

File No. 200487

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date July 8, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>City Administrator's Transmittal Letter - June 3, 2020</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PowerPoint Presentation - June 24, 2020</u> |
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Completed by: Linda Wong

Date July 2, 2020

Completed by: Linda Wong

Date _____

1 [Amended Ten-Year Capital Expenditure Plan - FYs 2020-2029]

2

3 **Resolution amending the City’s ten-year capital expenditure plan for FYs 2020-2029 to**
4 **amend the proposed Government Obligation bond program.**

5

6 WHEREAS, This Board of Supervisors (the “Board”) of the City and County of San
7 Francisco (the “City”) adopted Ordinance No. 216-05 (the “Capital Planning Ordinance”)
8 amending Administrative Code, Sections 3.20 and 3.21, to authorize the formation of a Capital
9 Planning Committee (the “Committee”) and the annual preparation and adoption of a ten-year
10 capital expenditure plan for the City, including an assessment of the City’s capital
11 infrastructure needs, investments required to meet the needs identified through this
12 assessment, and a plan of finance to fund these investments; and

13 WHEREAS, The Capital Planning Ordinance requires that the ten-year capital
14 expenditure plan include all major planned investments to maintain, repair, and improve the
15 condition of the City’s capital assets, including, but not limited to, City streets, sidewalks,
16 parks and rights-of-way; public transit infrastructure; airport and port; water, sewer, and power
17 utilities; and all City-owned facilities; and

18 WHEREAS, The Capital Planning Ordinance further requires that the ten-year capital
19 expenditure plan include a plan of finance for all recommended investments, including the
20 proposed uses of general and enterprise funds to be spent to meet these requirements; and
21 the use and timing of long-term debt to fund planned capital expenditures, including general
22 obligation bond measures; and

23 WHEREAS, The Capital Planning Ordinance establishes March 1 of each odd-
24 numbered year as the target date for the City Administrator’s submission of the annual ten
25 year capital plan to the Mayor of the City and the Board, and calls for the Mayor and the

1 Board to review, update, amend and adopt the ten year capital plan by May 1 of the same
2 year; and

3 WHEREAS, At the February 25, 2019, meeting the Committee unanimously adopted
4 the ten-year capital plan for FYs 2020-2029 and approved it for submission to the Mayor and
5 the Board for its consideration (as so adopted, the “Capital Plan”); and,

6 WHEREAS, In Resolution No. 215-19 (the “Resolution”) the Board approved the
7 Capital Plan on April 30, 2019; and

8 WHEREAS, The Capital Plan provided for a proposed Parks and Open Space General
9 Obligation bond in an amount of \$255,000,000 for the November 2020 election (the “Parks
10 and Open Space Bond”); and

11 WHEREAS, The Capital Plan provided for a proposed Transportation General
12 Obligation bond in an amount of \$500,000,000 for the June 2022 election (the “Transportation
13 Bond”); and

14 WHEREAS, The Capital Plan provided for a proposed Public Health General Obligation
15 bond in an amount of \$220,000,000 for the November 2023 election (the “Public Health
16 Bond”); and

17 WHEREAS, The Resolution called for Affordable Housing to be incorporated into the
18 City’s regular capital planning processes as part of the next capital plan off-year update and to
19 build a set of reliable sources, including but not limited to general obligation bonds, to support
20 the City’s affordable housing needs; and

21 WHEREAS, An affordable housing narrative that will incorporate available information,
22 including, but not limited to definitions of key terms on affordable housing consistent with the
23 2019 Affordable Housing Bond, documentation of funding and feasibility principles for the
24 City’s capital investments in affordable housing projects, the total housing production and
25 preservation needs for very low, low, and moderate-income renters and homebuyer

1 households as informed by the City’s General Plan Housing Element and the Planning
2 Department’s Housing Balance Report, and an all-sources view of the City’s commitment to
3 growing and protecting affordable housing production and preservation is expected to be part
4 of the FYs 2022-2031 Capital Plan update; and,

5 WHEREAS, In November 2019 Mayor Breed directed City Administrator Kelly to revisit
6 and reprioritize the Capital Plan’s General Obligation Bond program to better address the
7 intersecting homelessness and mental health and substance use disorder crises evident on
8 the City’s streets; and,

9 WHEREAS, In March 2020 the greater Bay Area including the City, entered into a
10 series of mandatory Shelter in Place public health orders to flatten the curve of COVID-19
11 cases and hospitalizations; and,

12 WHEREAS, The COVID-19 public health crisis has brought with it a spike in an
13 unemployment - including more than 70,000 local unemployment claims in the five weeks of
14 March 14 through April 17 - and projected coming year budget shortfalls of approximately
15 \$700 million that will negatively affect the City’s ability to fund basic state of good repair
16 investments for essential right-of-way infrastructure such as streets, curb ramps, and street
17 structures and plazas; and,

18 WHEREAS, Investments in construction and other infrastructure improvements is a
19 powerful local instrument of jobs stimulus, bringing 5.93 San Francisco jobs for each million
20 dollars of construction according to the most recent REMI Policy Insight model; and,

21 WHEREAS, At the May 11, 2020, meeting the Committee unanimously adopted an
22 amended ten-year capital plan for FYs 2020-2029 to replace the Parks and Open Space Bond
23 with a proposed Health and Recovery bond in an amount of \$438,500,000 for the November
24 2020 election; and

1 WHEREAS, At the same meeting the Committee unanimously adopted an amended
2 ten-year capital plan for FYs 2020-2029 to reduce the amount of the Transportation Bond to
3 \$350,000,000 and the amount of the Public Health Bond to \$186,500,000 for their respective
4 elections; and,

5 WHEREAS, At the same meeting the Committee unanimously adopted an amended
6 ten-year capital plan for FYs 2020-2029 to include in the General Obligation Bond program an
7 Affordable Housing general obligation bond measure for the November 2024 election in an
8 amount to be determined in future capital plan updates as additional assessed value is
9 identified and/or trade-offs are made within the Program’s constraint; and approved the
10 amended capital plan for submission to the Mayor and the Board for its consideration (as so
11 adopted, the “Amended Capital Plan”); and,

12 WHEREAS, The Amended Capital Plan and the City Administrator’s transmittal letter
13 are on file with the Clerk of the Board of Supervisors File No. _____, which is hereby
14 declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

15 RESOLVED, That the above recitals are true and correct; and, be it

16 FURTHER RESOLVED, That the FYs 2022-2031 Capital Plan update will include a
17 narrative dedicated to Affordable Housing production and preservation as a capital need; and

18 FURTHER RESOLVED, That the FYs 2022-2031 Capital Plan update will incorporate
19 the City’s portfolio of housing needs by income, funding sources, and uses for affordable
20 housing capital production and preservation as outlined in this Resolution; and be it

21 FURTHER RESOLVED, That this Board has reviewed the Amended Capital Plan; and
22 be it

23 FURTHER RESOLVED, That this Board hereby adopts the Amended Capital Plan as
24 the City’s ten-year capital expenditure plan for purposes of the Capital Planning Ordinance.
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<p>Items 2 & 3 Files 20-0479 and 20-0487 <i>(Continued from June 24, 2020)</i></p>	<p>Department: Office of Public Finance</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <p>File 20-0479 is a resolution determining and declaring that the public interest and necessity demand the acquisition or improvement of real property, including (1) facilities to deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; (2) parks, open space and recreation facilities, including green and climate resilient infrastructure; and (3) streets, curb ramps, street structures and plazas. An ordinance (File 20-0478) is pending before the Board of Supervisors, providing for a proposition to be submitted to the voters in November 2020 to approve \$487,500,000 in General Obligation bonds to fund the acquisition and improvement of real property referenced in File 20-0479.</p> <p>File 20-0487 is a resolution amending the City’s ten-year capital expenditure plan for FY 2020-2029 to amend the General Obligation bond program to include the proposed bonds of \$487,500,000</p> <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The 2020 Health and Recovery General Obligation Bond report describes the projects to be acquired or constructed, using the proposed bond proceeds. • \$207 million would be allocated to (i) permanent supportive housing and shelter projects, and (ii) projects for mental health and substance use disorder services. • \$239 million would be allocated to two categories of open space and park projects: (i) neighborhood parks, and (ii) programmatic scopes. Neighborhood park projects were prioritized based on projects that had already undergone public review, design studies, and environmental review. Programmatic scope are broad categories for which specific projects have yet to be identified. • \$41.5 million would be allocated to address the capital needs in the public right of way and public space. Projects include (i) street resurfacing projects, which makes up the majority of proposed funding, (ii) curb ramps, and (iii) street structures and plazas. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • According to the Office of Public Finance, issuance of \$487.5 million in General Obligation bonds would result in estimated average annual debt service of \$39.4 million and total debt service over the life of the bonds of \$958.7 million. Estimated average annual property tax increase to a residential property owner, with an assessed valuation of \$600,000 and \$7,000 homeowner’s exemption, would be \$83.02. • According to the Office of Public Finance, the proposed \$487.5 million in General Obligation bonds falls within the Charter debt limit requirement and City policy to limit the impact of debt service on property tax rates. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approval of the proposed resolutions is a policy matter for the Board of Supervisors. 	

