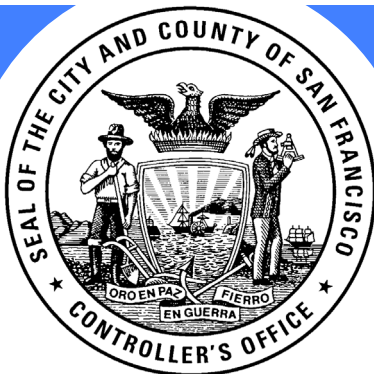


# Annual GO Bond Program Report

July 2019 – June 2021



**CITY & COUNTY OF SAN FRANCISCO**

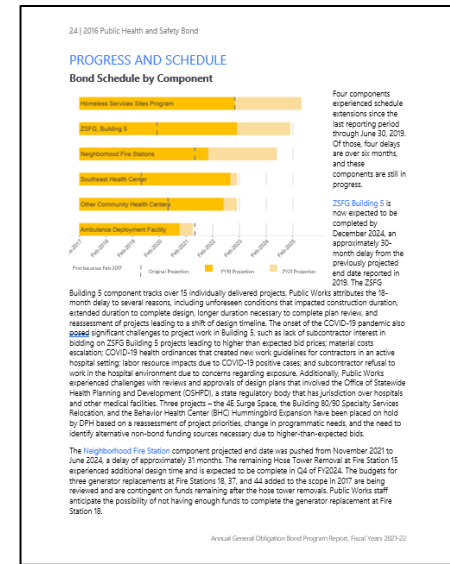
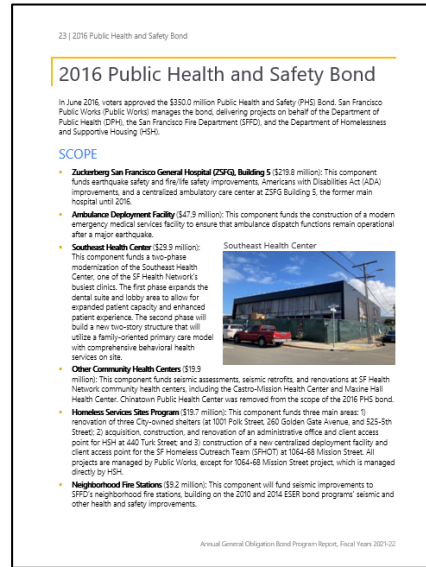
Office of the Controller  
City Performance Unit

Albert Lin | Dan Kaplan | Heather Littleton

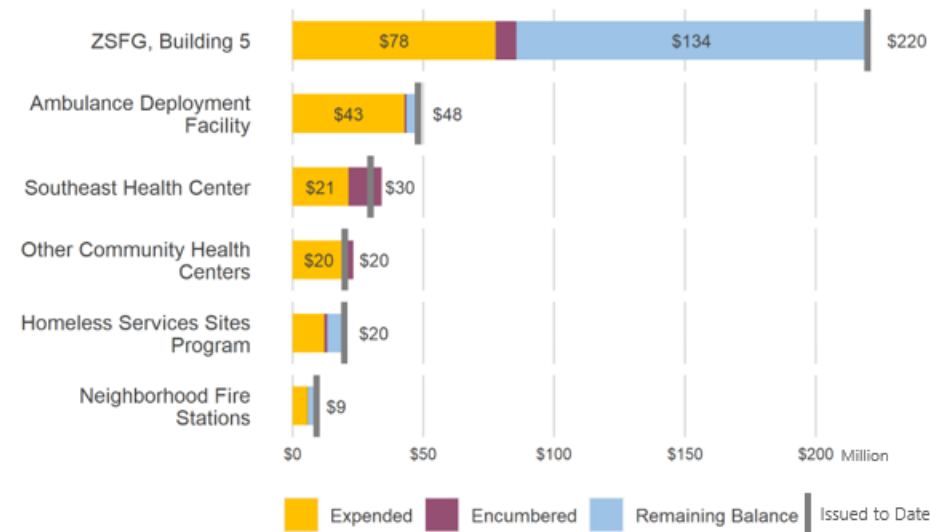
6.13.2022

# Controller's Office Report Published on 4/14/2022

- The report provides an **overview on the scope, schedule, and budget** for the active general obligation bonds.
- It includes a **watch list of delayed bond components**.
- It highlights **citywide capital development issues** that have been identified by bond managers and City stakeholders.
- The data for this report are as of June 30, 2021 and focuses on a **2-year reporting period from July 1, 2019 through June 30, 2021**.



