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FY 2018-2027 Proposed Capital Plan Approval

February 27, 2017

CAPITAL PLANNING COMMITTEE

Agenda Item

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- **Action Item:** Recommendation to Mayor and Board of Supervisors to approve the Proposed FY2018 – FY2027 Capital Plan

PROPOSED CAPITAL PLAN

Funding Overview FY18-27

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Summary by Service Area FY 18-27

(in \$millions – includes all funding sources)

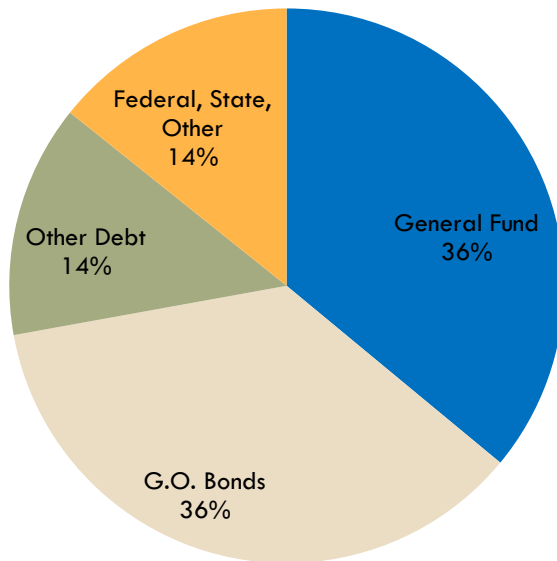
	GENERAL FUND DEPTS	ENTERPRISE DEPTS	EXTERNAL AGENCIES	TOTAL
Public Safety	1,655	-	-	1,655
Health and Human Services	922	-	11	934
Infrastructure & Streets	1,688	7,837	-	9,526
Recreation, Culture, and Education	744	-	1,635	2,379
Economic & Neighborhood Development	-	1,884	3,094	4,978
Transportation	-	9,200	6,283	15,483
General Government	243	-	-	243
TOTAL	5,252	18,922	11,023	35,197

PROPOSED CAPITAL PLAN

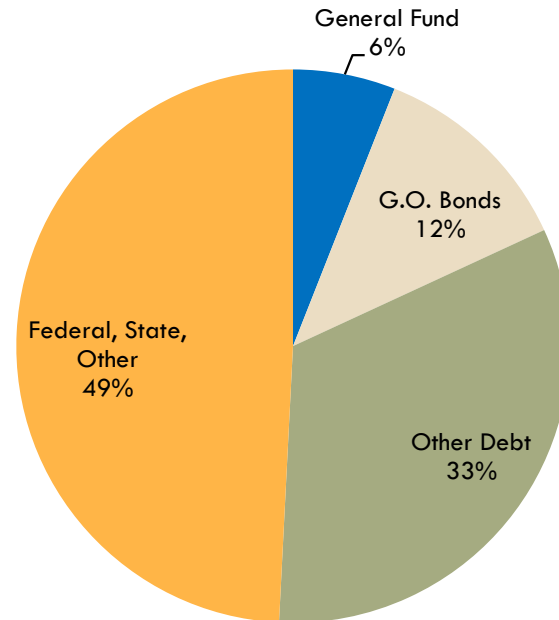
Sources FY18-27

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Funding Sources - GF Depts



Funding Sources - All Depts



PROPOSED CAPITAL PLAN

Policies and Assumptions

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- Maintains 7% growth rate of the Pay-As-You-Go Program
 - This results in a GF commitment of \$137.3M in FY18, and \$1.9B over the ten years
 - Introduction acknowledges that the budget may not fulfill Plan-recommended scenarios but does not prescribe revised priorities for that case
- Maintains Street Resurfacing funding at a level which achieves a Pavement Condition Index (PCI) of 70 by 2025
- Maintains \$10M/yr for Enhancement projects
- Adjusts Pay-As-You-Go Program to account for:
 - Recreation and Parks set-aside (reduced Pay-Go Program by \$15M/yr)
 - Street Tree set-aside (reduced Pay-Go Program by \$4.6M in FY18, escalated by 5% for the remainder of the Plan)
- Maintains G.O. Bond Program and General Fund Debt Program constraints

