

FY 2022-23 & FY 2023-24 Capital Budget



Office of Resilience and Capital Planning | May 16, 2022

CPC AGENDA

General Fund Dept Capital Budget

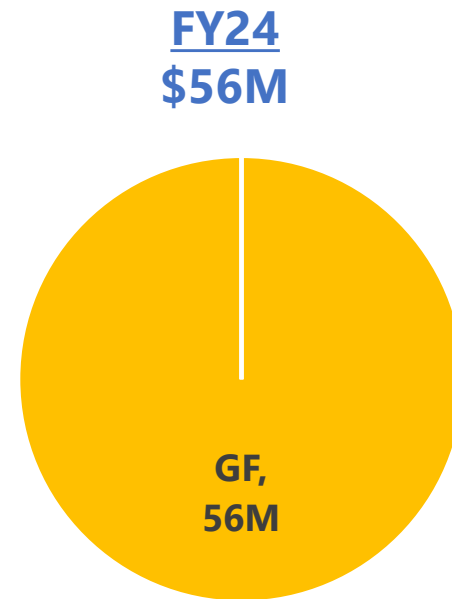
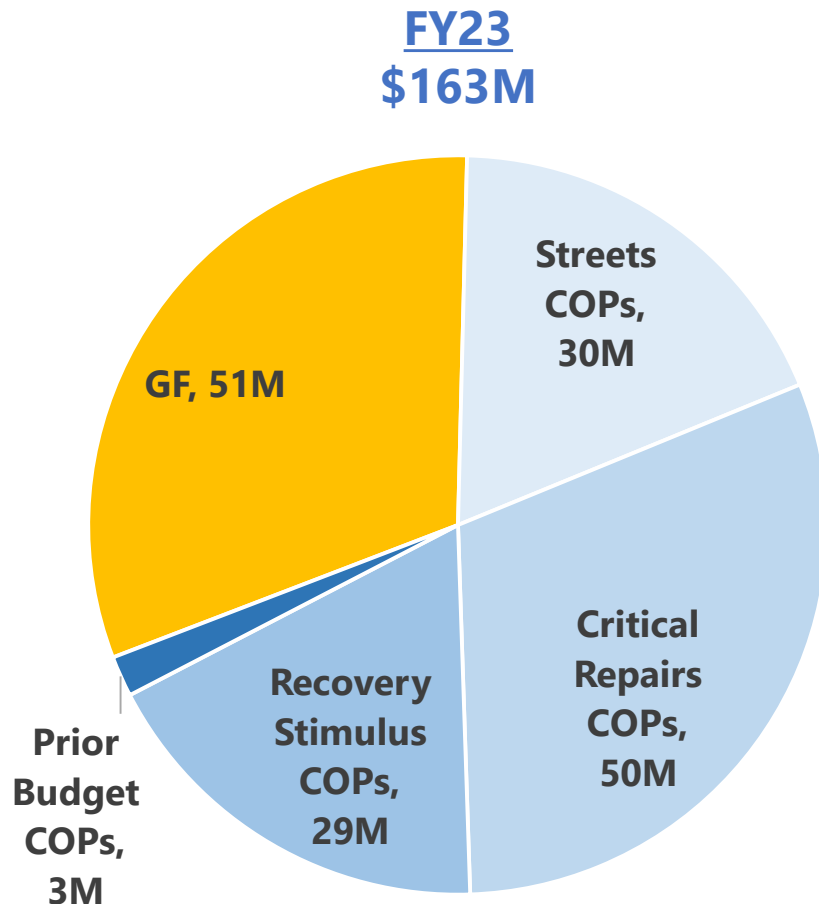
Action Item

- Approve the FY23 & FY24 Proposed General Fund Dept Capital Budget for recommendation to Board of Supervisors;
- Approve the FY23 Proposed Program for Streets, Critical Repairs & Recovery Stimulus COPs
 - Admin Code Section 3.21: CPC reviews the Capital Budget to ensure it aligns with recommendations in Capital Plan

PROPOSED CAPITAL BUDGET

Funding Sources

- The proposed FY23 & FY24 Capital Budget includes debt to address shortfalls caused by COVID-19

