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01. EXECUTIVE SUMMARY

The Fiscal Year FY2022-31 City and County of San Francisco Capital Plan (the Plan) is the City's commitment to building a more resilient, equitable, and vibrant future for the residents, workers, and visitors of San Francisco. Updated every odd-numbered year, the Plan is a fiscally constrained expenditure road map that lays out anticipated infrastructure investments over the next decade. This document is the product of input from Citywide stakeholders, who have put forth their best ideas and most realistic estimates of San Francisco's future needs.

Projects in the Plan are divided into eight Service Areas: Affordable Housing; Economic and Neighborhood Development; General Government; Health and Human Services; Infrastructure and Streets; Public Safety; Recreation, Culture, and Education; and Transportation. Each Service Area chapter describes the associated Renewal Program, Enhancement Projects, Deferred Projects, and Emerging Needs. General Fund, Enterprise, and external agencies are all represented to give as full a picture of San Francisco's capital needs as possible. This Plan is the first to include a dedicated Affordable Housing service area, recognizing affordability as a critical public need that can be supported by the City's capital sources.

Before the COVID-19 pandemic, San Francisco reached historic levels of capital investment. Spurred by a growing tax base, increases in General Fund revenues and debt issuance capacity allowed San Francisco to advance important investments to address our major resilience challenges, including racial and social inequity, earthquakes, sea level rise, and aging infrastructure. Now in the midst of the public health and economic crisis wrought by the COVID-19 pandemic, the future looks very different, but San Francisco is well positioned to deliver critical capital improvements. In the two years since the last Capital Plan, San Francisco voters have approved \$1.7 billion in General Obligation (G.O.) Bonds that will continue to support construction, public infrastructure, and the local economy. This Plan puts forward a slate of investments that create jobs and serve as economic stimulus in the years ahead. Above all, San Francisco remains committed to good stewardship of public assets and investing in the infrastructure that residents, workers, and visitors will rely upon for generations to come.

Plan By the Numbers

The FY2022-31 Capital Plan reconsiders the recommended policies of past Plans in light of the COVID-19 crisis, the need for near-term stimulus spending, and the City's commitment to racial equity and climate resilience. Policies governing the Plan are discussed in the **Introduction** as well as the **Capital Sources chapter**. The Plan also lays out a number of goals that continue key objectives from previous years, including robust funding for asset preservation, relocating critical City services to seismically sound facilities, and construction of several public infrastructure projects to improve services and quality of life.

As shown in **Table 1.1**, this Plan captures \$22.4 billion in recommended direct City investments and \$15.6 billion in external agency investment, which total nearly \$38 billion in capital improvements citywide. This work is estimated to create nearly 170,000 local jobs over the next decade.

TABLE 1.1

Capital Plan Summary in Five-Year Intervals (Dollars in Millions)	FY22-26	FY27-31	Plan Total
BY SERVICE AREA			
Affordable Housing	1,891	732	2,622
Public Safety	992	276	1,268
Health and Human Services	739	93	832
Infrastructure & Streets	6,396	4,157	10,553
Recreation, Culture, and Education	2,466	1,508	3,974
Economic & Neighborhood Development	3,564	2,053	5,616
Transportation	9,342	3,577	12,919
General Government	35	127	162
TOTAL	25,424	12,523	37,947
BY DEPARTMENT TYPE			
General Fund Departments	3,065	1,544	4,609
Enterprise Departments	11,550	6,211	17,761
City & County Subtotal	14,615	7,755	22,371
External Agencies	10,809	4,768	15,576
TOTAL	25,424	12,523	37,947

Planned Project Highlights

San Francisco has many competing needs, and the capital program is no exception. Major projects with funding identified in this Plan include:

General Fund Departments

- Permanent supportive housing and facilities for mental health needs
- Replacement of the seismically unsafe Hall of Justice
- Park system renovations, including Portsmouth Square and India Basin
- Fiber to affordable housing
- Neighborhood Fire Stations program
- District Police Stations program
- Replacement fire training facility
- ADA facilities and right-of-way barrier removal
- Zuckerberg San Francisco General and Laguna Honda Hospital campus improvements

Enterprise Departments

- Seawall strengthening
- Pier 70 Waterfront Site
- Mission Bay Ferry Landing
- Better Market Street
- Van Ness and Geary Bus Rapid Transit
- SFO Harvey Milk Terminal 1, and Terminal 3 Redevelopment
- Hetch Hetchy Water and Power Improvement
- Emergency Firefighting Water System

External Agencies

- Affordable housing developments
- Treasure Island redevelopment
- City College seismic and code upgrades
- Modernization of SFUSD sites



Pier 70 Rendering



Portsmouth Square Rendering

General Fund Departments

General Fund departments primarily rely on the General Fund to support their infrastructure needs. **Table 1.2** outlines a program summary of planned General Fund department investments, as well as projects deferred from the Plan due to funding limitations. These projects and more are discussed in the Plan's **Service Area chapters (06-12)**.

