

# FY2024-33 Proposed Capital Plan Approval



Feb 27, 2023

# Capital Plan Discussions at CPC

Date	Topic
<b>Dec 5</b>	<ul style="list-style-type: none"> <li>▪ Transportation Chapter Update (SFMTA, SFO)</li> </ul>
<b>Dec 12</b>	<ul style="list-style-type: none"> <li>▪ Affordable Housing Chapter Update (MOHCD, TIDA)</li> <li>▪ Economic &amp; Neighborhood Development Chapter Update (TIDA only)</li> <li>▪ Recreation, Culture &amp; Education Chapter Update (SFUSD only)</li> </ul>
<b>Jan 23</b>	<ul style="list-style-type: none"> <li>▪ <b>Draft Capital Plan Discussion (Overview, Pay Go, &amp; Certificates of Participation)</b></li> <li>▪ Economic &amp; Neighborhood Development Chapter Update (Port, Planning)</li> <li>▪ Infrastructure &amp; Streets Chapter Update (PUC)</li> </ul>
<b>Feb 6</b>	<ul style="list-style-type: none"> <li>▪ <b>Draft Capital Plan Discussion (GO Bond Program)</b></li> <li>▪ General Government Chapter Update (RED, DT)</li> <li>▪ Health &amp; Human Services Chapter Update (DPH, HSA, HSH)</li> <li>▪ Infrastructure &amp; Streets Chapter Update (PW)</li> </ul>
<b>Feb 13</b>	<ul style="list-style-type: none"> <li>▪ Public Safety Chapter Update (FIR, POL, DEM, SHF, JUV)</li> <li>▪ Recreation, Culture &amp; Education Chapter Update (REC, ART, LIB)</li> </ul>
<b>Feb 27</b>	<ul style="list-style-type: none"> <li>▪ <b>Draft Capital Plan Approval for Recommendation to BOS</b></li> </ul>

# CAPITAL PLANNING COMMITTEE

## Agenda Item

- ▣ **Action Item:** Recommendation to Mayor and Board of Supervisors to approve the Proposed FY2024 – FY2033 Capital Plan

# Proposed FY2024-33 Capital Plan

## Funding Overview FY24-33

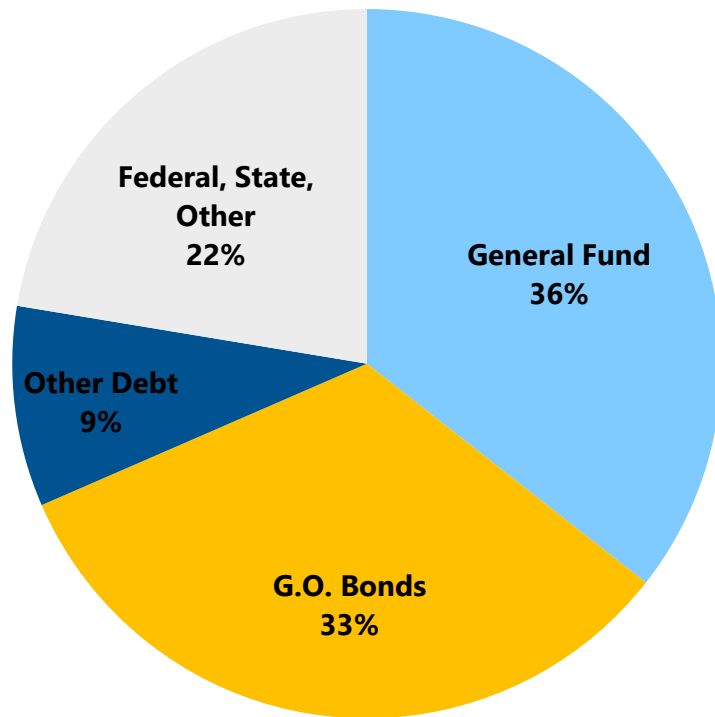
### Summary by Service Area FY 24-33

<i>(in \$millions – includes all funding sources)</i>	GENERAL FUND DEPTS	ENTERPRISE DEPTS	EXTERNAL AGENCIES	TOTAL	Change from Prior Plan
Affordable Housing	-	-	3,780	<b>3,780</b>	44%
Public Safety	1,413	-	-	<b>1,413</b>	11%
Health and Human Services	891	-	-	<b>891</b>	7%
Infrastructure & Streets	1,694	8,774	-	<b>10,468</b>	-1%
Recreation, Culture, and Education	1,397	-	2,932	<b>4,329</b>	9%
Economic & Neighborhood Development	-	2,183	2,555	<b>4,738</b>	-16%
Transportation	-	8,071	7,244	<b>15,315</b>	19%
General Government	311	-	-	<b>311</b>	92%
<b>TOTAL</b>	<b>5,706</b>	<b>19,028</b>	<b>16,511</b>	<b>41,245</b>	9%