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors is authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County

DETAILS OF PROPOSED LEGISLATION

File 20-0479: The proposed resolution determines and declares that the public interest and necessity demand the acquisition or improvement of real property, including (1) facilities to deliver services for persons experiencing mental health challenges, substance use disorder, and/or homelessness; (2) parks, open space and recreation facilities, including green and climate resilient infrastructure; and (3) streets, curb ramps, street structures and plazas.

An ordinance (File 20-0478) is pending before the Board of Supervisors, providing for a proposition to be submitted to the voters in November 2020 to approve \$487,500,000 in General Obligation bonds to fund the acquisition and improvement of real property referenced in File 20-0479.

Under the proposed resolutions, the Board of Supervisors would find that:

1. The proposed bond-funded projects are necessary and in the public interest;
2. The proposed bond-funded projects with estimated costs of \$487.5 million cannot be funded from operating revenues;
3. The proposed General Obligation bonds were referred to the Planning Department, as required by the Charter and Administrative Code, conform to the Planning Code's priority policies, and are consistent with the General Plan; and
4. The approval time limits specified in Administration Code Section 2.34 are waived;¹ and
5. Prior eligible City expenditures are to be reimbursed by the bond proceeds, for which the procedures are defined on page 10 of the proposed resolution.

The proposed resolution also provides that the ordinance submitting the proposed General Obligation bonds to the voters (File 20-0478 pending before the Board) authorizes landlords to pass through 50 percent of the resulting property tax increase to residential tenants.

The proposed resolution further makes findings in compliance with the California Environmental Quality Act (CEQA), detailed on pages 7 through 9 of the proposed resolution;

In addition, a proposed resolution (File 20-0487) amends the City's ten-year capital expenditure plan for FY 2020-2029 to amend the General Obligation bond program to include the proposed bonds of \$487,500,000.

¹ Administrative Code Section 2.34 requires the Board of Supervisors to approve submitting General Obligation bonds to the voters no less than 141 days before the election.

Proposed Health and Recovery Bond

The 2020 Health and Recovery General Obligation Bond report describes the projects to be acquired or constructed, using the proposed bond proceeds. Total proposed General Obligation bond allocations are shown in Table 1 below.

Exhibit 1: Proposed Bond Allocation

Program Area	Amount
Behavioral Health and Homelessness	\$207.0 million
Parks and Open Spaces	\$239.0 million
Right of Way Repair	\$41.5 million
Total	\$487.5 million

Behavioral Health and Homelessness

The proposed bond funds would fund behavioral health and homeless facilities. Proposed behavioral health facilities include:

- A new centralized Behavioral Health Access Center;
- Behavioral health respite facilities, including detox and sobering; and
- Improvements to existing health facilities.

Proposed facilities to serve the homeless population include:

- Construction and acquisition of permanent supportive housing; and
- Acquisition of emergency shelter and transitional housing.

Parks and Open Spaces

The proposed bond funds would be allocated to two categories of projects, neighborhood parks and programs. According to the 2020 Health and Recovery Bond Report, neighborhood park projects were prioritized based on projects that had already undergone public review, design studies, and environmental review. Programmatic scope are broad categories for which specific projects have yet to be identified. According to the 2020 Health and Recovery Bond Report, the Recreation and Park Commission will review and approve funding allocated to specific projects; environmental review under the California Environmental Quality Act (CEQA) will be completed after project identification and development.

Exhibit 2: Proposed Bond Allocation to Parks and Open Spaces

Program Area	Amount
Neighborhood Parks	
Buchanan Mall	\$2 million
Gene Friend Recreation Center	\$30 million
Herz Playground Recreation Center (HOPE SF)	\$10 million
India Basin	\$29 million
Japantown Peace Plaza	\$25 million
Contingency	\$5 million
Subtotal Neighborhood Parks	\$101 million
Programmatic Scope	
Citywide Parks	\$18 million
Recovery Parks ^a	\$86 million
Playgrounds	\$9 million
Community Opportunity Fund	\$6 million
Sustainability	\$14 million
Trails	\$1 million
Community Gardens	\$0.6 million
Contingency	\$1.4 million
Subtotal Programmatic Scope	\$136 million
Administration	\$2 million
Total Neighborhood Parks and Programmatic Scope	\$239 million

Source: Capital Planning Program

^a Recovery Parks priorities are: Crocker Amazon (\$15 million), Jackson (\$10 million), Buena Vista (\$3 million), Richmond Senior Park (\$1 million), South Sunset (\$3 million), and Chinatown (\$54 million)

Right of Way

The proposed bond funds would be allocated to project to address the capital needs in the public right of way and public space. Street resurfacing projects would make up the majority of projects. The specific street resurfacing projects would be prioritized based on the pavement score, usage (such as transit corridors), project readiness, equitable geographic distribution, and public inquiries. The other two project areas are curb ramps, and street structures and plazas.

Table4: Proposed Bond Allocation to Right of Way Repairs

Program Area	Amount
Street resurfacing	\$31.5 million
Curb Ramps	\$5 million
Street Structures and Plazas	\$5 million
Total	\$41.5 million

FISCAL IMPACT*Debt Service and Property Taxes*

According to the Office of Public Finance, issuance of \$487.5 million in General Obligation bonds would result in estimated average annual debt service of \$39.4 million and total debt service over the life of the bonds of \$958.7 million. Estimated average annual property tax increase to a residential property owner, with an assessed valuation of \$600,000 and \$7,000 homeowner's exemption, would be \$83.02.

Debt Limit and Tax Rates

Charter Section 9.106 sets the City's debt limit at 3 percent of assessed valuation. According to the Office of Public Finance, based on the City's FY 2019-20 net assessed valuation of \$281.8 billion, the City's General Obligation bond debt capacity is \$8.4 billion. As of July 2020, the City's outstanding General Obligation bond debt is \$2.15 billion and authorized and unissued General Obligation bond debt is \$2.18 billion. If all authorized debt were to be issued, including the proposed \$487.5 million in General Obligation bonds, total City General Obligation bond debt would be \$4.82 billion, less than the \$8.4 billion debt limit.

The City's policy is to limit the impact of General Obligation bond debt on property tax rates; the policy defined in the Capital Plan sets the property tax rate at no more than the FY 2005-06 rate. According to the Office of Public Finance, approval of the proposed General Obligation bonds is consistent with City policy.

RECOMMENDATION

Approval of the proposed resolutions is a policy matter for the Board of Supervisors.



OFFICE OF THE CITY ADMINISTRATOR



London N. Breed, Mayor
Naomi M. Kelly, City Administrator

June 3, 2020

The Honorable London N. Breed, Mayor
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Honorable Members of the Board of Supervisors
City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Amendment to the City and County of San Francisco Capital Plan FY 2020 – FY 2029

Dear Mayor Breed and Members of the Board of Supervisors:

In compliance with the San Francisco Administrative Code Section 3.20, I am pleased to submit an amendment to the current City and County of San Francisco capital expenditure plan to revise the General Obligation Bond Program.