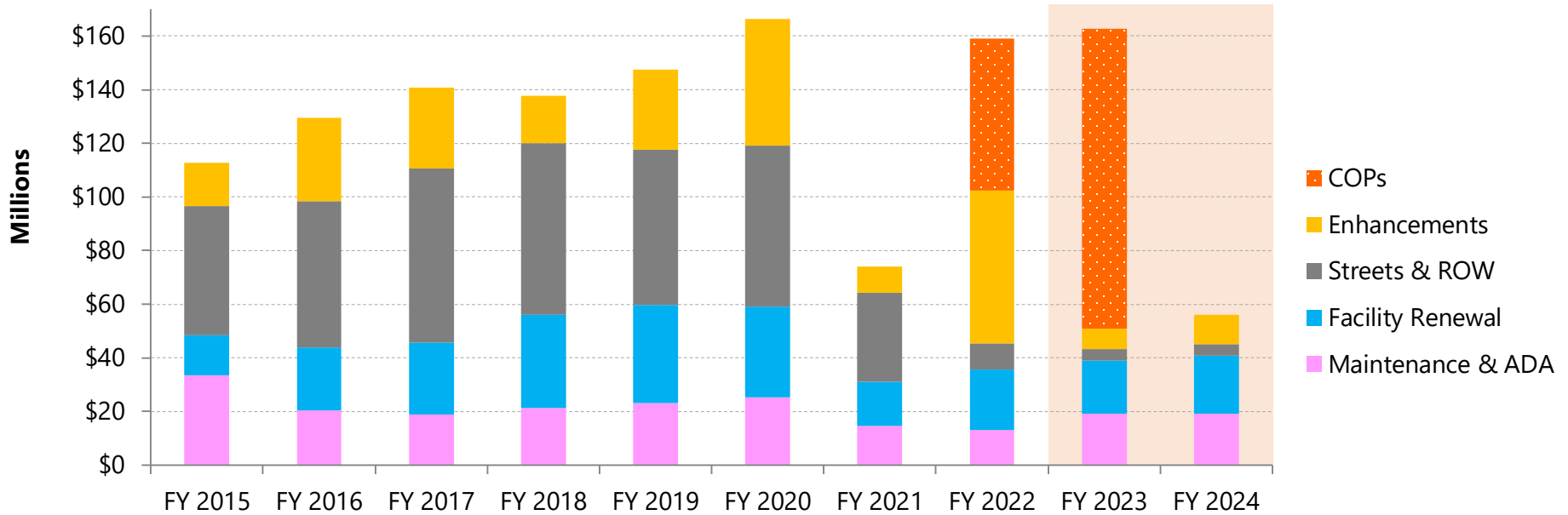


The budget also includes an additional \$147M in Non-General Fund sources (see slide 11)

PROPOSED CAPITAL BUDGET

Background

- Pre-COVID, 5-yr average annual capital budget was \$144M



- COPs were used to address the shortfall in FY22, and are proposed again for FY23

PROPOSED CAPITAL BUDGET

General Fund Allocations

CASH

Set-asides & Policies	FY23	FY24
REC Set-Aside (<i>Prop B, 2016</i>)	14.5	15.0
Street Trees Set-Aside (<i>supports Prop E, 2016</i>)	5.8	6.1
Routine maintenance allocations for all depts.	11.4	12.0
SUB-TOTAL	31.8	33.1
Remaining Expenditure Categories	FY23	FY24
ADA (<i>primarily Curb Ramps</i>)	3.9	5.1
Critical Enhancements (<i>legal mandates, security improvements</i>)	1.2	4.5
Facility Renewals (<i>life-safety, HVAC, roof leaks etc.</i>)	7.3	8.2
ROW Renewals (<i>pothole & sidewalk repair</i>)	4.1	4.5
Planning (<i>Chinatown Health Clinic, homeless shelters</i>)	2.6	0.6
SUB-TOTAL	19.1	22.9
TOTAL	50.9	56.0

