-reimbursable exemptions; however, it includes
the revenue equivalent of the Homeowners Exemption as this is reimbursed by the
State in the form of the Homeowners Subvention.
~ Includes the $7,000 Homeowner's Exemption.
Items 7 and 8 – File 08-0663 and File 08-0664

Departments: Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)  
Department of Public Works (DPW)  
City Administrator  
Office of Public Finance

Items:  
**File 08-0663** - Ordinance calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, November 4th 2008, for the purpose of submitting to San Francisco voters a proposition to incur the following General Obligation (G.O.) bonded indebtedness of the City and County: $887,400,000 for the building and/or rebuilding and improving of the earthquake safety of the San Francisco General Hospital and Trauma Center and related costs.

**File 08-0664** - Resolution determining and declaring that the public interest and necessity demand the building and/or rebuilding and improving of the earthquake safety of the San Francisco General Hospital and Trauma Center; finding that the estimated cost of $887,400,000 for such improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require incurring bonded indebtedness; adopting findings under the California Environmental Quality Act.
Memo to Government Audit and Oversight Committee
July 7, 2008 Government Audit and Oversight Committee Meeting

**Description:** Under the proposed San Francisco General Hospital Rebuild Program (Rebuild Project), the City would fund and construct a new acute care hospital of 284 beds to replace the current acute care hospital facility which has 252 beds. In 2000, the San Francisco Department of Public Health (DPH) commissioned a seismic evaluation that concluded the Main Hospital at SFGH had significant seismic deficiencies and may not be capable of providing acute care services to the public after a major seismic event. Therefore, the existing SFGH acute care hospital building does not meet current seismic standards for acute care hospitals and, under State law (SB 1953 and SB 1661, which extend the original deadline of January of 2013 to January of 2015 under specific circumstances), must be replaced by January of 2015 at the latest. The existing acute care hospital building will not be demolished but will be utilized for other, non-acute, hospital and clinic functions and may replace facilities that are currently leased by SFGH.

A total of $24,873,000 has been appropriated to date for the Rebuild Project. The City has completing programming, initial design, environmental, geotechnical, and other planning studies.

The Mayor’s proposed FY 2008-2009 budget includes an additional $3,850,000 in General Fund monies to fund the remaining pre-construction work. These funds have been advanced from the General Fund and the Mayor’s proposed FY 2008-2009 assumes that the proposed ballot measure will be approved by the voters and that these monies will be reimbursed to the General Fund from the initial G.O. bond issuance to balance the FY 2008-2009 budget. The Budget Analyst notes that the total appropriation of G.O. bond proceeds in the Mayor’s proposed FY 2008-2009 budget is $32,673,000. The table below summarizes the uses of the G.O. bond proceeds.

<table>
<thead>
<tr>
<th>General Fund Contribution</th>
<th>Uses of G.O. Bond Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFGH Rebuild Appropriations to date from the General Fund</td>
<td>Reimbursement to General Fund</td>
</tr>
<tr>
<td>Proposed FY 2008-2009 General Fund Appropriation to Rebuild Project</td>
<td>Restoration of Rebuild Project Funding</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>$24,873,000</td>
<td>$28,823,000</td>
</tr>
<tr>
<td>$3,850,000</td>
<td>$3,850,000</td>
</tr>
<tr>
<td>$28,723,000</td>
<td>$32,673,000</td>
</tr>
</tbody>
</table>

**Board of Supervisors**

**Budget Analyst**
The Mayor’s FY 2008-2009 budget also includes reserves on capital project appropriations that total $27.7 million in the event that the November ballot proposition for the subject G.O. bonds is not approved by the voters.

**Project History and Description:** Attachment I to this report is an excerpt from the a DPH report titled “Proposed $887.4 Million G.O. Bond for San Francisco General Hospital and Trauma Center Rebuild” issued May 1, 2008 (the “Bond Report”). Attachment I provides a history of the Rebuild Project to date and a description of the Rebuild Project. Overall construction management of the Rebuild Project will be performed by the Department of Public Works.

The proposed Rebuild Project to replace the existing acute care hospital and trauma center would be built on the West Lawn of SFGH’s Potrero Campus and will consist of a total of nine stories, with seven above ground. The two below ground floors include a rectangular diagnostic and treatment podium while the other seven floors, two through nine, which will be constructed above ground, would be curvilinear and comprise the patient bed tower. The new facility will connect to the existing acute care facility building both underground and above ground. The gross square footage of the replacement building will be approximately 442,350 square feet, with a total capacity for 284 acute care beds.

The Bond Report and proposed Rebuild Project was considered by the City’s Capital Planning Committee, and approved by that Committee on May 12, 2008.