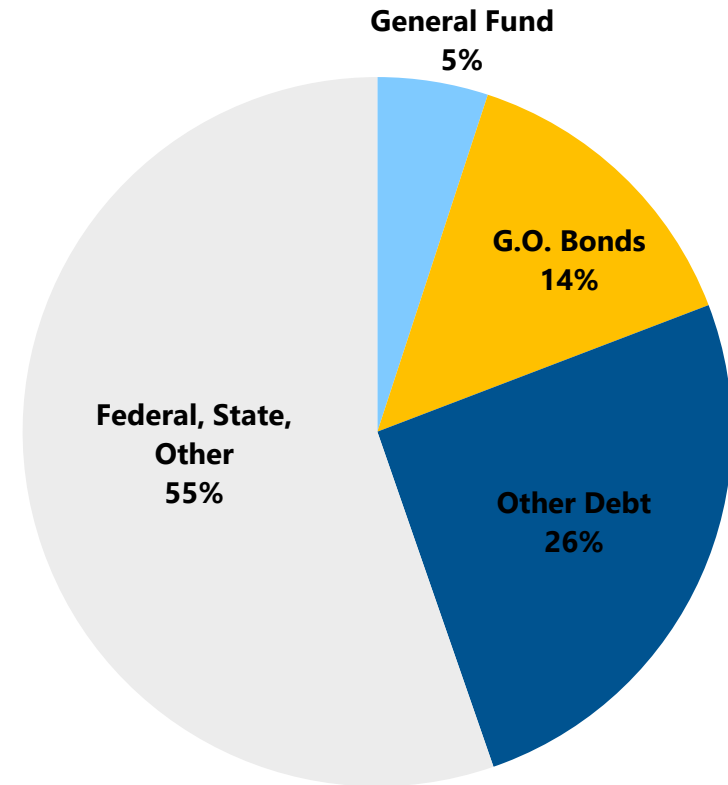
# Proposed FY2024-33 Capital Plan

## Sources FY24-33

### Funding Sources - GF Depts



### Funding Sources - All Depts



# Proposed Pay-As-You-Go Program

## Policies and assumptions

- Pay Go funding level aims to restore and eventually exceed pre-pandemic funding levels
  - Recommend General Fund investment of \$89M in FY2024 growing by \$30M per year until FY2028, and \$25M per year thereafter
  - Recommend issuing \$30 million COPs in FY24 and FY25 to support lower General Fund funding level
- Achieve and maintain Street Resurfacing Pavement Condition Index (PCI) target at 75
  - Current PCI level is 74
- ADA-related policy continues to prioritize barrier access removal and the ongoing Curb Ramps right-of-way program
- Maintain \$10M/yr for Enhancement projects
  - In FY24 and FY25 the Plan recommends \$5M/yr due to lower General Fund funding level

# Proposed Capital Plan

## Narrative Updates since Jan 23

### ▣ **Executive Summary**

- ▣ Made correction to General Fund Dept. Program Summary Table

### ▣ **Accomplishments**

- ▣ Updated Fire Dept. accomplishments to reflect most recent project status

### ▣ **General Government**

- ▣ Added "Civic Center Office Space" to emerging projects

### ▣ **Public Safety**

- ▣ Added "Taraval Station Replacement" to deferred projects, and "New Police Academy" to emerging projects
- ▣ Moved "Central District Station Replacement" from deferred projects to emerging projects
- ▣ Added "Outdoor Public Warning System" to emerging projects

### ▣ **Recreation, Culture & Education**

- ▣ Minor text edits to REC narrative

### ▣ **Appendix**

- ▣ Updated IFD Criteria (Agenda Item 5)