The amendment increases the amount of the planned November 2020 General Obligation Bond from \$255 million to \$438.5 million. The amendment also modifies the programming for the November 2020 bond from a Parks-only measure to a Health and Recovery measure: \$197 million for projects that address the twin crises of behavioral health and homelessness in San Francisco; \$200 million for Recreation and Parks facilities, parks, and open spaces; and \$41.5 million for state of good repair work to the public right-of-way.

To make this adjustment, the Capital Planning Committee recommended the following amendments to the General Obligation Bond Program found on pages 10 and 54-55 of the current Plan:

- Add \$183.5 million in proposed debt issuance to the planned November 2020 General Obligation Bond, for a total of \$438.5 million, and change the title of that measure from “Parks and Open Space” to “Health and Recovery.”
- Subtract \$150 million in proposed debt issuance from the planned June 2022 Transportation bond, reducing that measure from \$500 million to \$350 million.
- Subtract \$33.5 million in proposed debt issuance from the planned November 2023 Public Health General Obligation Bond, reducing that measure from \$220 million to \$186.5 million.

These proposed modifications allow for critical infrastructure projects in future bond programs to have adequate funding while directing resources to the highest priorities of the present.

Further, Capital Planning Committee adjusted the General Obligation Bond Program to identify a reliable set of resources for affordable housing, including but not limited to General Obligation bonds, per the Capital Plan's resolution of adoption, unanimously approved by the Board on April 30, 2019. Capital Planning Committee has proposed the addition of an Affordable Housing measure to the General Obligation Bond Program calendar for November 2024. The amount of this measure is to be determined as part of future full Capital Plan updates as new capacity is identified and/or trade-offs are made within the Program's constraint. This amendment begins the work of incorporating Affordable Housing into the City's regular capital planning process.

Approved with a vote of 10-0 by the Capital Planning Committee on May 11, 2020, with one abstention from Board President Norman Yee, these proposed changes comply with San Francisco's policy that property tax rates not rise above 2006 levels as a result of bonds controlled by the City and County of San Francisco.

The revised General Obligation Bond Program table on pages 10 and 54 of the Capital Plan is shown in the enclosed Capital Plan amendment.

Copies of the Capital Plan, along with materials related to the Capital Plan amendment here described can be found at www.onesanfrancisco.org, or by contacting the Capital Planning Program at CPP@sfgov.org.

Sincerely,

A handwritten signature in blue ink that reads "Naomi M. Kelly". The signature is fluid and cursive, with the first name being the most prominent.

Naomi M. Kelly
City Administrator

encl: Proposed FY2020-2029 Capital Plan Amendment

Proposed FY2020-2029 Capital Plan Amendment

As presented at Capital Planning Committee on May 11, 2020, and approved by a vote of 10-0, with abstention from President Yee

Off-Year Update to the General Obligation Bond Program

Election Date	Program	\$M	Change
Nov 2019	Affordable Housing	600	
Mar 2020	ESER	628.5	
Nov 2020	Health and Recovery (was Parks)	(was 255) 438.5	+ \$183.5M
Jun 2022	Transportation	(was 500) 350	- \$150M
Nov 2023	Public Health	(was 220) 186.5	- \$33.5M
Nov 2024	Affordable Housing	TBD	
Nov 2026	Waterfront Safety	150	
Nov 2027	ESER	272	
Nov 2028	Parks and Open Space	200	
	TOTAL	2,825	



Capital Planning Committee

Naomi M. Kelly, City Administrator, Chair

MEMORANDUM

May 11, 2020

To: Members of the Board of Supervisors

From: Naomi Kelly, City Administrator and Capital Planning Committee Chair

Copy: Angela Calvillo, Clerk of the Board
Capital Planning Committee

Regarding: (1) FY2020-2029 Capital Plan Off-Year Update (2) Proposed 2020 Health and Recovery General Obligation Bond

nkelly

BY *OK*

2020 MAY 11 PM 3:29

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

In accordance with Section 3.21 of the Administrative Code, on May 11, 2020, the Capital Planning Committee (CPC) approved the following action items to be considered by the Board of Supervisors. The CPC's recommendations are set forth below.

- 1. Board File Number: TBD** **FY2020-2029 Capital Plan Off-Year update.**
- Recommendation: Recommend the Board of Supervisors approve the Capital Plan update.
- Comments: The CPC recommends approval of this item by a vote of 11-0.
- Committee members or representatives in favor:
Naomi Kelly, City Administrator; Kelly Kirkpatrick, Mayor's Budget Director; Norman Yee, Board President; Anna Van Degna, Controller's Office; Alaric Degrafinried, Acting Director, Public Works; Kevin Kone, San Francisco International Airport; Phil Ginsburg, General Manager, Recreation and Parks Department; Jonathan Rewers, SFMTA; Thomas DiSanto, Planning; Katharine Petrucione, Port of San Francisco; and Kathy How, San Francisco Public Utilities Commission.
- 2. Board File Number: TBD** **Approval of the ordinance and related resolution of public interest and necessity authorizing the Proposed 2020 Health and Recovery General Obligation (G.O.) Bond in the amount of \$438,500,000.**
- Recommendation: Recommend the Board of Supervisors approve the ordinance and related resolution.
- Comments: The CPC recommends approval of this item by a vote of 10-0.
- Committee members or representatives in favor:
Naomi Kelly, City Administrator; Kelly Kirkpatrick,

Mayor's Budget Director; Anna Van Degna, Controller's Office; Alaric Degrafinried, Acting Director, Public Works; Kevin Kone, San Francisco International Airport; Phil Ginsburg, General Manager, Recreation and Parks Department; Jonathan Rewers, SFMTA; Thomas DiSanto, Planning; Katharine Petrucione, Port of San Francisco; and Kathy How, San Francisco Public Utilities Commission.

From: [Peacock, Rebecca \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Kittler, Sophia \(MYR\)](#); [Green, Heather \(ADM\)](#); [Kirkpatrick, Kelly \(MYR\)](#)
Subject: Mayor -- [Resolution] -- [Amended Ten-Year Capital Expenditure Plan-FYs 2020-2029]
Date: Tuesday, May 12, 2020 4:41:00 PM
Attachments: [Capital Plan Amending Resolution.docx](#)

Attached for introduction to the Board of Supervisors is a **Resolution amending the City's ten-year capital expenditure plan for FYs 2020-2029 to amend the proposed Government Obligation bond program.**

Please let me know if you have any questions.

Rebecca Peacock ([they/she](#))
(415) 554-6982 | Rebecca.Peacock@sfgov.org
Office of Mayor London N. Breed
City & County of San Francisco

*** I am working remotely. Please call me at 267-663-8648 with any questions ****



ONESF

Building Our Future

onesanfrancisco.org

There's only one San Francisco. Let's take care of it.



FY2020-29 Capital Plan Off-Year Update November 2020 Health and Recovery G.O. Bond

June 24, 2020

Proposed (Revised) November 2020 Bond

2

Program Area	\$M
Mental Health and Homelessness	207
Parks	239
Streets and Right-of-Way	41.5
TOTAL	487.5

Background: Capital Plan Funding Principles and Resilience Challenges

Capital Funding Principles



Resilience Challenges



EARTHQUAKES

There is a 76% chance the Bay Area will experience a 7.0 magnitude earthquake in the next 30 years. Even the relatively moderate and distant 1989 Loma Prieta Earthquake (6.9) caused substantial damage to our city. It is imperative to the survival of San Francisco that we continue working to prepare and recover from the "big one."



INFRASTRUCTURE

Infrastructure is central to our daily lives—from the roads and pipes we use every day, to the larger systems, like food and social networks and housing that we rely on as lifelines. Sometimes these systems continue to operate past their intended life span and sometimes they are inadequate all together to meet the needs of a growing and vibrant city.



CLIMATE CHANGE

The impacts of global climate change are already being felt in the form of drought and increasingly severe storm events. We must secure our city's future through mitigation, while recognizing the likely impacts of climate change by beginning to adapt today rather than when it is too late.