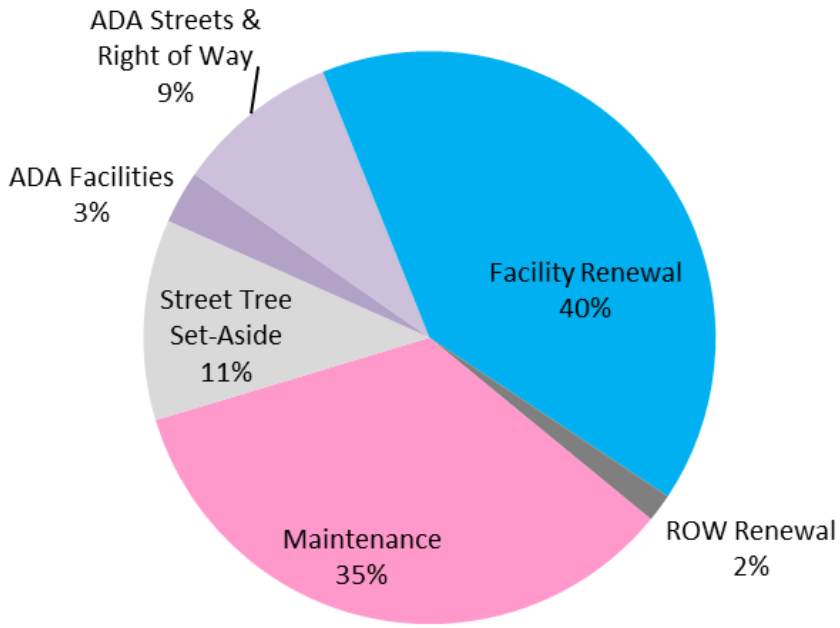
PROPOSED CAPITAL BUDGET GF vs. Capital Plan – FY23 & FY24

CASH

By Expenditure Type (GF only)

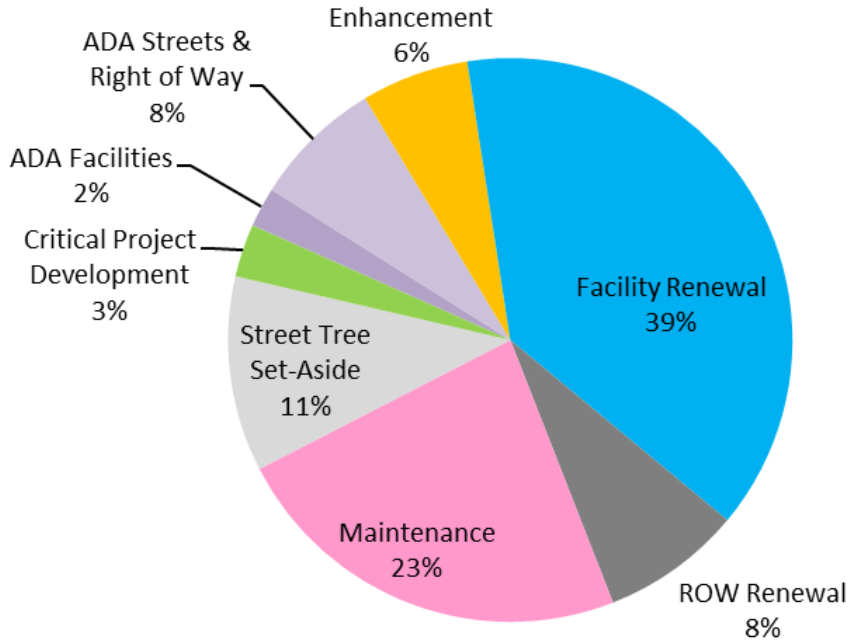
Capital Plan Recommendation

106.9M



Proposed Capital Budget

106.9M



PROPOSED CAPITAL BUDGET

Critical Repairs COPs

DEBT

- Additional funding from COPs is essential in maintaining the condition of City facilities
- \$ in millions*

Dept	Project	FY23
ADM	City Hall - Roof	2.5
ADM	Civic Center - Steam Loop Renewal	3.7
ADM	Underground Fuel Tank Replacements	9.2
ADM	Other Renewals – Fire systems, boilers, chillers, elevators, exteriors	5.7
DPH	Clinical Lab Systems	4.0
DPH	ZSFG - Kitchen, HVAC, Fire Alarm, Elevator	7.0
DPW	Curb Ramps with Basements	3.0
DPW	Operations Yard Tenant Improvements & HVAC	2.6
JUV	Youth Guidance Center Admin Bldg - HVAC & Elevators	1.5
MOD	Golden Gate Park ADA (Stanyan St. Curb, JFK Drive)	0.9
REC	ADA Harding Park	0.9
SHF	425 7th St – Building Management System & Roof	4.8
WAR	Davies Hall Elevator	2.2
Other	Cost Overrun Contingency	2.0
TOTAL		50.0