### ▣ **Added pictures, maps, infographics**

# Debt Programs





# Proposed Debt Program

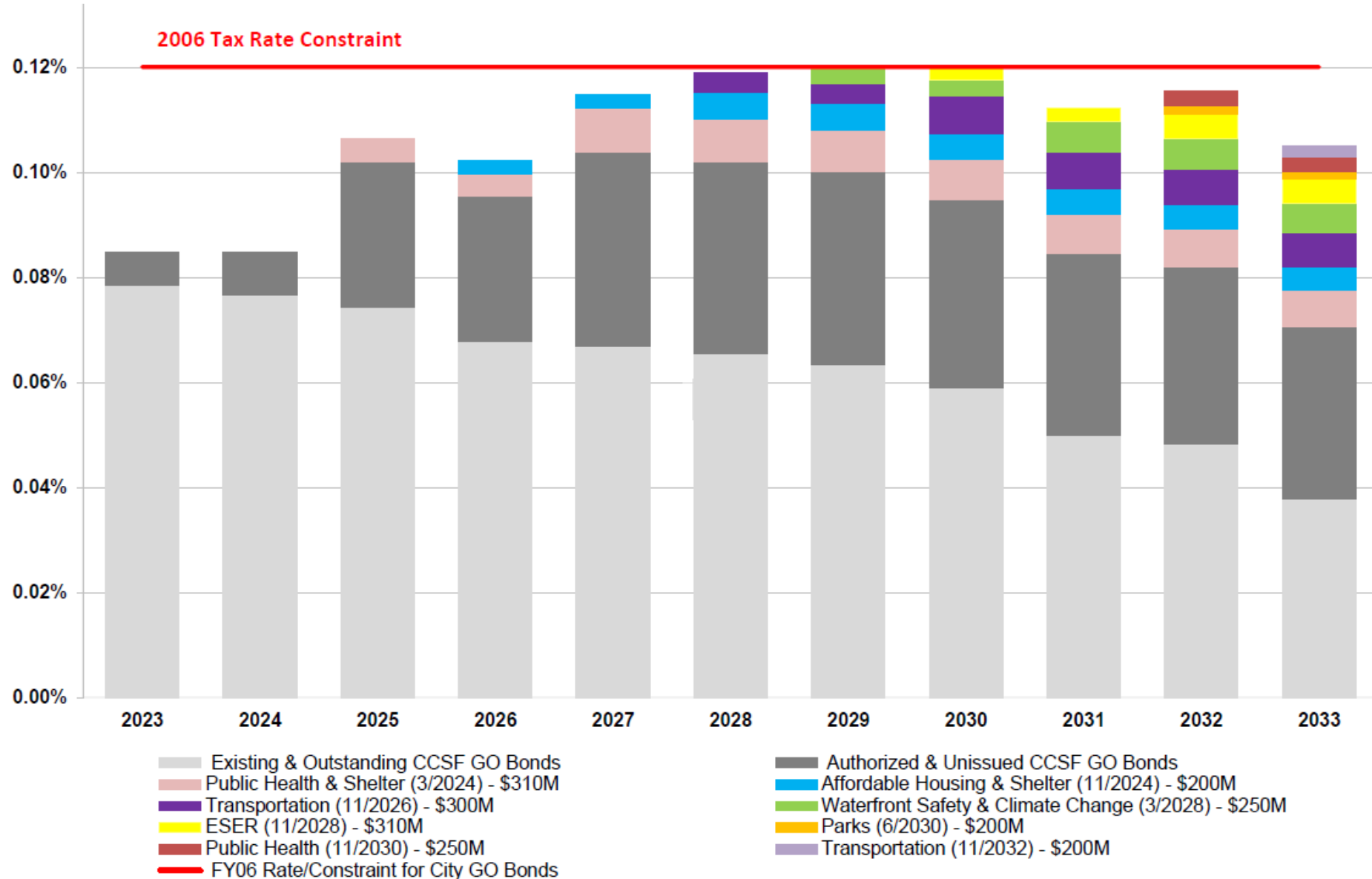
## General Obligation (G.O.) Bond Schedule