SOCIAL INEQUITY

San Francisco embraces equality and equity in all policies but this work is never done. Social equity and inclusiveness needs to be at the core of what makes a city thrive.



SEA LEVEL RISE

We expect a total in 66" of sea level rise to impact our shores by 2100. As we plan for the growth of our city, we need to adapt to this challenge that threatens not only our waterfront but also our way of life in San Francisco and regionally.



UNAFFORDABILITY

Forty-five percent of renters in San Francisco pay more than 30% of their household income in rent. Median home prices are continuing to rise, making it a challenge for first time home buyers. San Francisco is becoming out of reach for many of the people who made the city what it is today.

G.O. Bond Measures since 2000 by Service Area

4

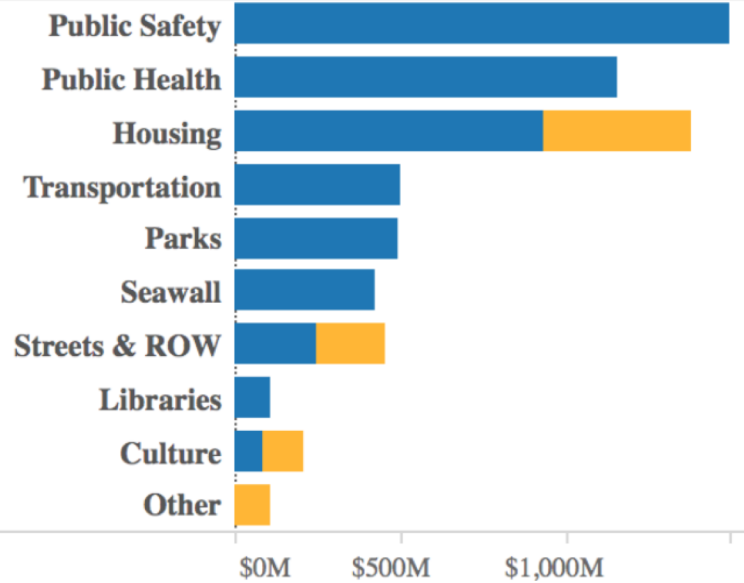
Total Value
Approved:

\$5,444M

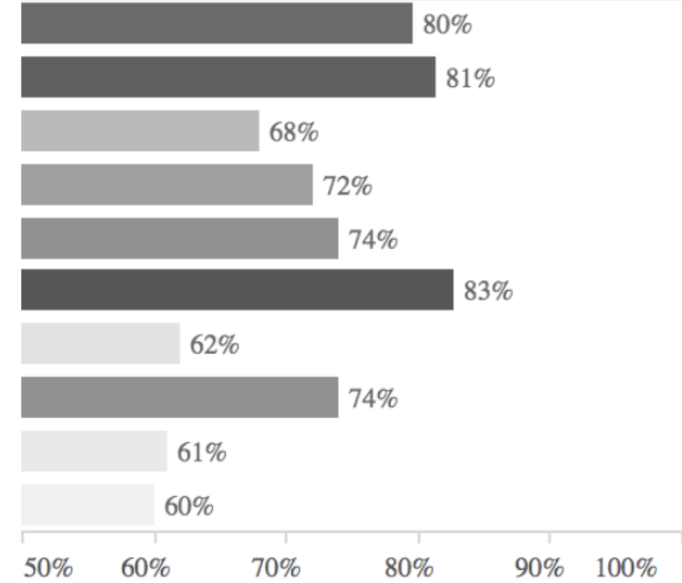
Total Value
Rejected:

\$887M

Total Value of Bonds by Category



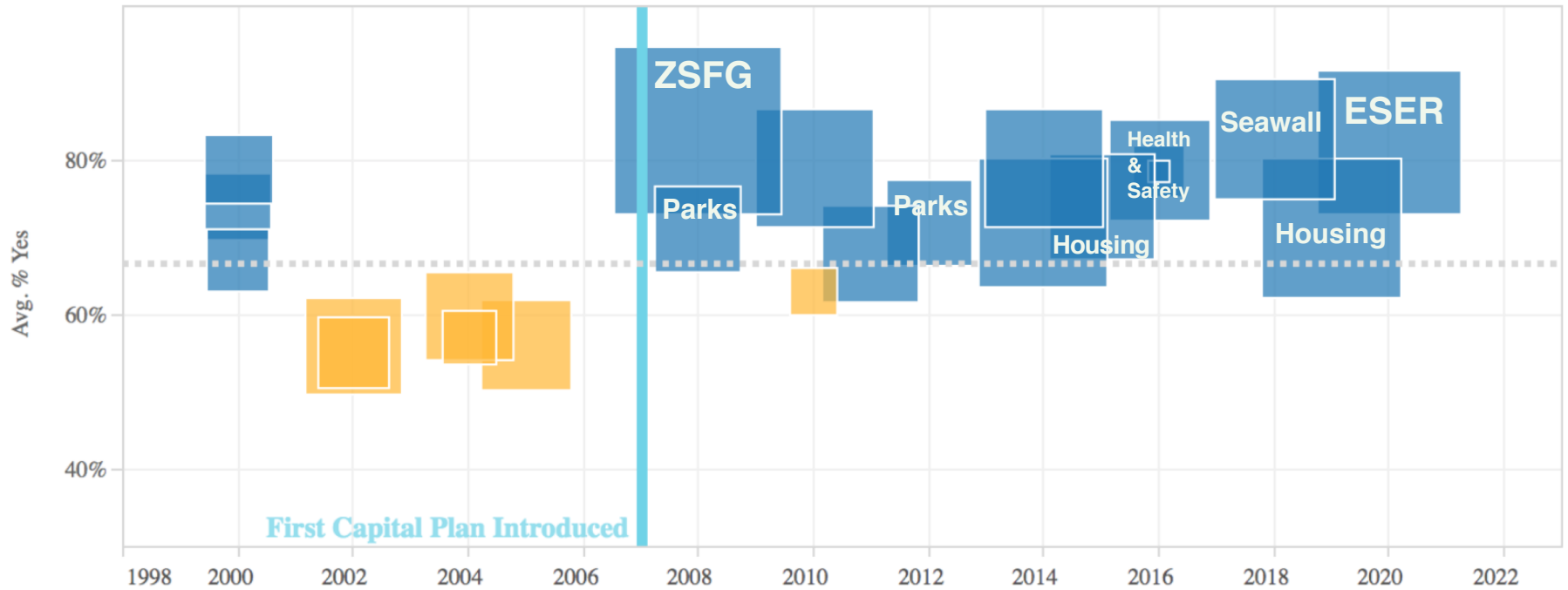
Average Voter Approval



Voter Approval of G.O. Bond Measures since 2000

5

Voter Approval and Bond Value by Year



Off-Year Update Context: Highest Priorities & Building Recovery

6

In November of 2019 Mayor Breed asked City Administrator Kelly to re-prioritize the G.O. Bond Program to reflect and address the urgency of San Francisco's mental health crisis.

More recently, with the rise of the COVID-19 and associated leap in unemployment, an urgent need to invest in shovel-ready projects and programs has arisen.