PROPOSED CAPITAL BUDGET

Recovery Stimulus COPs

DEBT

\$ in millions

Dept	Project	FY23
ART	Mission Cultural Center for Latino Arts Seismic Retrofit	9.6
DPH	Laguna Honda Hospital Cooling Center	1.0
DPW	Innes Ave Rebuild	5.0
DPW	Japantown Buchanan Mall Improvements	2.0
DPW	Street Trees in Priority Areas	2.0
DPW	Sunset Boulevard Recycled Water Irrigation Improvements	2.1
DT	Fiber to Public Housing	2.5
WAR	Opera House Roof Replacement	5.0
TOTAL		29.2

Street Resurfacing COPs

\$ in millions

Dept	Project	FY23
DPW	Street Resurfacing	30.0

PROPOSED CAPITAL BUDGET

Prior Year COPs

DEBT

- The FY 2022 Capital Budget reserved \$3M in COP capacity to address future cost overruns
- This capacity is proposed for the projects below, through a de-appropriation / re-appropriation process

\$ in millions

Project	FY23
African American Art & Culture Complex Retrofit Cost Escalation	1.3
1011 Turk St. Dispatch Floor Remodel Cost Overrun	1.6
	2.9

PROPOSED CAPITAL BUDGET

Changes since 4/18/22

- Funded Police Facilities Master Planning (\$350k) in FY23 by deferring funding for security enhancements, fire panel replacements, roofs to FY24
- Reduced Fiber to Public Housing COP-funding from \$10M to \$2.5M in FY23
- Added \$5M in COP-funding for Opera House Roof Replacement

PROPOSED CAPITAL BUDGET

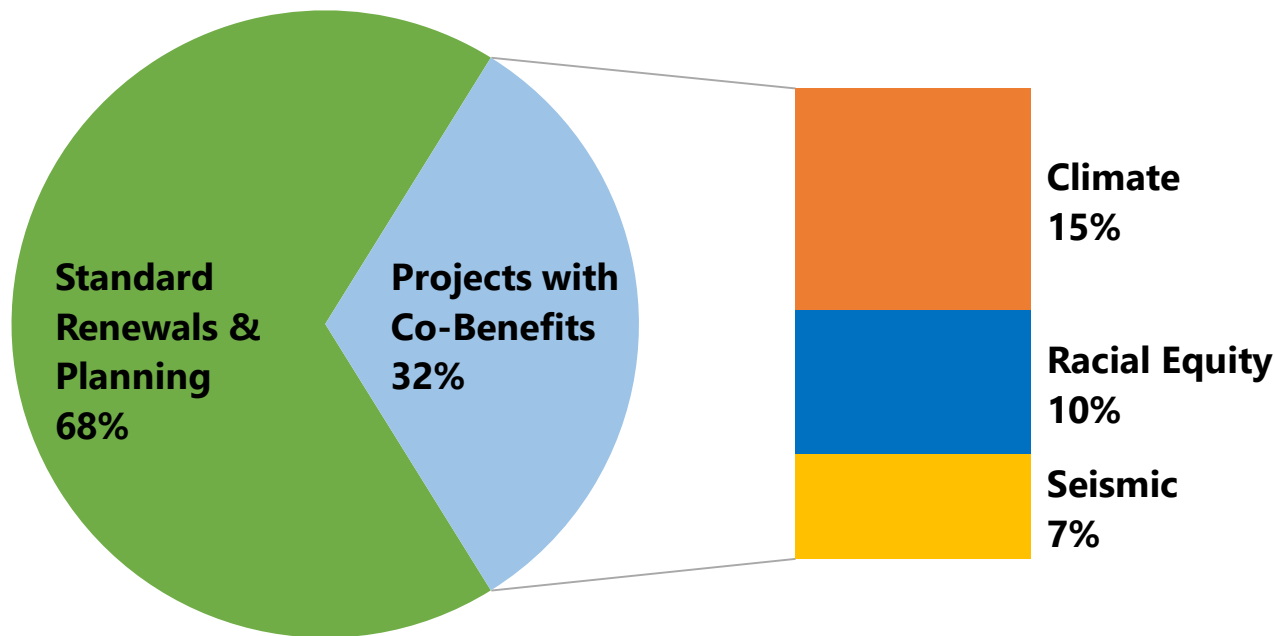
Non-General Fund Capital Sources

\$ in millions

Funding Source	Dept. receiving funds	FY23	FY24
State	DPW	44.8	46.2
Area Plan Impact Fees	ADM, DEC, REC	1.5	2.0
Library Preservation Fund	LIB	19.3	20.8
Open Space	REC	3.7	3.9
Marina Fund	REC	2.2	2.2
Botanical Garden Fund	REC	0.3	0.3
Bond Revenue	REC	0.1	-
TOTAL		71.9	75.4