**Financing Plan**

Attachment II to this report, provided by Ms. Nadia Sesay, Director of the Office of Public Finance under the City Administrator, presents the G.O. Bond financing plan. The plan calls for the issuance of the $887.4 million in five series between January of 2009 and January of 2013. The table below summarizes the estimated sources and uses of the G.O Bond proceeds once all bonds are sold as shown on page 2 of Attachment II.
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Estimated Sources and Uses

<table>
<thead>
<tr>
<th>Estimated Sources</th>
<th>Par Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Fund Deposit (for construction and related costs for the rebuild project)</td>
<td>$878,160,977</td>
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<tr>
<td>Other Uses:</td>
<td></td>
</tr>
<tr>
<td>Costs of Issuance</td>
<td>1,500,000</td>
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<tr>
<td>Bond Insurance</td>
<td>1,885,419</td>
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<tr>
<td>Underwriters Discount</td>
<td>4,969,204</td>
</tr>
<tr>
<td>G.O. Bond Outside Counsel</td>
<td>887,400</td>
</tr>
<tr>
<td>Total</td>
<td>$887,400,000</td>
</tr>
</tbody>
</table>

Debt Service Requirements

Pages 3 and 4 of Attachment II shows the estimated debt service requirements for the $887.4 million G.O. bond issuance. As shown on page 4 of Attachment II, once all bonds have been sold, the estimated total debt service requirement between June 15, 2009 and June 15 of 2032, a period of 23 years, will be $1,527,227,100, comprised of $887,400,000 in principal and $639,827,100 in interest at an assumed interest rate of 6.0 percent. According to Ms. Sesay, the current market interest rates for G.O. bonds is 3.20 percent.

Effect on General Obligation Bonded Indebtedness Limitation

Charter Section 9.106 requires that outstanding G.O. indebtedness cannot exceed three percent of the City's assessed value of all taxable real and personal property located within the City.

As shown on page 5 of Attachment II, the City's total G.O debt capacity is currently $3,900,134,356 or three percent of the City's estimated net assessed property valuation of $130,004,478,543 for FY 2007-2008. As of May 1, 2008, the City had $1,163,639,021 in outstanding G. O. bonds or approximately 0.90 percent of the net assessed property valuation. Based on this outstanding principal amount, without consideration of other bond issuances, if the proposed SFGH Rebuild Project G.O. bonds are issued in the amount of $887.4 million, the City will have $2,051,039,021 in GO bonds outstanding, with $1,849,095,335 of the $3,900,134,356 debt capacity remaining.

BOARD OF SUPERVISORS
BUDGET ANALYST
or 1.58 percent ($2,051,039,021 divided by $130,004,478,543) of the City's estimated net assessed property valuation.

**Impact on Property Taxes**

Page 6 of Attachment II illustrates the impact of the SFGH Rebuild Project G.O. bond debt service requirements on Property Taxes.

As shown in Attachment II, the impact of the annual average debt service requirement would be increased Property Taxes of $0.0587724 per $100 of assessed valuation. Based on this rate increase, Property Taxes for a single family residence assessed at $500,000 would be $289.75 annually after deduction for the $7,000 homeowners exemption.

**Comments:**

1. On June 15, 2007, the Board of Supervisors approved Resolution 296-07, adopting findings that the proposed Rebuild Project is fiscally feasible and responsible in accordance with the City's Administrative Code, Chapter 29. At that time, the Budget Analyst noted that the finding of fiscal feasibility was dependent on obtaining adequate financing, and that approval of G.O. bonds was the best method to do so. Approval of the G.O. bonds requires two thirds voter approval. The Budget Analyst further noted that if such voter approval is not achieved, alternative debt funding will be required for the Rebuild Project that does not require voter approval, such as the issuance of Certificates of Participation (COPs) which will require significantly greater total debt service due to such factors as higher interest rates and the need to fund capitalized interest payments during project construction from debt proceeds.

2. In summary, the Budget Analyst notes that (a) the Board of Supervisors has previously approved Resolution 296-07, adopting findings that the proposed SFGH Rebuild Project is fiscally feasible and responsible; (b) the Board of Supervisors has previously appropriated General Fund expenditures to support preconstruction programming, initial design, environmental, geotechnical, and other planning studies in recognition of the need to construct a new SFGH acute care facility and such appropriations were approved with the expectation that bond financing of the Rebuild Project would be obtained to reimburse the General Fund; and, (c) the City's Capital Planning Committee, approved the proposed Rebuild Project on May 12, 2008.

**Board of Supervisors**

**Budget Analyst**
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Recommendation: Approve the proposed ordinance (File 08-0663) and the proposed resolution (File 08-0664).

Harvey M. Rose

cc: President Peskin
    Supervisor Ammiano
    Supervisor Maxwell
    Supervisor Alioto-Pier
    Supervisor Chu
    Supervisor Daly
    Supervisor Duffy
    Supervisor Elsbernd
    Supervisor McGoldrick
    Supervisor Mirkarimi
    Supervisor Sandoval
    Clerk of the Board
    Cheryl Adams
    Controller
    Nani Coloretti

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