[Charter Amendment - Library Preservation Fund]

**Sponsors:** Mayor; Safai, Melgar, Peskin, Ronen, Chan, Preston, Mandelman, Walton, Dorsey, Mar and Stefani

Charter Amendment (Second Draft) to amend the Charter of the City and County of San Francisco to extend the Library Preservation Fund for an additional 25 years, through June 2048, to set aside funds to provide library services and materials and operate library facilities at the main library and branch libraries; at an election to be held on November 8, 2022.

7/12/2022 Board of Supervisors - CONTINUED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

7/19/2022 Board of Supervisors - ORDERED SUBMITTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

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**STATE OF CALIFORNIA**

**CITY AND COUNTY OF SAN FRANCISCO**

**CLERK’S CERTIFICATE**

I do hereby certify that the foregoing Charter Amendment is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

July 25, 2022

Date

Angela Calvillo

Clerk of the Board
AMENDED IN COMMITTEE
6/27/2022

FILE NO. 220626 (SECOND DRAFT)

[Charter Amendment - Library Preservation Fund]

Describing and setting forth a proposal to the voters at an election to be held on November 8, 2022, to amend the Charter of the City and County of San Francisco to extend the Library Preservation Fund for an additional 25 years, through June 2048, to set aside funds to provide library services and materials and operate library facilities at the main library and branch libraries.

Section 1. The Board of Supervisors hereby submits to the qualified voters of the City and County, at an election to be held on November 8, 2022, a proposal to amend the Charter of the City and County by revising Section 16.109, to read as follows:

NOTE: Unchanged Charter text and uncoded text are in plain font. Additions are single-underline italics Times New Roman font. Deletions are strike-through italics Times New Roman font. Asterisks (* * * *) indicate the omission of unchanged Charter subsections.

SEC. 16.109. LIBRARY PRESERVATION FUND.

(a) Establishment of Fund. There is hereby established the Library Preservation Fund ("the Fund") to be administered by the Library Department as directed by the Library Commission. Monies therein shall be expended or used solely by the Library Department, subject to the budgetary and fiscal provisions of the Charter, to provide library services, acquire books and other materials and equipment, and to construct, improve, rehabilitate, maintain, and operate library facilities.

(b) Annual Set-Aside. The City will continue to set aside from the annual property tax levy, for a period of fifteen 25 years starting with the fiscal year 2008-2009 2023-2024 an
amount equivalent to an annual tax of two and one-half cents ($0.025) for each one hundred
dollars ($100) assessed valuation ("Annual Set-Aside").

The Controller shall set aside and maintain such an amount, together with any interest
earned thereon, in the Fund. Revenues obtained from the Annual Set-Aside shall be in addition
to, and not in place of, any General Fund monies appropriated to the Library pursuant to
subsection (c).

(c) **Baseline Maintenance of Effort.** The Annual Set-Aside shall be used
exclusively to increase the aggregate City appropriations and expenditures for services,
materials, facilities, and equipment that will be operated by the Library Department for Library
purposes. To this end, in any of the fifteen 25 years during which funds are required to be set
aside under this Section 16.109, the City shall not reduce the Baseline for the Library
Department below the fiscal year 2006-2007 2022-2023 Required Baseline Amount (as
calculated by the Controller), except that the Baseline shall be adjusted as provided below.

The Baseline shall be adjusted for each year after fiscal year 2006-2007 2022-2023 by the
Controller based on calculations consistent from year to year, by the percentage increase or
decline in aggregate City and County discretionary revenues, *except as provided in subsection
(h)*. In determining aggregate City and County discretionary revenues, the Controller shall only
include revenues received by the City which are unrestricted and may be used at the option of the
Mayor and the Board of Supervisors for any lawful City purpose. **Additionally, in determining
aggregate City and County discretionary revenues, the Controller shall not include revenues
received by the City under the increased rates in Business and Tax Regulations Code Sections
953.1(g), 953.2(h), 953.3(h), 953.4(e), 953.5(d), 953.6(f), 953.7(d), and 953.8(i) adopted by the
voters at the general municipal election on November 3, 2020, and shall not include revenues
received by the City under Article 36 of the Business and Tax Regulations Code adopted by the
voters at the general municipal election on November 3, 2020.** Errors in the Controller’s
estimate of discretionary revenues for a fiscal year shall be corrected by adjustment in the next
year's estimate. For purposes of this subsection (c), (i) aggregate City appropriations shall not
include funds granted to the City by private agencies or appropriated by other public agencies
and received by the City, and (ii) Library Department appropriations shall not include funds
appropriated to the Library Department to pay for services of other City departments or agencies,
except for departments or agencies for whose specific services the Library Department was
appropriated funds in fiscal year 2006-2007.2022-2023. Within 180 days following the end of
each fiscal year through fiscal year 2023-2024.2047-2048, the Controller shall calculate and
publish the actual amount of City appropriations for the Library Department.