UPDATES SINCE THE DRAFT CAPITAL PLAN

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Project/Section	Draft Plan	Proposed Plan
ESER 2020	FIR: \$100M POL: \$80M EFWS: \$110M DEM 911 Addition: Deferred	FIR: \$95M POL: \$76M EFWS: \$90M DEM 911 Addition: \$29M
CJ#2 Improvements	Described and planned but match not specified	\$12M match in COP Program identified in project description and COP Program tables and charts
JFIP	COPs starting in FY2021 for HOJ Admin and Prisoner Exit	No change in planned funding but addition of language referencing the need to vacate the building ASAP
Streets Paving Backlog Methodology	Backlog calculated as difference between PCI Target 70 funding level and need to get to PCI 100	Backlog calculated as difference between PCI Target 70 and need to get to PCI 82, resulting in \$200M less backlog in FY2027
HUTA Source \$ for Streets Repaving	\$703M need for Streets from GF over 10 years	\$693M need for Streets from GF over 10 years, resulted in slight increases to dept renewal GF allocations
DT Program Needs	Fiber: \$5.5M Dig Once: \$59M NOC/SOC: \$4M	Fiber \$8.85M Dig Once: \$78M NOC/SOC: \$1.3M Included \$1M annual planned GF for Fiber and Dig Once
Plan Area Summaries		Revised for accuracy, layout, and clarity
Summary Tables		Modified to reflect the above financial adjustments

PAY-AS-YOU-GO PROGRAM

PROPOSED PAY-AS-YOU-GO PROGRAM

Funding Outcomes FY18-27

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Funding Category <i>(in \$millions)</i>	10-yr GF Need	10-yr GF Funding	% Funded
Routine Maintenance	153	153	100%
ADA: Facilities	12	12	100%
ADA: Public Right-of-Way	87	87	100%
Street Resurfacing	693	693	100%
Enhancements	2,122	100	5%
Recreation and Parks Base Commitment	-	150	N/A
Contribution to Street Tree Set-Aside	-	58	N/A
FIXED ALLOCATION TOTAL	3,067	1,253	
ROW Infrastructure Renewal	203	121	59%
Facility Renewal	947	522	55%
VARIABLE ALLOCATION TOTAL	1,150	643	
GRAND TOTAL	4,217	1,897	

- Fire and Police renewals largely covered through G.O. bonds are not included above

PROPOSED PAY-AS-YOU-GO PROGRAM

Right of Way (ROW) Renewal Outcomes

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Funding Category <i>(in \$millions)</i>	10-yr GF Need	10-yr GF Funding	% Funded
Street Structure Repair	67	40	60%
Plaza Inspection and Repair Program	22	13	59%
Curb Ramp Inspection and Replacement*	16	9	56%
Landscape Maintenance	97	58	60%
TOTAL	203	120	

* This category funds maintenance for previously installed curb ramps. New curb ramps are fully funded under the ADA: Public Right of Way category on the previous slide.