- *Bonds must be used for capitalizable assets, cannot be used for leased facilities, services, or temporary investments.*
- *Every \$1 million in construction spending creates an estimated 5.93 jobs.*
- *Bonds enable construction, are an important local counter-recessionary tool.*
- *Deferred right-of-way and facilities maintenance would otherwise go unfunded in recession and budget cuts climate.*

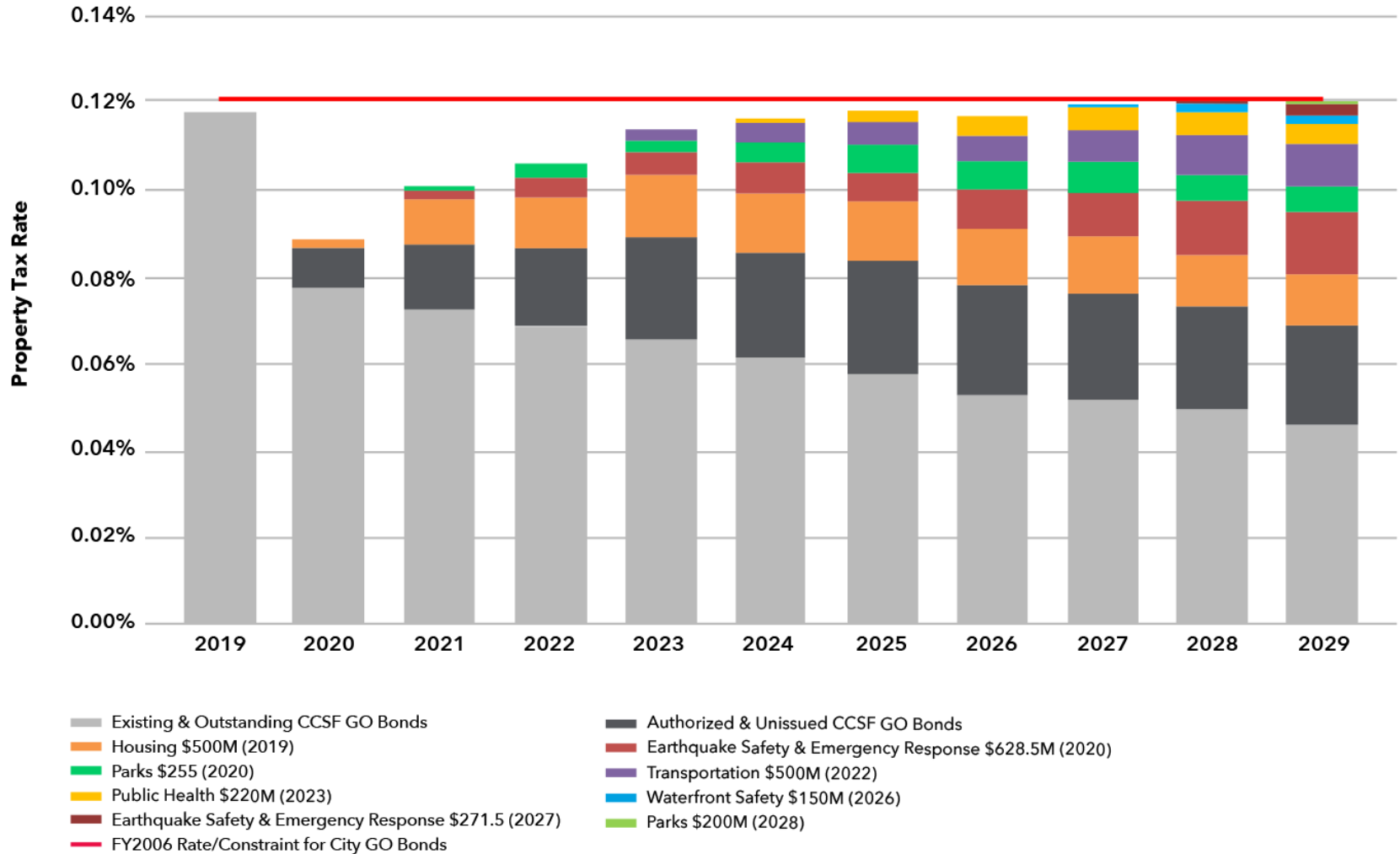
Planned GO Bonds from FY2020-29 Capital Plan

7

Election Date	Program	\$M	Notes
Nov 2019	Affordable Housing	500*	Revised up to \$600M
Mar 2020	Earthquake Safety & Emergency Response	628.5	
Nov 2020	Parks and Open Space	255	
Jun 2022	Transportation	500	
Nov 2023	Public Health	220	
Nov 2026	Waterfront Safety	150	
Nov 2027	Earthquake Safety & Emergency Response	271.5	
Nov 2028	Parks and Open Space	200	
	TOTAL	2,725	

GO Bond Program as published in the Capital Plan

8



November 2020 Bond as approved by Capital Planning Committee 5/11/20

9

Program Area	\$M
Mental Health and Homelessness	197
Parks	200
Streets and Right-of-Way	41.5
TOTAL	438.5

Proposed (Revised) November 2020 Bond

10

Program Area	\$M
Mental Health and Homelessness	207
Parks	239
Streets and Right-of-Way	41.5
TOTAL	487.5

Behavioral Health and Homelessness Priority Target Population

11



Estimated populations of 18,000 and 4,000 based on FY1819 CCMS data.

Behavioral Health Capital Priorities

12

Recent needs analysis shows priority needs in the system for:

- Locked acute and sub-acute treatment facilities, residential treatment, and/or residential stepdown beds
- Long-term placement facilities, such as board and care and other residential care
- Psychiatric skilled nursing facilities

Other investments that would improve San Francisco's ability to serve those experiencing homelessness, mental health challenges, and substance use disorder:

- Behavioral health respite facilities, including detox and sobering
- A new centralized Behavioral Health Access Center
- Improvements to existing health facilities

Homelessness Capital Priorities

13

Investments build upon DPH and HSH's work to better coordinate and serve high-needs, vulnerable adults experiencing or at risk of chronic homelessness.

Funds will be used to stabilize, acquire, construct, expand and/or improve Permanent Supportive Housing and Emergency Shelters, including:

- Expansion of Permanent Supportive Housing: long-term affordable housing with on-site services for highly vulnerable people exiting chronic homelessness
- Acquisition of leased permanent supportive housing, investing in long-term affordability
- Acquisition of emergency shelter/transitional housing

Proposed (Revised) November 2020 Bond: Health and Homelessness

14

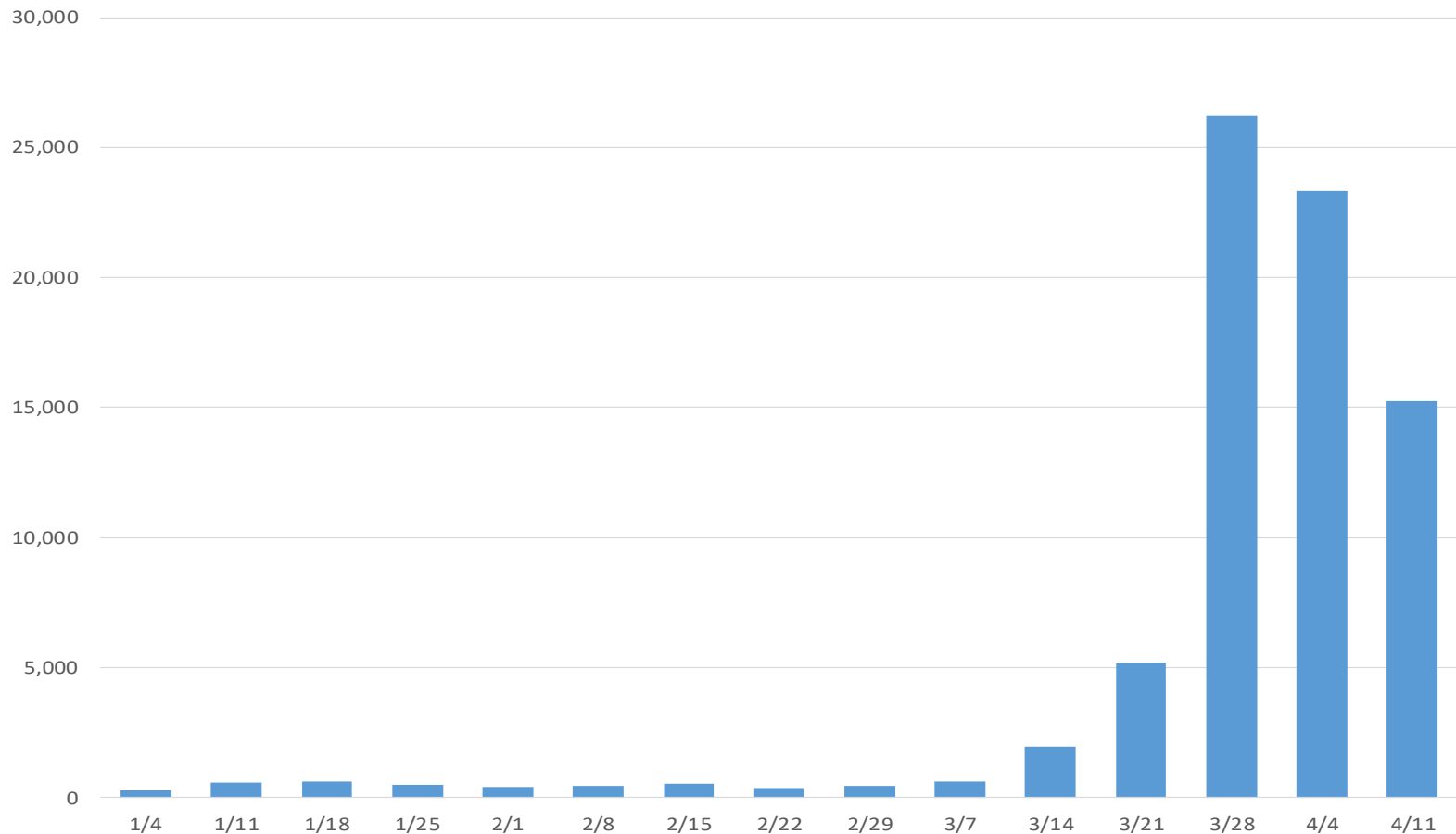
Investment Priorities	\$207M
Permanent supportive housing units, transitional housing, and shelters	
Locked acute and sub-acute treatment facilities, residential treatment facilities, and/or residential stepdown facilities	
Facilities for long-term placements, such as board and care and other residential care	
Psychiatric skilled nursing facilities	
Behavioral health respite facilities	
Detox and sobering facilities	
A new centralized Behavioral Health Access Center	
Existing health facilities	