The Controller shall set aside and maintain such baseline amounts, together with any
interest earned thereon, in the Fund.

At the end of each fiscal year, the Controller shall pro-rate any monies from the annual
Baseline and the Annual Set-Aside that remain uncommitted in the Fund, and the Baseline
portion of such amount shall be returned to the General Fund. The Annual Set-Aside portion of
such amount shall be carried forward to the next fiscal year and shall be appropriated then or
thereafter for the purposes specified in this Section.

Adjustments in the Controller's estimate of the Baseline, including any Baseline changes
required from increases or decreases to City revenues after the enactment of the annual budget
under Article IX adoption, along with adjustments to the Annual Set-Aside for a fiscal year, shall
be corrected by credits or adjustment to be carried forward and added to the annual City
appropriation for the next fiscal year and, subject to the budgetary and fiscal limitations of
this Charter, shall be appropriated then or thereafter for the purposes specified in this Section.

(d) **Debt Authority.** Notwithstanding the limitations set forth in Sections 9.107,
9.108, and 9.109 of this Charter, the Library Commission may request, and upon
recommendation of the Mayor the Board of Supervisors may authorize, the issuance of revenue
bonds or other evidences of indebtedness or the incurrence of lease financing or other obligations (the "Debt Obligations"), the proceeds of which are to be used for the acquisition, construction, reconstruction, rehabilitation, and/or improvement of real property and/or facilities that will be operated by the Library Department for Library purposes and for the purchase of equipment relating to such real property and/or facilities. Such Debt Obligations shall be secured by and/or repaid from any available funds pledged or appropriated by the Board of Supervisors for such purpose, which amount may include funds in the Fund allocated under subsection (e)(3) of this Section 16.109below. Funds appropriated to pay debt service on the Debt Obligations in such fiscal year under the terms of this Section 16.109 shall be set aside in an account for such use until such payment is made.

(e) **Spending Priorities.** The Annual Set-Aside and monies carried over from prior fiscal years in the Fund shall be expended in accordance with the following priorities:

1. **(1-2) Such allocations as are necessary for the Library Department to operate the Main Library, which includes a library for the blind the Talking Books and Braille Center, no fewer than 27 neighborhood branch libraries, and an auxiliary technical services facility, with 1244 at least 1,400 permanent service hours per week system-wide and the permanent service hours at each neighborhood branch library as at least 95% of the amount set by the Library Commission as of November 6, 2007 May 31, 2018.** The permanent service hours per week system-wide and the permanent service hours at any neighborhood branch library which may be modified, but only as provided by subsection (f).

2. **(2-3) Such allocations as are necessary to provide for library services and collections in all formats in order to meet the current and changing needs of San Francisco communities, as the Library Commission in its sole discretion shall approve.**

3. **(3-2) Notwithstanding the spending priorities set forth in this subsection (e), a portion of the Annual Set-Aside may be used each fiscal year to pay debt service relating to Debt**
Obligations issued or incurred by the City under subsection (d) above. To ensure that debt
service payments do not reduce overall funding available for other Library priorities from current
levels, debt service may be payable from the Annual Set-Aside in any fiscal year in an amount
no greater than:

(A) the annual debt service that would be payable under a financing with
the term and principal amount reflected in a Library Commission request for bond issuance
under subsection (d) above; and

(B) the aggregate growth of the Annual Set-Aside amount and the
Baseline amount over the base fiscal year 2006-07 2022-2023.

Amounts on deposit in the Annual Set-Aside in excess of such annual debt service
shall be used according to the other priorities of this subsection.

(C) To the extent there are unexpended funds remaining in the Fund after the
requirements of paragraphs subsections (e)(1) through (e)(3) have been satisfied, such funds
may be used for any lawful purpose of the Library Department; provided that no such funds shall
be used for debt service payments in any fiscal year in excess of the amount allowed under
clause subsection (e)(3) above.