Election	Proposed Program	Amount (M)	Details
Mar 2024	Public Health & Shelters	<b>310</b>	<ul style="list-style-type: none"> <li>Chinatown Health Clinic: 69M</li> <li>Silver Ave Health Clinic: 33M</li> <li>City Clinic: 27M</li> <li>ZSFG Bldg 3 Retrofit to allow 101 Grove Exit: 49M</li> <li>LHH/ZSFG Critical Renewals: 31M</li> <li>1001 Polk St Shelter: 100M</li> </ul>
Nov 2024	Affordable Housing & Shelters	<b>200</b>	<ul style="list-style-type: none"> <li>Contribution to Affordable Housing Pipeline: 160M</li> <li>260 Golden Gate Shelter: 40M</li> </ul>
Nov 2026	Transportation	<b>300</b>	<ul style="list-style-type: none"> <li>MTA facilities / yards</li> </ul>
Mar 2028	Waterfront Safety & Climate Change	<b>250</b>	<ul style="list-style-type: none"> <li>Seawall resilience (federal match &amp; projects): 200M</li> <li>Other climate priorities (flood/heat/GHG, etc.): 50M</li> </ul>
Nov 2028	Earthquake Safety & Emergency Response	<b>310</b>	<ul style="list-style-type: none"> <li>Fire Stations</li> <li>Police Stations</li> <li>Emergency Firefighting Water Supply</li> </ul>
Jun 2030	Parks & Open Space	<b>200</b>	<ul style="list-style-type: none"> <li>Renewals, retrofits, and climate projects across the city</li> </ul>
Nov 2030	Public Health	<b>250</b>	<ul style="list-style-type: none"> <li>ZSFG Building 80/90</li> <li>Health Clinics and other projects across the city</li> </ul>
Nov 2032	Transportation	<b>200</b>	<ul style="list-style-type: none"> <li>On-going facility and system-wide needs</li> </ul>
<b>TOTAL</b>		<b>2,020</b>	