Recovery/Unemployment Need

15

More than 70,000 SF Unemployment Claims Since Mid-March

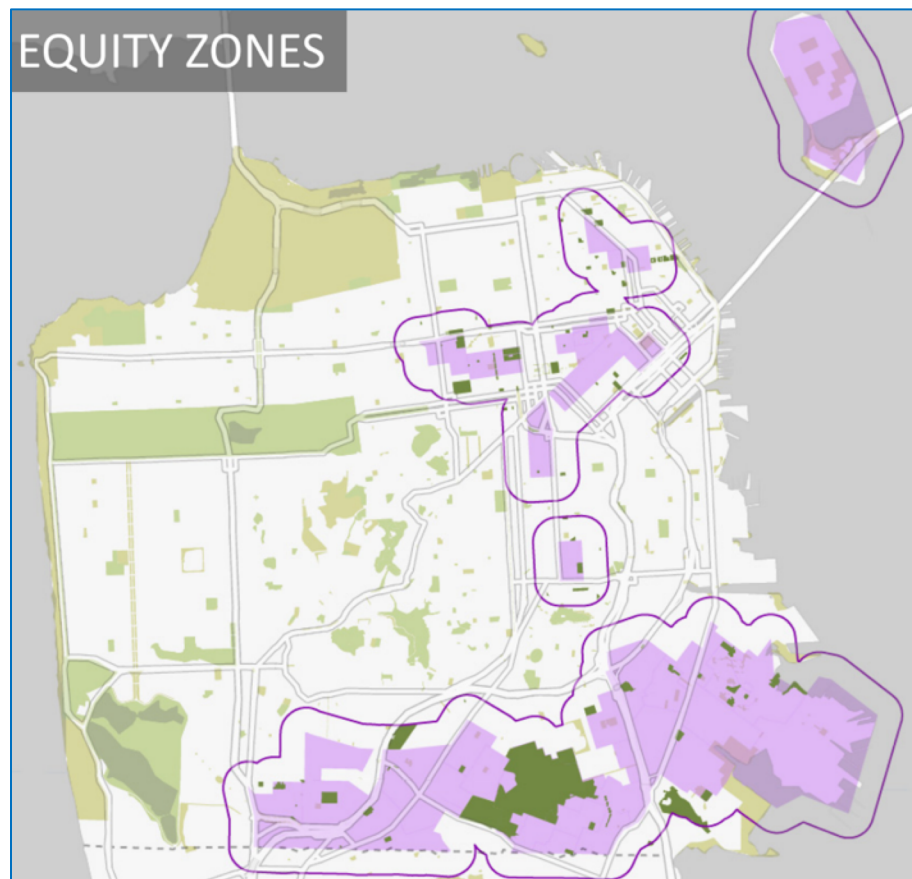
Weekly Initial Claims for Unemployment in San Francisco Since January 2020



Recovery/Parks Capital Portfolio

16

4,113 acres of recreational and open space
3,400 acres within San Francisco
671 marina slips
222 neighborhood parks
181 playgrounds and play areas
151 tennis courts
72 basketball courts
82 recreation centers and clubhouses
59 soccer/playfields
37 community gardens
31 natural areas
29 off-leash dog areas
9 swimming pools
6 golf courses
2 stadiums



Recovery/Parks Capital Needs

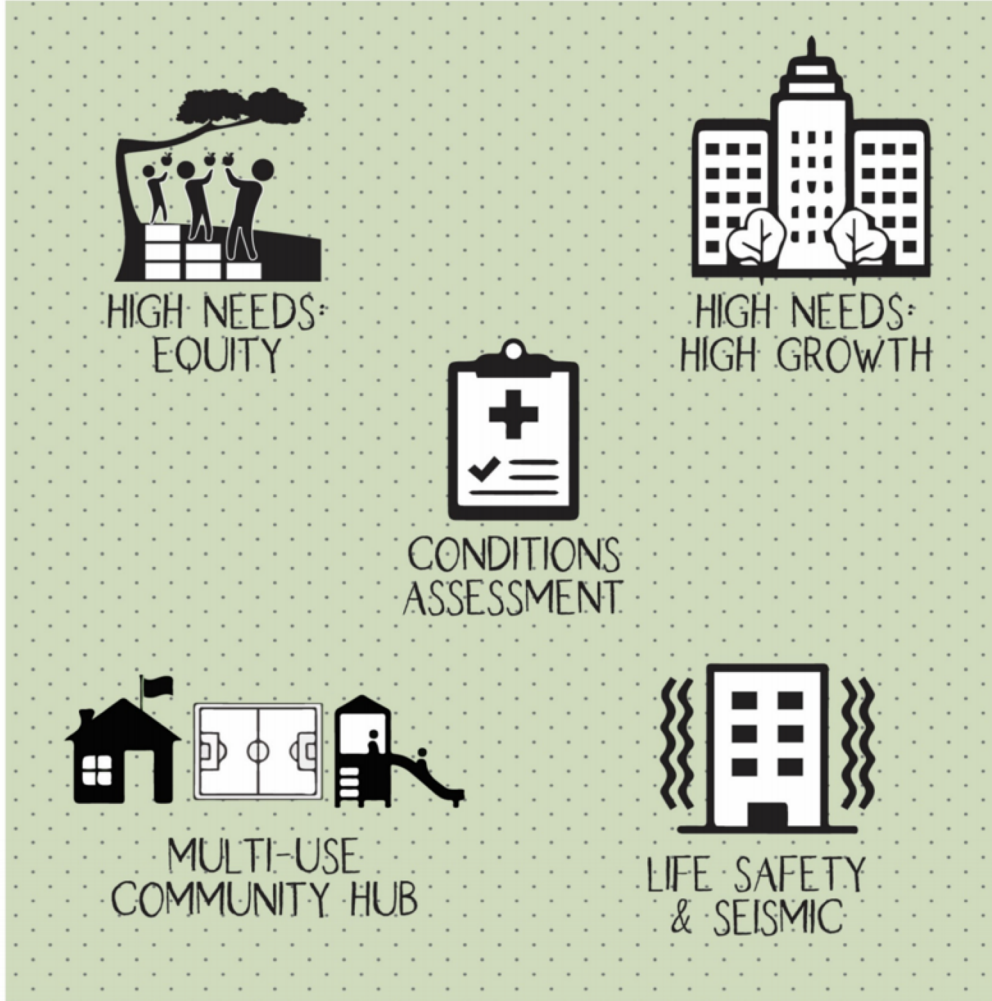
17

- Growing population
- Growing density
- Growing environmental challenges
- Growing disparities
- Growing need for open space, especially in times of crisis