TABLE 1.2

General Fund Department Program Summary (Dollars in Millions)		
Renewal Investments	FUNDED	DEFERRED
Projected for Next Ten Years		
Facilities	617	2,333
Streets	822	688
Other right-of-way assets	91	159
<i>Subtotal, Renewals</i>	1,530	3,180
Capital Enhancement Investments	FUNDED	DEFERRED
Earthquake and Safety Improvements		
HOJ Consolidation Project	367	
Emergency Firefighting Water System	154	
New Training Facility & Neighborhood Fire Stations	275	
District Police Stations and Facilities	121	
Kezar Pavillion Seismic Upgrade	75	
Relocation of HSA Headquarters	70	
Chinatown Public Health Center Seismic Retrofit	56	
ZSFG - Bldg 3 Retrofit and Renovation	45	
County Jail #2 Improvements		228
SFPD Central District Station Replacement		122
SFFD Bureau of Equipment Relocation		98
Other Earthquake & Safety Improvements	368	372
<i>Subtotal</i>	1,531	820

Enhancements (continued)	FUNDED	DEFERRED
Disability Access Improvements		
Facilities	16	
Sidewalk Improvements and Repair Program	39	
Curb Ramp Program	63	
<i>Subtotal</i>	118	
Parks, Open Space & Greening Improvements		
Neighborhood Park Projects & Open Space Improvements	176	
Other Parks, Open Space & Greening Improvements	276	327
<i>Subtotal</i>	452	327
Street Infrastructure Improvements		
Better Market Street	197	663
Islais Creek and 4th St Bridge Rehabilitation	27	
Other Street Infrastructure Improvements	231	855
<i>Subtotal</i>	455	1,518
Other Improvements		
Mental Health SF, Permanent Supportive Housing & Homeless Services Projects	207	
Utility Undergrounding		1,337
Other Projects	310	70
<i>Subtotal</i>	517	1,407
SUBTOTAL, ENHANCEMENTS	3,072	4,072
PLAN TOTAL	4,602	7,252

Pay-As-You-Go Program

The Plan proposes funding the majority of the City's ongoing annual needs with General Fund dollars through the Pay-As-You-Go (Pay-Go) Program. These are typically smaller investments to maintain facilities and infrastructure in a state of good repair or fund critical infrastructure needs. Within the Pay-Go Program, projects are categorized as Routine Maintenance, ADA Facilities, ADA Public Right-of-Way, Street Resurfacing, Critical Enhancements, Facility Renewal, and Right-of-Way Infrastructure Renewal.

Table 1.3 provides a summary of the Plan's planned funding for the Pay-Go Program by expenditure category. The planned investment over 10 years is \$1.2 billion. This level is \$1 billion lower than the previous Plan funding level due to budget impacts in the early years resulting from the COVID-19 pandemic. Some of this loss in revenue is made up by Certificate of Participation (COP) investments described on the following pages.

TABLE 1.3

Pay-Go Program Funding (Dollars in Millions)	FY22-26	FY27-31	Plan Total
Routine Maintenance	82	104	186
ADA: Facilities	8	8	16
ADA: Public Right-of-Way	23	33	56
Street Resurfacing	65	192	256
Enhancements	0	0	0
Recreation and Parks Base Commitment	72	72	144
Capital Contribution to Street Tree Set-aside	31	39	70
ROW Infrastructure Renewal	10	40	50
Facility Renewal	94	324	418
Total Projected Funding	384	813	1,197

Enterprise and External Agencies

This Plan compiles information provided by the City’s Enterprise departments—the Port of San Francisco, the San Francisco Municipal Transportation Agency (SFMTA), San Francisco International Airport (SFO), and the San Francisco Public Utilities Commission (SFPUC). Those departments have their own timelines and Commissions that govern their capital processes. The information in this Plan represents the best available at the time of publication.

The Plan captures nearly \$18 billion in Enterprise department capital investments during the next 10 years.