Amounts unchanged since G.O. Bond Program was presented to CPC on Feb 6, 2023

# Proposed Debt Program

## General Obligation (G.O.) Bond Capacity



Amounts unchanged since G.O. Bond Program was presented to CPC on Feb 6, 2023

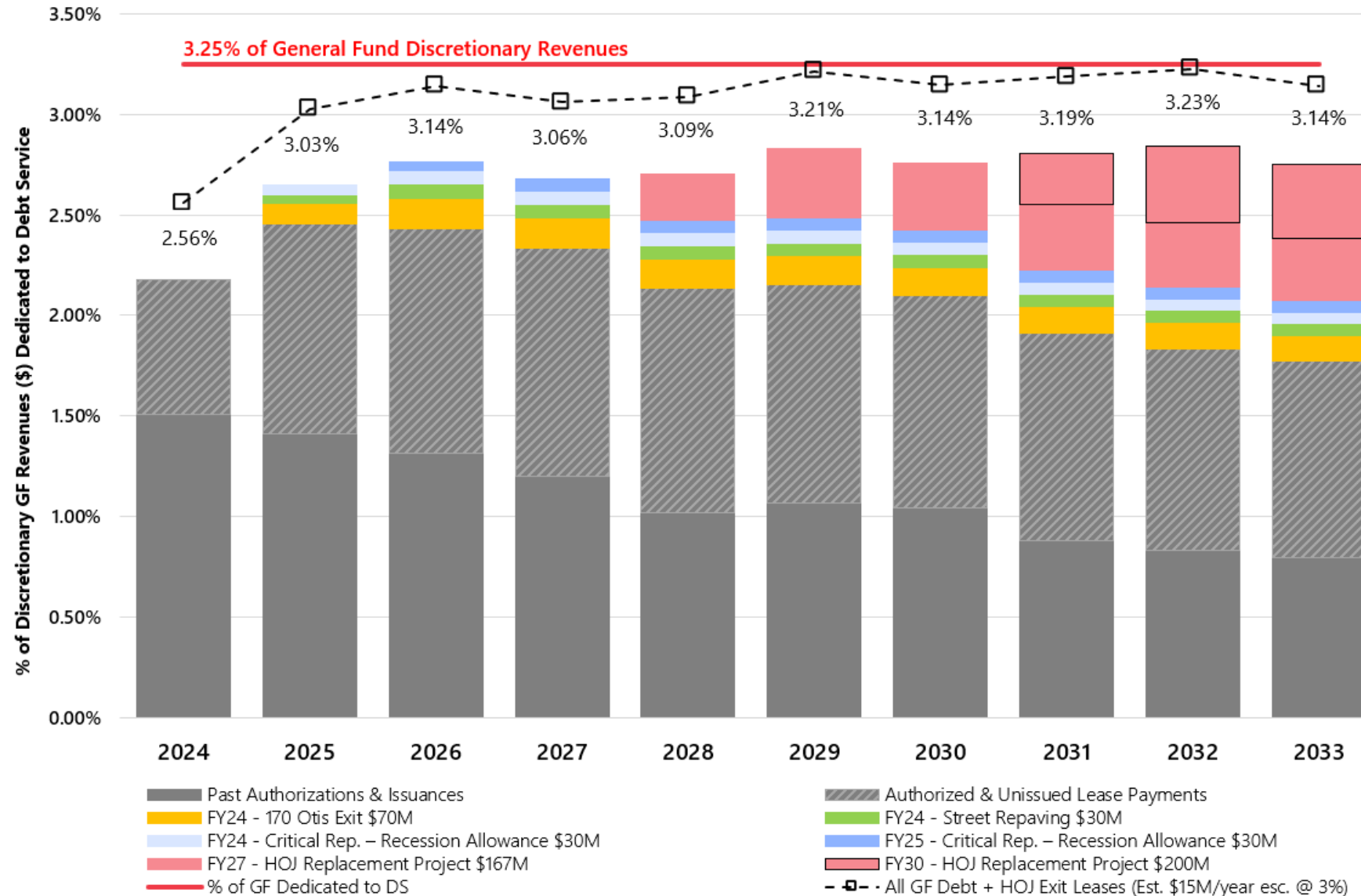
# Proposed Debt Program

## Certificates of Participation Schedule

			<i>(in \$millions)</i>
<b>Issuance</b>	<b>Proposed Project</b>	<b>Amount</b>	
FY24	170 Otis Exit	70	
FY24	Critical Repairs / Recession Allowance	30	
FY24	Street Repaving	30	
FY25	Critical Repairs / Recession Allowance	30	
FY27	HOJ Replacement	167	
FY30	HOJ Replacement	200	
<b>TOTAL</b>		<b>527</b>	