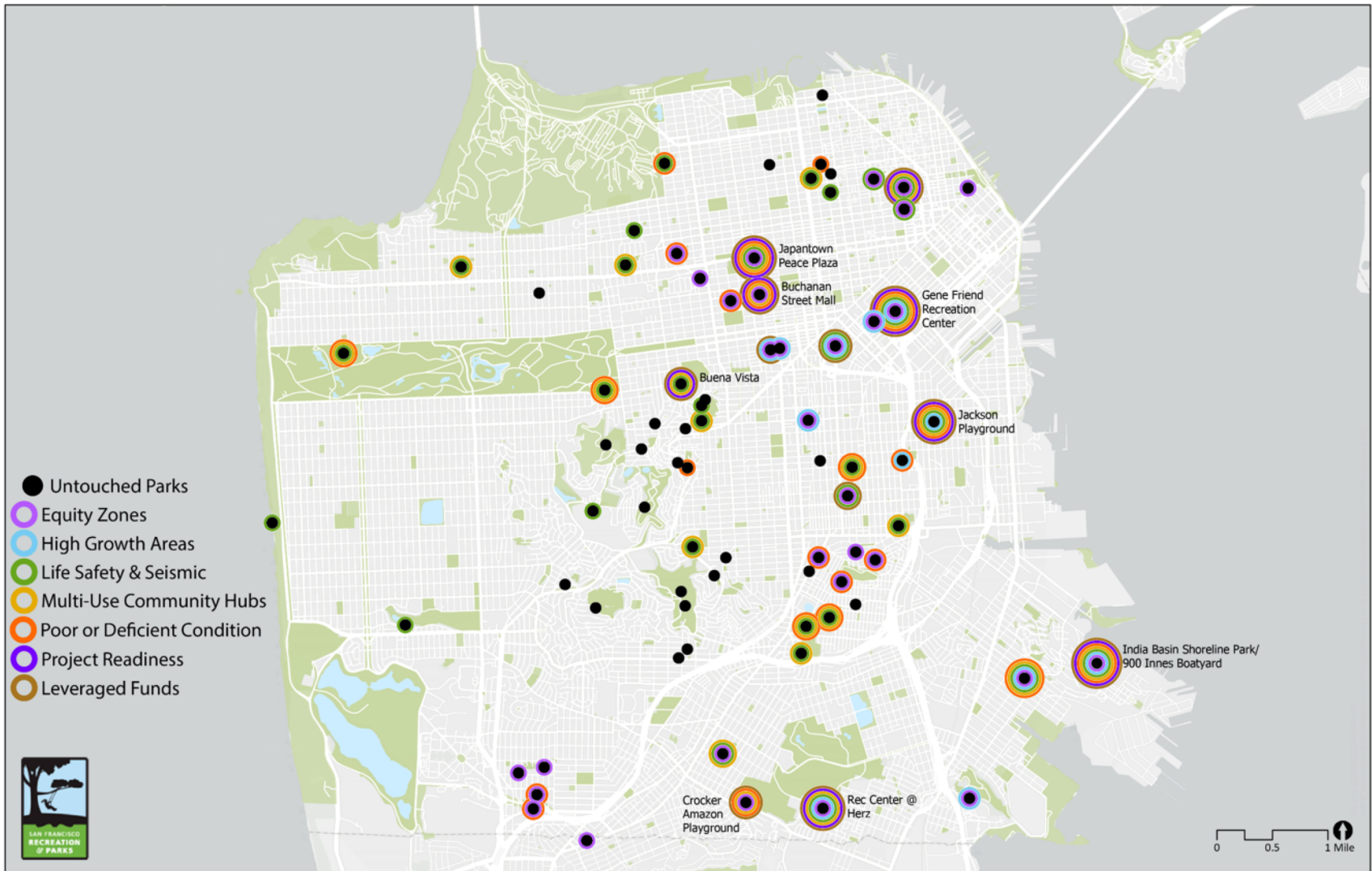


Recovery/Parks Capital Priorities

18



Recovery/Parks Capital Needs Analysis



Proposed (Revised) November 2020 Bond: Parks

20

Investment Priorities			\$239M
NAMED PROJECTS	101	PROGRAMS	136
Buchanan Street Mall	2	Citywide Parks	18
Gene Friend Rec Center	30	Recovery Parks (Priorities include Crocker Amazon, Buena Vista, Jackson, Richmond Senior Park, South Sunset & Chinatown)	86
Herz Playground/Sunnydale HOPE SF	10	Sustainability	14
India Basin	29	Playgrounds	9
Japantown Peace Plaza	25	Community Opportunity Fund	6
Contingency – Projects	5	Trails	1
		Community Gardens	0.6
		Contingency - Programs	1.4
ADMINISTRATION	2	Mini-Parks	0

Recovery/Streets and Right-of-Way Need

21

San Francisco is responsible for:

- 1,200+ miles of streets
- Approximately 50,000 curb ramp locations
- 371 street structures and 9 plazas

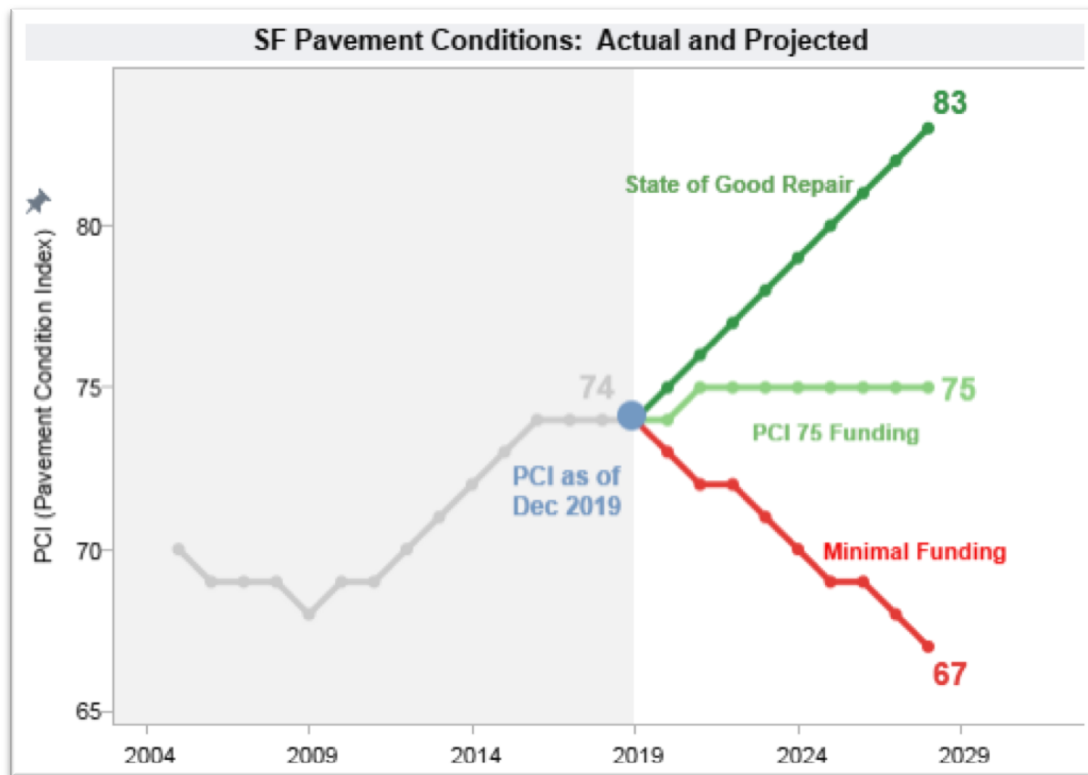


Primary funding source for streets and right-of-way in recent years has been the Pay-Go Program (General Fund and SB1 State gas tax funds).

Delaying investments significantly increases costs of improvements.