Major projects identified in the last Plan such as the Seawall, Central Subway, the Transbay Transit Center, Pier 70, and SFO terminal improvements, are proceeding. Additional Enterprise department needs have arisen, notably the need to build adequate facilities to support our growing transit fleet.

TABLE 1.4

Planned Revenue Bond Issuances FY2022-31 (Dollars in Millions)			
Agency	FY22-26	FY27-31	Total
SFPUC	4,549	2,236	6,785
Airport	1,189	0	1,189
Total	5,738	2,236	7,974

Enterprise departments appear in the Plan’s G.O. Bond Program. The SFMTA passed a \$500 million Transportation G.O. Bond in 2014, and the Seawall won approval for a \$425 million G.O. Bond in 2018. The next Transportation G.O. Bond is planned for 2022.

The Enterprise departments also issue revenue bonds against the revenues generated from user fees, taxes, and surcharges. **Table 1.4** shows the current amount of revenue bonds to be issued for each department over the 10-year term of this Plan. As with the G.O. Bond and COP Programs, all revenue bond issuances are subject to change based on market conditions and cash flow needs of the associated projects.

For external agencies—City College of San Francisco, San Francisco Unified School District, the San Francisco Housing Authority, Treasure Island Development Agency, and the Office of Community Investment & Infrastructure (the successor agency to the Redevelopment Authority)—the Plan shows over \$15 billion in capital investments over the next 10 years. As affordable housing funding supports the development of units that will ultimately be held and managed by third parties, planned investments in that area are represented as external, including those funds administered by the Mayor’s Office of Housing and Community Development.

General Obligation Bonds

The Plan anticipates \$1.2 billion in General Obligation (G.O.) Bonds over the next 10 years. G.O. Bonds are backed by the City’s property tax revenue and are repaid directly out of property taxes through a fund held by the Treasurer’s Office. As a result of the successful passage of several bonds in the past few years, the capacity of the G.O. Bond Program is \$1.5 billion (or 54 percent) lower than the previous 10-Year Capital Plan. This means the Plan is recommending fewer and smaller bonds than in previous years.

Table 1.5 shows the Capital Plan’s G.O. Bond Program for the next 10 years.

Chart 1.1 illustrates the relationship between the G.O. Bond Program and the local property tax rate, including existing and outstanding issuance and voter-approved Bonds. This view shows the City’s policy constraint that G.O. Bonds will not increase the property tax rate above 2006 levels.

All future debt program amounts are estimates and may be adjusted.

TABLE 1.5

G.O. Bond Program (Dollars in Millions)		
Election Date	Bond Program	Amount
Jun 2022	Transportation	400
Nov 2023	Public Health	188
Nov 2024	Affordable Housing	160
Nov 2026	Waterfront Safety	130
Nov 2027	Earthquake Safety & Emergency Response	217
Nov 2028	Parks and Open Space	151
Nov 2031	Public Health	TBD
Total		1,245