# Proposed Debt Program

## Certificates of Participation Capacity



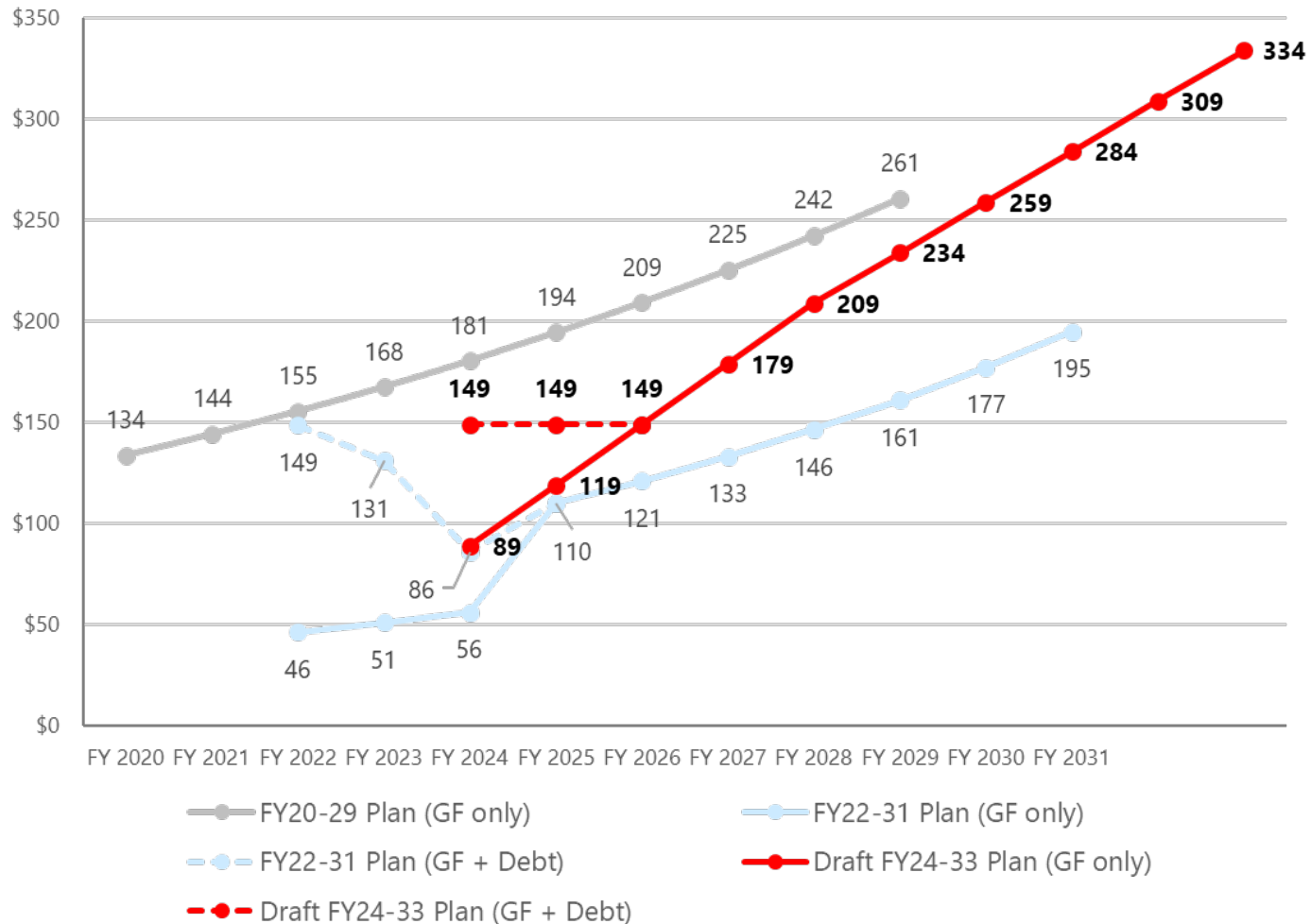
Amounts unchanged since Draft Capital Plan was presented to CPC on Jan 23, 2023

# Pay-As-You-Go Program

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# Proposed Pay-As-You-Go Program

## Impact of COVID-19 on Capital Plan



- The FY22-31 Capital Plan (in blue) was reduced significantly from the prior Plan due to the uncertainties posed by COVID-19
- The FY24-33 Capital Plan (in red) is attempting to restore pre-pandemic funding levels, but proposed funding still falls short