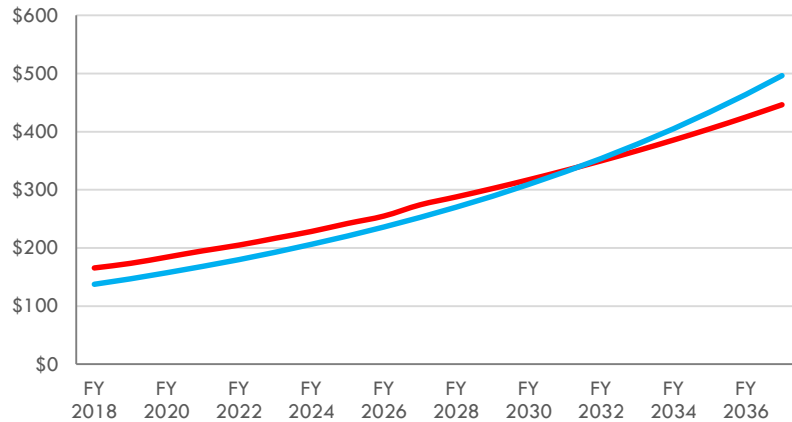
- Street Trees: Voters recently approved a General Fund set-aside of \$19M/yr to fund Street Trees. This category will no longer be part of the Capital Pay-As-You-Go Program.
- Sidewalk Inspection and Repairs are fully-funded under the ADA: Public Right-of-Way category

PROPOSED PAY-AS-YOU-GO PROGRAM

Impact of Funding Level on Backlog*

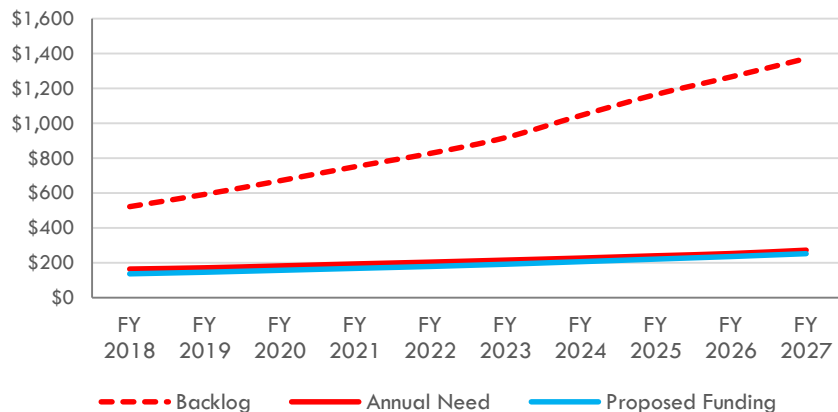
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Funding Level vs. Annual Need



- Backlog is defined as total current renewal need (i.e. deferred maintenance + immediate need) less the amount funded in the first year of the Plan
- Annual need is addressed starting in FY 2032
- Reduction in backlog is not achieved during the 10 years of the Plan