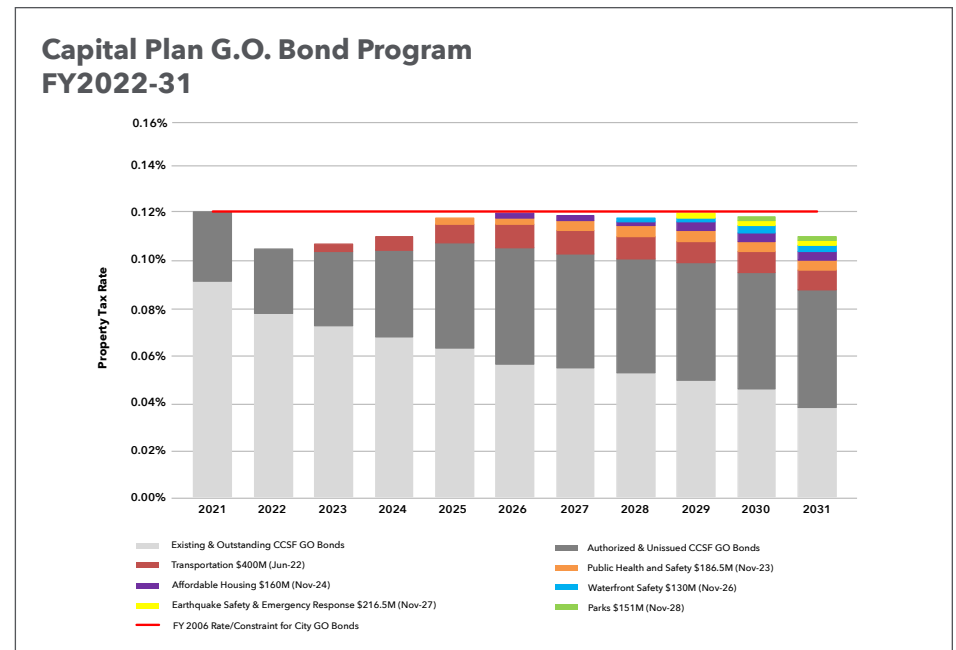


CHART 1.1

TABLE 1.6

COP Program (Dollars in Millions)		
Fiscal Year of Issuance	Project	Amount
FY2022	Critical Repairs	61
FY2022	Recovery Stimulus	50
FY2023	Relocation of HSA Headquarters	70
FY2023	Critical Repairs	50
FY2023	Recovery Stimulus	75
FY2023	Street Resurfacing	30
FY2024	Street Resurfacing	30
FY2025	HOJ Consolidation Project	367
FY2031	Public Works Yard Consolidation	32
Total		765

Certificates of Participation

The Plan anticipates \$765 million in Certificates of Participation (COPs), also known as General Fund debt, over the next 10 years. COPs are backed by a physical asset in the City’s capital portfolio and repayments are appropriated each year out of the General Fund. While the overall COP program is \$200 million lower than the previous Plan, it makes significant commitments in the early years to address reductions in the Pay-Go program and support projects to promote economic stimulus and racial equity.

Table 1.6 shows the Capital Plan’s COP Program for the next 10 years.

Chart 1.2 illustrates the COP program against the City’s policy constraint for General Fund debt not to exceed 3.25% of General Fund Discretionary Revenue.

All amounts attributed to future debt programs are estimates and may need to be adjusted.

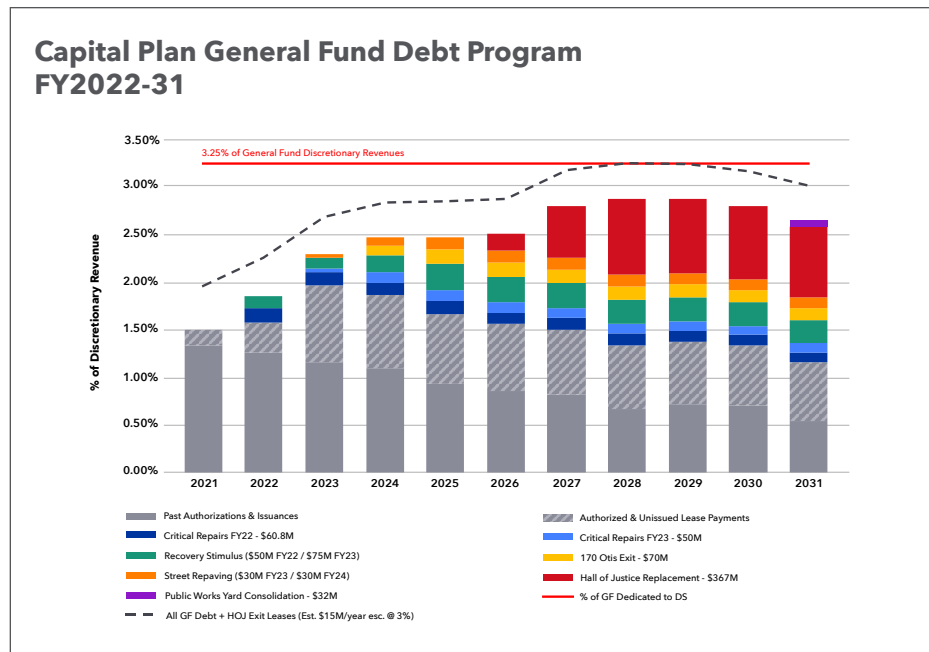


CHART 1.2

Towards Resilience

This Capital Plan identifies planned funding of \$38 billion over 10 years. Despite this investment, the Plan defers over \$7 billion in identified needs for General Fund departments.

San Francisco's Capital Plan reflects confidence in the City's capacity to administer our capital program in a responsible and transparent manner that employs best practices in financial management. This includes establishing financial constraints around each funding program to promote its long-term viability, listing unfunded and deferred projects, and establishing funding principles.

Taking care of our capital infrastructure is an important part of building a resilient city. Resilience includes eliminating racial and social disparities so that all San Franciscans may recover and thrive no matter the shocks and stresses they face.



Herons Head Park