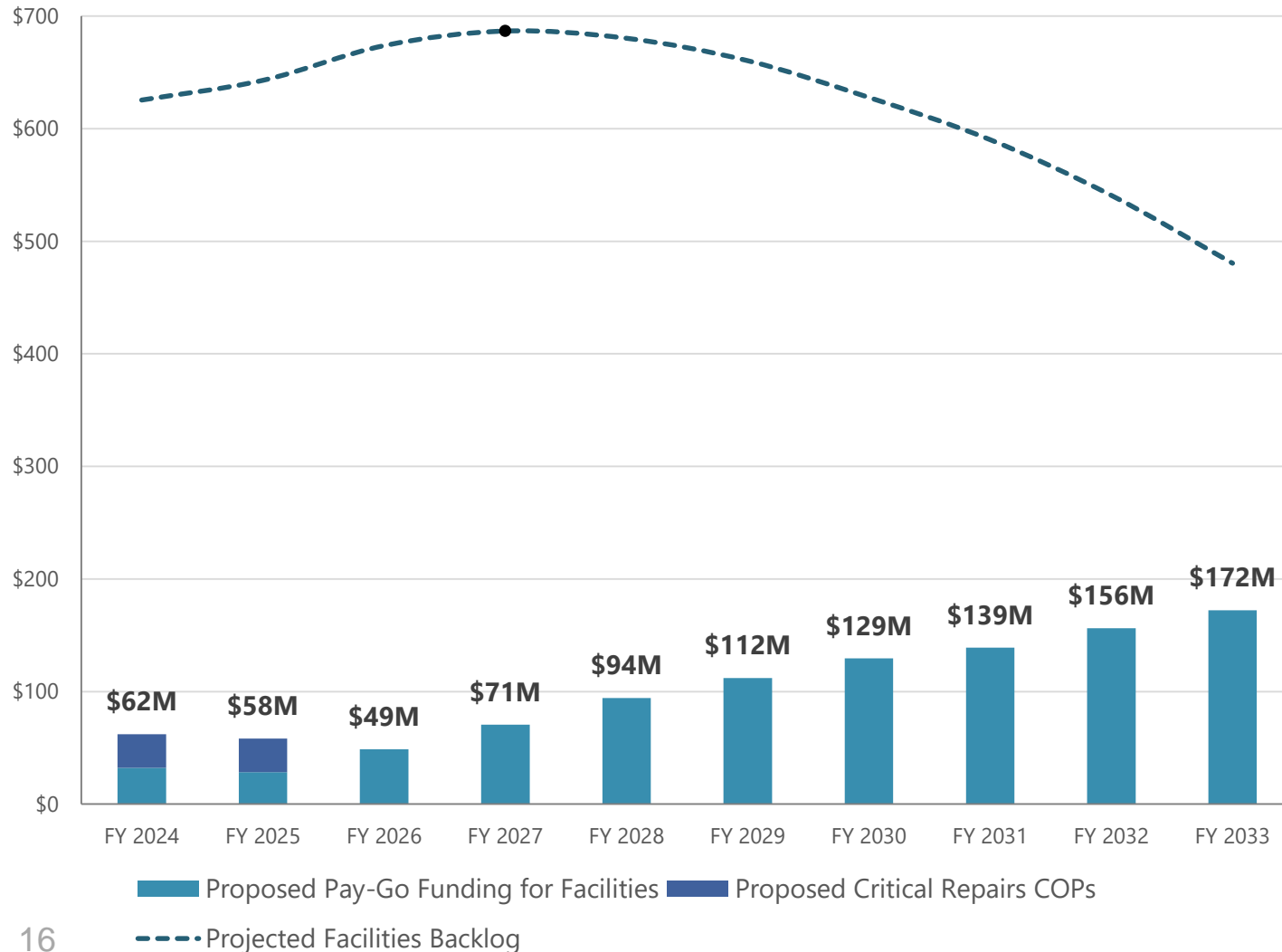
Chart unchanged since Draft Capital Plan was presented to CPC on Jan 23, 2023

# Proposed Pay-As-You-Go Program Overview FY24-31

<b>Pay-as-you-go Program Funding</b>				
<i>(in \$millions)</i>				
	<b>FY 24-28</b>	<b>FY 29-33</b>	<b>Plan Total</b>	<i>Change from Prior Plan</i>
Routine Maintenance	90	115	205	10%
ADA: Facilities	9	9	18	13%
ADA: Public Right-of-Way	28	37	65	15%
Street Resurfacing	161	294	454	77%
Enhancements	40	50	90	N/A
Recreation and Parks Base Commitment	71	71	142	-
Capital Contribution to Street Tree	34	43	78	10%
ROW Infrastructure Renewal	31	84	115	132%
Facility Renewal	281	716	998	139%
<b>TOTAL</b>	<b>745</b>	<b>1,420</b>	<b>2,165</b>	<b>81%</b>

# Proposed Pay-As-You-Go Program

## Impact of Funding Level on Backlog



- Facilities Backlog estimation methodology
  - Current 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
  - The chart above does not include REC facilities since REC has a GF set-aside to address these needs
  
- At planned funding levels, the facilities backlog is expected to start reducing in FY2028

Amounts unchanged since Draft Capital Plan was presented to CPC on Jan 23, 2023



# Committee Feedback During Capital Plan Discussions

## What We Heard

- Funding capacity is out of sync with citywide needs and proposals
  - Need to work together to explore options to expand funding sources
  - G.O. Bond 2006 tax rate policy constraint
  - Push for federal and state resources to support new and ongoing infrastructure needs
  - Ways to reduce or consolidate assets and develop cost-sharing partnerships
- Advance planning is critical in order to understand projects and leverage other resources
  - Pay-As-You-Go has limited funds for enhancements and planning
  - Revolving Capital Planning Fund is at zero
- Explore and develop creative solutions to reduce costs and streamline asset portfolio
  - Office space consolidation in light of evolving hybrid / remote work
  - Coordination between departments considering similar initiatives, such as expanding community space
  - Moving ahead with potential cost saving measures such as grouping similar renewal projects under one PW project manager

# Questions and Comments

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