FY 2021-22 & FY 2022-23 Capital Budget Request and Scenario Overview

March 22, 2021
**Discussion Item:** FY22 & FY23 Capital Budget requests overview and funding levels for high, medium, and low scenarios

- Admin Code Section 3.21: CPC reviews the Capital Budget to ensure it aligns with recommendations in Capital Plan
PROPOSED CAPITAL PLAN
Pay-As-You-Go policies and assumptions

- Incorporated impact of COVID-19 on Pay-As-You-Go Program
  - Assumed $46.3M in FY2022, growing at 10% until FY2024, increasing to $110 million in FY2025, and growing by 10% thereafter.

- Maintained Street Resurfacing Pavement Condition Index (PCI) target at 75
  - PCI may drop to 74 at currently planned funding levels

- ADA-related policy continues to prioritize barrier access removal and the ongoing Curb Ramps right-of-way program

- Maintaining $10M/yr for Enhancement projects not possible at current funding levels
1. Address legal or regulatory mandate

2. Protect life safety and enhance resilience, including racial equity

3. Ensure asset preservation and sustainability

4. Programmatic and planned needs

5. Economic development
PREVIOUS CAPITAL BUDGET
Last Budget Cycle Recap

- Significantly reduced GF commitment in context of COVID-19 emergency

- 2-Year GF Investment: $93.3M
  - $47.0M funded in FY21 and $46.3M funded in FY22

- 2-Year Other Sources Investment: $187.3M

- TOTAL 2-Year Proposed Investment: $280.6M
PREVIOUS CAPITAL BUDGET
Historical Budget Allocations

Includes SB1 funding for streets
PREVIOUS CAPITAL BUDGET
View by Expenditure Type – General Fund ONLY

FY21 & 22 GF Total: 93.3M

- Facility Renewal: 31%
- Routine Maintenance: 24%
- ROW Renewal: 19%
- Street Resurfacing: 12%
- ADA: Facilities: 1%
- ADA: Public Right of Way: 5%
- Critical Enhancement: 8%
Three Funding Scenarios

- **Low** = Based on Capital Plan recommendation
- **Medium** = 25% higher in FY22, same as low scenario in FY23
- **High** = 25% higher than mid scenario in FY22, 25% higher than low scenario in FY23

<table>
<thead>
<tr>
<th></th>
<th>Low Scenario ($M)</th>
<th>Medium Scenario ($M)</th>
<th>High Scenario ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY22</td>
<td>FY22</td>
<td>FY22</td>
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<tr>
<td></td>
<td>FY23</td>
<td>FY23</td>
<td>FY23</td>
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<tr>
<td><strong>46.3</strong></td>
<td><strong>50.9</strong></td>
<td><strong>57.9</strong></td>
<td><strong>72.3</strong></td>
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<tr>
<td><strong>50.9</strong></td>
<td><strong>50.9</strong></td>
<td></td>
<td><strong>63.7</strong></td>
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</tbody>
</table>

*Delta from Low:* 11.6 - 26.0 12.7
In order to mitigate the reduction to the Pay-As-You-Go Program in the near term, the Proposed Capital Plan recommends issuing Certificates of Participation for critical repairs and renewal needs as shown here:

<table>
<thead>
<tr>
<th>Critical Repairs COPs</th>
<th>FY22</th>
<th>FY23</th>
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</thead>
<tbody>
<tr>
<td>60.8</td>
<td>50.0</td>
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</table>

These funds will be programmed in conjunction with the GF budget scenarios, and approved with the Capital Budget.
380 total project requests received

- 351 GF requests, 29 NGF requests

<table>
<thead>
<tr>
<th></th>
<th>FY22 Requests</th>
<th>FY22 Capital Plan*</th>
<th>FY23 Requests</th>
<th>FY23 Capital Plan*</th>
<th>TOTAL Requests</th>
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</thead>
<tbody>
<tr>
<td>GF requests</td>
<td>347.9</td>
<td>107.1</td>
<td>304.9</td>
<td>100.9</td>
<td>652.8</td>
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<tr>
<td>Non-GF requests</td>
<td>84.7</td>
<td>-</td>
<td>66.2</td>
<td>-</td>
<td>150.9</td>
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<td>TOTAL</td>
<td>432.6</td>
<td>-</td>
<td>371.1</td>
<td>-</td>
<td>803.7</td>
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</tbody>
</table>

* Includes GF and Proposed Critical Repairs COPs

Requests are preliminary and subject to change
CAPITAL BUDGET
FY22 & FY23 Dept Requests (2/3)

BY EXPENDITURE TYPE

GF Funding requested
Total = $652.8M

# of GF requests
Total = 351

- Facility Renewal: 192
- Critical Enhancement: 100
- Routine Maintenance: 25
- ROW Renewal: 14
- ADA: Facilities: 9
- ADA: Public Right of Way: 5
- Project Development: 5
- Other: 1

Requests are preliminary and subject to change.
CAPITAL BUDGET
FY22 & FY23 Dept Requests (3/3)

Addressing Resilience Challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Number of Project Requests</th>
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<tbody>
<tr>
<td>Aging Infrastructure</td>
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<tr>
<td>Social Inequity</td>
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<td>Earthquakes</td>
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<tr>
<td>Climate Change</td>
<td>9</td>
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<tr>
<td>Sea Level Rise</td>
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</tbody>
</table>

Data self-reported by depts. and subject to change
Upcoming Capital Budget CPC meetings

- **April 5**
  - GF Dept Request presentations (Public Safety; Rec, Culture & Education depts)

- **April 19**
  - Enterprise Dept Capital Budget presentations
  - GF Dept Capital Budget Detailed Scenarios presentation

- **May 10**
  - Capital Budget Approval (*Action Item*)
Questions & Comments

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