Recovery/Pavement Condition Index (PCI)

22



PCI Score Legend

- **0 – 49:** Repair/Reconstruction (grind and pave with base repairs)
- **50 – 59:** Resurfacing (grind and pave)
- **60 – 79:** Preservation (surface seal treatments to extend street life)
- **80 – 100:** No improvement needed

- **San Francisco's current Pavement Index Condition (PCI) is 74**
- **Goal is to have a PCI of 75 by 2025**

Recovery/Right-of-Way Priorities

23

Street Repaving:

- Pavement Score (PCI)
- Multi-modal Usage
- Project Readiness
- Equitable Geographic Distribution
- Public Inquiries



Curb Ramps:

- Curb Ramp Condition score
- Public inquiries
- Equitable geographic distribution
- Input from disability stakeholders
- Location review by MOD and PW

Street Structures and Plazas:

- Life safety
- Trip and slip hazard
- Code violations
- Slope instability potential
- Level of deterioration
- Usage frequency
- Consideration of alternative ingress/egress routes

Proposed November 2020 Bond Program: Streets and Right-of-Way

24

Investment Priorities	\$41.5M
Streets	31.5
Curb Ramps	5
Street Structures	5
TOTAL	41.5

Summary of Changes to the Bond Report (1/2)

25

Health and Homelessness:

- Adjust all numbers to match revised program here presented and in the Ordinance
- Correct omission of locked sub-acute treatment facilities and add locked acute treatment facilities, psychiatric skilled nursing facilities, sobering facilities, and transitional housing as eligible uses
- Remove “rebuild” and Chinatown Health Clinic as an eligible use from the Community Health Facilities section and prioritize small-scale repair needs at existing facilities that deliver behavioral health services to vulnerable populations
- Change table and add language to reflect estimated allocation to Permanent Supportive Housing, Transitional Housing, and Shelter Facilities at \$147M and Mental Health and Substance Use Disorder at \$60M, allowing flexibility to prioritize eligible projects as they arise

These changes will be prepared by staff and submitted to the file prior to Committee vote.

Summary of Changes to the Bond Report (2/2)

26

Parks:

- Adjust all numbers to match revised program here presented and in the Ordinance
- Update language about eligible uses of Gene Friend surplus to reflect prioritization of Jackson Playground within Recovery Parks
- Add estimated amounts and narrative about additional priorities in Recovery Parks:
 - \$1M Richmond Senior Park
 - \$3M South Sunset
 - \$10M Jackson Playground
 - \$54M Chinatown Parks
- Add urban agriculture as an eligible use in the Sustainability program

These changes will be prepared by staff and submitted to the file prior to Committee vote.

GO Bond Program Proposed Off-Year Update

as approved by CPC 5/11/20

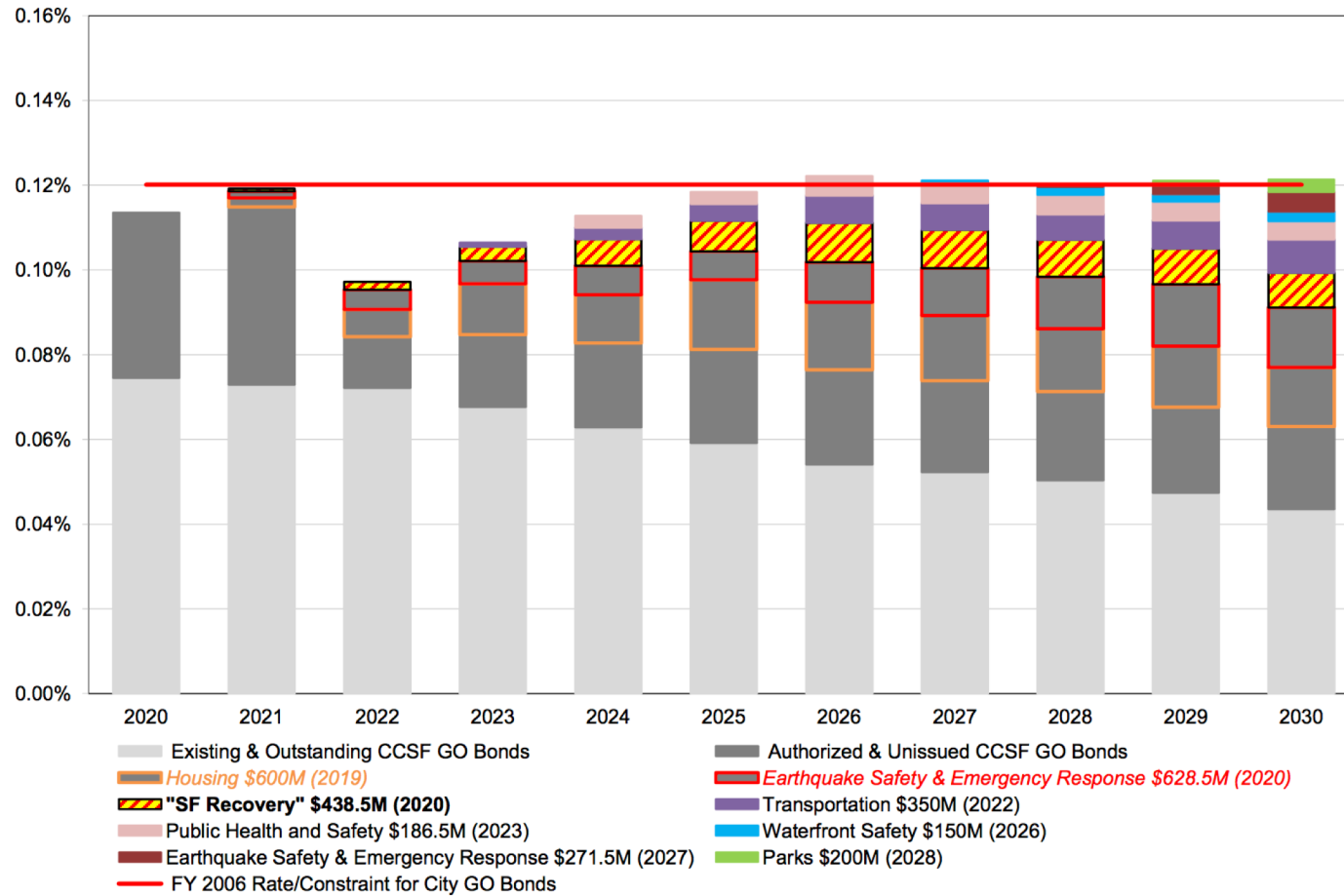
27

Election Date	Program	\$M	Change
Nov 2019	Affordable Housing	600	
Mar 2020	ESER	628.5	
Nov 2020	Health and Recovery (was Parks)	(was 255) 438.5	+ \$183.5M
Jun 2022	Transportation	(was 500) 350	- \$150M
Nov 2023	Public Health	(was 220) 186.5	- \$33.5M
Nov 2024	Affordable Housing	TBD	
Nov 2026	Waterfront Safety	150	
Nov 2027	ESER	271.5	
Nov 2028	Parks and Open Space	200	
	TOTAL	2,825	

Proposed GO Bond Curve *as approved by CPC*

28

Proposed Capital Plan Update GO Bond Program
(Recovery Bond, FY21 debt service, April 2020 Updated AV Projections¹)



1) Projected AV Roll growth rates of 2.31%, 0.07%, 5.65%, 5.95% in FY21-24, respectively, and 3.5% from FY25 on.

GO Bond Program Proposed Off-Year Update

Revised

29

Election Date	Program	\$M	Change
Nov 2019	Affordable Housing	600	
Mar 2020	ESER	628.5	
Nov 2020	Health and Recovery	(was 255) 487.5	+ \$49M more
Jun 2022	Transportation	(was 500) 350	
Nov 2023	Public Health	(was 220) 186.5	
Nov 2024	Affordable Housing	TBD	
Nov 2026	Waterfront Safety	150	
Nov 2027	ESER	271.5	
Nov 2028	Parks and Open Space	(was 200) 151	- \$49M
	TOTAL	2,825	

Next Steps/Calendar

30

July 8 – Election deadline for Budget and Finance Committee

July 14 – Election deadline for the Board / 1st reading

July 21 – Election deadline for the Board / 2nd reading and submission to Elections