Pay-as-you-go Program
Impact of Funding Level on Backlog



*Assumes Pay-Go Program at Plan-recommended levels

DEBT PROGRAMS

PROPOSED DEBT PROGRAM

General Fund (GF) Debt Schedule

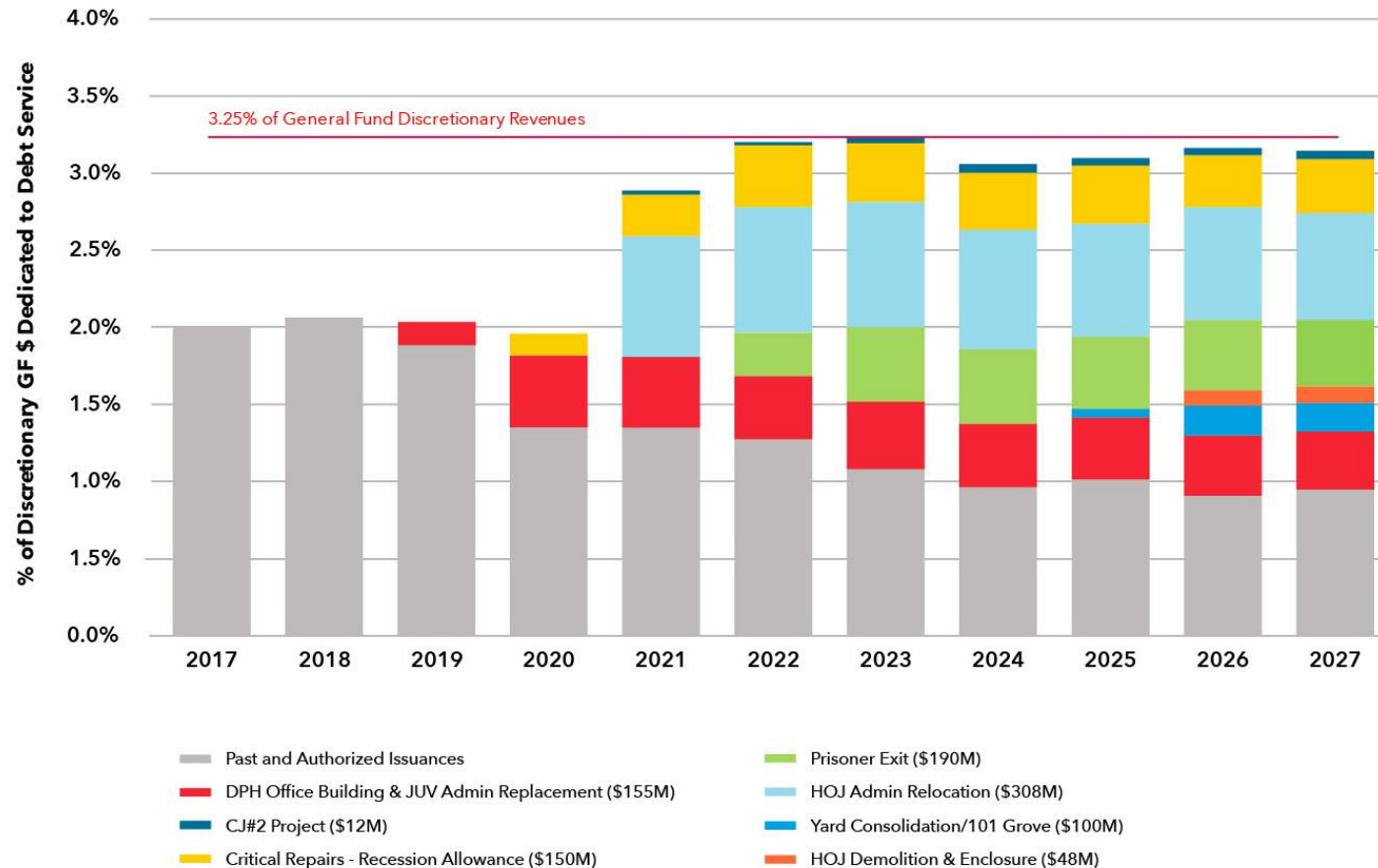
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General Fund Debt Program		
<i>(in \$millions)</i>		
Issuance	Proposed Project	Amount
FY2018	DPH 101 Grove Exit & JUV Admin Relocation	\$155
FY2019	CJ#2 Improvements Match	\$12
FY2020-22	Critical Repairs – Recession Allowance (\$50M Annually)	\$150
FY2021	JFIP – HOJ Admin Relocation	\$308
FY2021	JFIP – Prisoner Exit	\$190
FY2025	PW Yard Consolidation	\$50
FY2025	101 Grove Retrofit	\$50
FY2026	JFIP – HOJ Demolition & Enclosure	\$48
TOTAL		\$963

PROPOSED DEBT PROGRAM

General Fund Debt Capacity

**Capital Plan General Fund Debt Program
FY2017 - 2027**



PROPOSED DEBT PROGRAM

General Obligation (G.O.) Bond Schedule

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G.O. Bond Debt Program

(in \$millions)