(f) Library Service Hours. Except as provided below in paragraphs subsections
(f)(3) and (f)(4), the Library Commission shall maintain at least 12 hours permanent service hours
per week system-wide and the permanent hours at any each neighborhood branch Library as
required by subsection (e)(1) until July 1, 2013 2028. As of On or after that date, the Library
Commission may modify permanent service hours per week system-wide and at specific
neighborhood branch libraries for succeeding five-year intervals, or at shorter intervals as the
Commission may adopt, and in accordance with the following procedures:

(1) No later than March 1, 2013 2028, and at least four months before adopting
for each service hour interval thereafter, the Library Commission shall establish a community
input process, which may include an informal survey of library users and meetings with the Library Citizens Advisory Committee, Council of Neighborhood Libraries or any successor entity, and neighborhood groups, through which citizens of the City and County of San Francisco may provide assistance to the Library Commission as it develops criteria to set system-wide and branch service hours for the upcoming interval. Prior to the Library Commission setting service hours for the next interval, the Library Department shall conduct at least one hearing in each supervisory district to receive and consider the public’s comments about existing and potential Library service hours. The Library Commission shall ensure that at least six of these hearings, distributed geographically throughout the City, shall be held in the evenings or on weekends for the public’s convenience.

(2) Following input of the public as described in the hearings in Paragraph subsection (f)(1), and based on the public input, a comprehensive assessment of needs, and the anticipated adequacy of library resources, the Library Commission may, as of on or after July 1, 2013, modify the system-wide and individual neighborhood branch service hours for the next five-year interval or such shorter interval as the Library Commission may adopt. The Library Commission shall repeat this public process and set service hours at least once every five years for the duration of the Fund.

(3) The service hours requirements set in subsection (e)(1) and any modifications thereto made pursuant to this subsection (f) shall be temporarily reduced by the normal operating hours for any neighborhood branch temporarily closed for construction, renovation, or maintenance purposes. In such cases, the Library Department shall add temporary services elsewhere by adding temporary hours at nearby branches, providing bookmobile services, securing programming partners in the affected neighborhoods, or similar means.

(4) If library services at any branch or system-wide are interrupted due to fire, earthquake, or other emergency, the Library Department shall be relieved of these service hour
requirements, provided that the Library Department shall provide service hours consistent with such exigent circumstances.

(g) **Unspent Funds.** All unspent funds in the Fund on November 6, 2007 shall continue to be held for the use and benefit of the Library Department, and the funds therein shall be used consistent with the requirements of this Section 16.109. These monies shall be expended to construct, maintain and operate library facilities as provided herein.

(h) **Temporary Freezes to Baseline.** Notwithstanding any other provision in this Section 16.109, the City may freeze the Baseline for any fiscal year after fiscal year 2022-2023 at the prior year amounts when the City’s projected budget deficit for the upcoming fiscal year at the time of the March Joint Report or March Update to the Five Year Financial Plan as prepared jointly by the Controller, the Mayor’s Budget Director, and the Board of Supervisors’ Budget Analyst exceeds $300 million, adjusted annually beginning with fiscal year 2022-2023 by the percentage increase or decrease in aggregate City discretionary revenues, as determined by the Controller, based on calculations consistent from year to year. In determining aggregate City discretionary revenues, the Controller shall include only revenues received by the City that are unrestricted and may be used at the option of the Mayor and the Board of Supervisors for any lawful City purpose.

   In the first two fiscal years following such a freeze, the Controller shall adjust the Baseline under subsection (c) such that the amount of the Baseline in the second fiscal year following the freeze shall be the same as it would have been if there had been no freeze under this subsection (h). Based on projections of anticipated revenue, the Controller shall implement this adjustment to the Baseline in approximately equal amounts in each of the two fiscal years.
(i) **Expiration.** This Section 16.109 shall expire by operation of law on December 31, 2048, after which the City Attorney may cause it to be removed from the Charter unless the Section is extended by the voters.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ JON GIVNER
Deputy City Attorney
City and County of San Francisco

Charter Amendment

File Number: 220626
Date Passed: July 19, 2022

Charter Amendment (Second Draft) to amend the Charter of the City and County of San Francisco to extend the Library Preservation Fund for an additional 25 years, through June 2048, to set aside funds to provide library services and materials and operate library facilities at the main library and branch libraries; at an election to be held on November 8, 2022.

June 27, 2022 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 27, 2022 Rules Committee - CONTINUED TO CALL OF THE CHAIR AS AMENDED

July 06, 2022 Rules Committee - RECOMMENDED

July 12, 2022 Board of Supervisors - CONTINUED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 19, 2022 Board of Supervisors - ORDERED SUBMITTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220626

I hereby certify that the foregoing Charter Amendment was ORDERED SUBMITTED on 7/19/2022 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board