## Bond Expenditures and Encumbrances





## Information Gathering

City Performance asked lead departments for scope, schedule, and budget data as of June 30, 2021



## Interviews

City Performance interviewed bond program managers










## Analysis & Reporting

Report summarizes information from data and interviews, and compares with performance from last report (as of June 30, 2021)

# GO Bond Component "Watch List"

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Bond	Component	Schedule Status	Delay since 2019 Report (months)	Total Delay	Projects(s) Contributing to Delay
2014 Transportation and Road Improvement	Accessibility Improvements		24	66	<ul style="list-style-type: none"> <li>BART canopies</li> </ul>
	Muni Facility Upgrades		39	7	<ul style="list-style-type: none"> <li>Castro Station Accessibility Improvements</li> </ul>
2016 Public Health and Safety	ZSFG, Building 5		24	60	<ul style="list-style-type: none"> <li>15 projects</li> </ul>
	Neighborhood Fire Stations		31	37	<ul style="list-style-type: none"> <li>Fire Station 15</li> <li>Fire Station 18</li> <li>Fire Station 37</li> <li>Fire Station 44</li> </ul>
	Homeless Services Sites Program		30	30	<ul style="list-style-type: none"> <li>1001 Polk Street (NextDoor Shelter)</li> <li>525 5th Street (MSC South Shelter)</li> </ul>
2018 Embarcadero Seawall Earthquake Safety	US Army Corps of Engineers Study		--	50	
2020 Earthquake Safety and Emergency Response	Neighborhood Fire Stations & Support Facilities		--	12	<ul style="list-style-type: none"> <li>Fire Training Facility</li> </ul>

**Legend:**



Component delayed 1 year+ since last report



Component delayed 2 years+ since last report



New bond with significantly delayed component since issuance

## Regulations + Permitting

### KEY ISSUES

### OPPORTUNITIES

#### City Regulations

**Certain City Policies May Disadvantage the City in a Tight Construction Market.**

Local Business Enterprise & Project Labor Agreements

**Low-Cost Bid Can Result in Unrealistic or Weaker Bids.**

**Study the Cumulative Impact of Policies on Project Costs + Timelines.**

**Study Impact of Low-Cost Bid.**

Identify contractors prone to cost increases, whether alternative criteria would be helpful, and support departments to transition away from Low-Cost Bid.

#### Permitting & Approvals

**Prioritization for City Projects Varies and is Not Mandated.**

Permitting can take over one year to complete.

**Approval Needed from Multiple Agencies and Commissions.**

**Prioritize All City Projects; Analyze Drivers of Delays.**

**Explore Streamlining or Better Coordinating the Approval Process.**

## City Regulatory Studies

- What would you like to see these studies cover?
- Which group is best positioned to study these impacts?

## Permitting & Approvals

- Should all City projects be prioritized for permitting?
- What approval processes are most in-need of streamlining?

## Bond Planning + Deferred Maintenance

### KEY ISSUES

### OPPORTUNITIES

Bond Planning

**Pre-Bond Funding Can be More Extensively Utilized.** CP Revolving Fund is limited and constrained by what can legally be recouped.

**Project Cost Estimators Vary Across Departments.** Accuracy in estimating financial impact of delays also varies.

**Evaluate Whether the Revolving Fund has Sufficient Funding and if Alternative Sources are Needed.**

**Conduct a Citywide Inventory of Estimators.** Outline the strengths and weaknesses of each.

Deferred Maintenance

**Multi-Billion-Dollar Backlog of Capital Maintenance Projects Unnecessarily Increases GO Funding Need.** Lack of maintenance may require replacing buildings sooner than otherwise needed.

**Varying Maintenance Models Can Result in Inconsistent Upkeep.**

**Explore Expanding Maintenance Funding and Define Responsibility of General Fund vs. Departments.**

**Adopt Standards for Engineers to Perform Repairs and Departments to Develop Maintenance Standards.**

## Bond Planning

- How should the City approach funding system-wide facility reviews?
- How should funding for bond planning change with the recent increase in GO bonds, if at all?

## Deferred Maintenance

- How should the City fund deferred maintenance—through a dedicated budget item or as part of department's operating budget?
- Should the City standardize its approach to maintenance? How so?



## Capital Administration

### KEY ISSUES

#### **Decentralized Tracking of Expenditure and Asset Maintenance Data.**

Impedes ability to track real-time budget information and understand scope of maintenance needs.

#### **Limited Use of Contractor Evaluation System.**

Requires more extensive use to become fully effective.

#### **Stakeholder Coordination for Planning and Construction Sequencing Can Lead to Delays.**

Issue for internal and external stakeholders.

### OPPORTUNITIES

#### **Align Real-Time Expenditure and Maintenance Tracking Across Departments.**

#### **Require System's Use and Leverage Data to Inform the Bid Selection Process.**

For ex., award points for higher rated contractors.

#### **Assess Opportunities for Additional Coordination.**

## Capital Administration

Where might centralized/citywide data be best leveraged (e.g., financial data, contracting, contractor performance, asset/maintenance, public-facing dashboards)?

- Which issues are most priority and would most benefit from citywide coordination?
- What other groups are important to consult with?

**Thank you.**

You can reach us at [albert.lin@sfgov.org](mailto:albert.lin@sfgov.org) or [dan.kaplan@sfgov.org](mailto:dan.kaplan@sfgov.org).

## GENERAL OBLIGATION BOND PROGRAM STATUS

(as of June 30, 2021)<sup>3</sup>