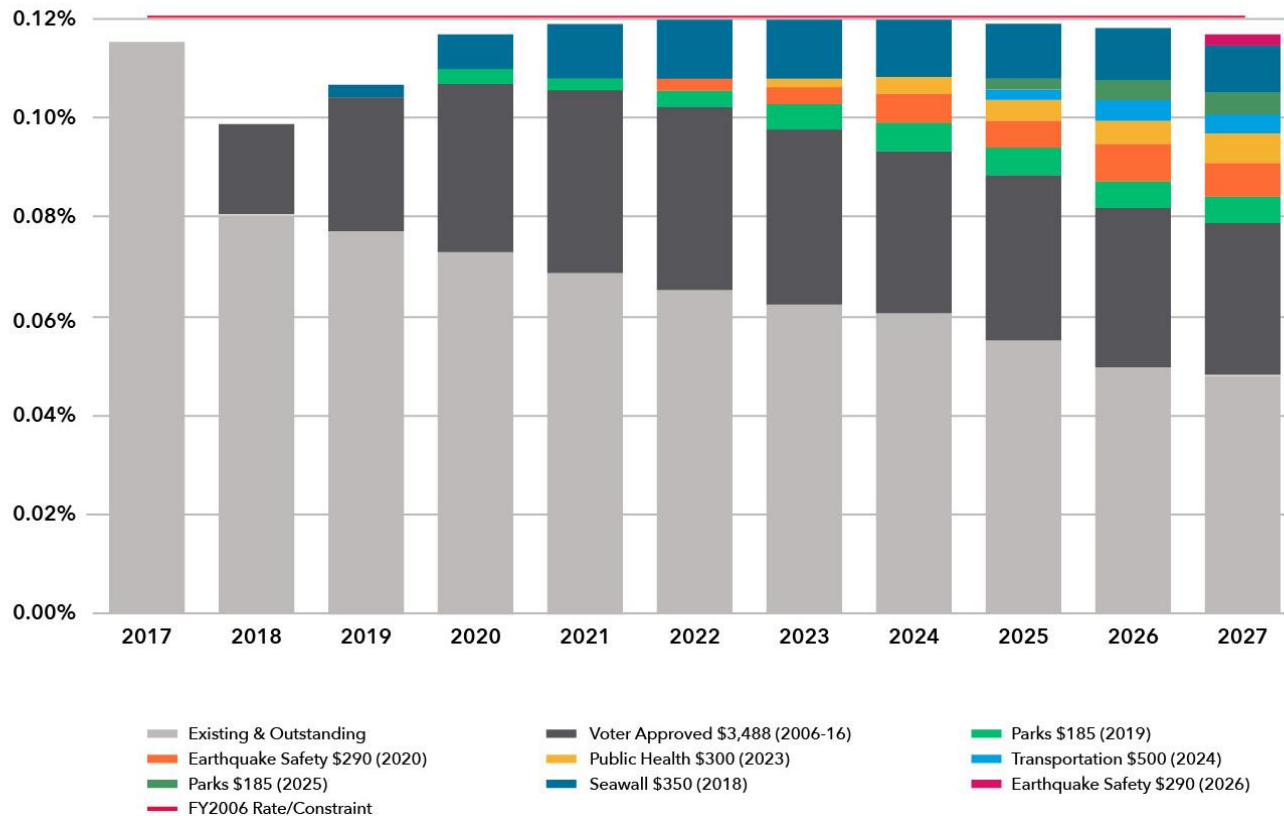
Election	Proposed Program	Amount
November 2018	Seawall Fortification	\$350
November 2019	Parks and Open Space	\$185
November 2020	Earthquake Safety & Emergency Response	\$290
November 2022	Public Health	\$300
November 2024	Transportation	\$500
June 2025	Parks and Open Space	\$185
November 2026	Earthquake Safety & Emergency Response	\$290
TOTAL		\$2,100

PROPOSED DEBT PROGRAM

General Obligation (G.O.) Bond Capacity

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Capital Plan G.O. Bond Program (Certified AV 8-1-16)
FY2017 - 2027



Note: Chart does not reflect passage of Measure C in November 2016, allowing use of Seismic Safety Loan Bond Program capacity for Affordable Housing projects

Questions & Comments

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