PROPOSED CAPITAL BUDGET

Projects with Co-Benefits



- 32% of the funding allocated will have a meaningful impact on:
 - Mitigating/adapting to climate change impacts
 - Advancing racial equity
 - Seismic safety
- Funding for Cultural Centers and Libraries account for a significant amount of the Racial Equity and Seismic investments
- Climate projects include renewals like HVAC projects, as well as enhancement projects like the Sunset Blvd Irrigation and the Simon Cooling Center at LHH

PROPOSED CAPITAL BUDGET

Summary

- Low GF-commitment due to effects of COVID-19, but other sources help address shortfall
- 2-Year GF Investment: **\$106.9M**
 - \$50.9M funded in FY23 and \$56.0M funded in FY24
- FY23 Certificates of Participation: **\$109.2M**
 - \$50M for Critical Repairs, \$29M for Recovery Stimulus, \$30M for Streets
- 2-Year Other Sources Investment*: **\$150.0M**
- TOTAL 2-Year Proposed Investment: **\$366.1M**

Questions & Comments

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PROPOSED CAPITAL BUDGET

Funding Sources

	CASH	DEBT			
	General Fund	+ Critical Repairs (COPs)	+ Street Resurfacing (COPs)	+ Recovery Stimulus (COPs)	= Total
Purpose		Address basic state-of-good-repair needs at City Facilities including HVAC, roofs, elevators, ADA needs etc.	Supplement State-funding to maintain streets at a "good" Pavement Condition Index of 75	Fund enhancement projects that provide economic stimulus & job creation	
FY23	\$51M	\$50M	\$30M	\$29M	\$160M
FY24	\$56M				\$56M

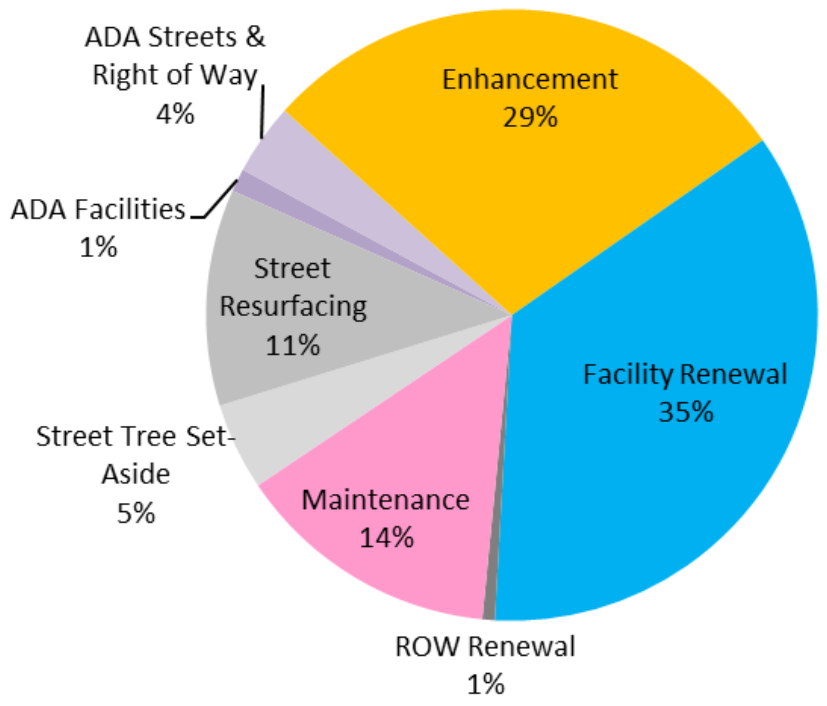
- ▣ The budget also includes:
 - ▣ Additional \$147M in Non-General Fund sources (see slide 11)
 - ▣ \$3M in prior-year COP capacity for cost escalation

PROPOSED CAPITAL BUDGET GF vs. Capital Plan – FY23 & FY24

By Expenditure Type (GF & COPs)

Capital Plan Recommendation

261.9M



Proposed Capital Budget

216.1M

