

File No. 251215

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date January 14, 2026

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| ☐ | ☐ | Motion |
| ☒ | ☐ | Resolution |
| ☐ | ☐ | Ordinance |
| ☐ | ☐ | Legislative Digest |
| ☐ | ☐ | Budget and Legislative Analyst Report |
| ☐ | ☐ | Youth Commission Report |
| ☐ | ☐ | Introduction Form |
| ☒ | ☐ | Department/Agency Cover Letter and/or Report |
| • CPC Memo 12/2/2025 | | |
| • MYR Memo 12/9/2025 | | |
| ☐ | ☐ | MOU |
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OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|-----------------------------------|
| ☒ | ☐ | <u>Amended Capital Plan</u> |
| ☒ | ☐ | <u>ORE Presentation 1/14/2026</u> |
| ☐ | ☐ | _____ |
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Completed by: Brent Jalipa Date January 8, 2026

Completed by: Brent Jalipa Date _____

1 [Amending 10-Year Capital Expenditure Plan - FYs 2026-2035]

2
3 **Resolution amending the City's 10-year capital expenditure plan for Fiscal Years (FYs)**
4 **2026-2035 to amend the proposed government obligation bond program.**
5

6 WHEREAS, This Board of Supervisors ("Board") of the City and County of
7 San Francisco ("City") adopted Ordinance No. 216-05 ("Capital Planning Ordinance")
8 amending Administrative Code, Sections 3.20 and 3.21, to authorize the formation of a Capital
9 Planning Committee ("Committee") and the annual preparation and adoption of a 10-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 10-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 10-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
25 10-year capital expenditure plan to the Mayor of the City and the Board, and calls for the

1 Mayor and the Board to review, update, amend, and adopt the 10-year capital expenditure
2 plan by May 1 of the same year; and

3 WHEREAS, At the February 24, 2025, meeting the Committee unanimously adopted
4 the 10-year capital expenditure plan for Fiscal Years (FYs) 2026-2035 and approved it for
5 submission to the Mayor and the Board for its consideration (as so adopted, the “Capital
6 Plan”); and

7 WHEREAS, In Resolution No. 158-25 (“Resolution”), the Board approved the Capital
8 Plan on April 15, 2025; and

9 WHEREAS, The Capital Plan provided for a proposed transportation general obligation
10 bond in an amount of \$235,000,000 for the November 2026 election (“Transportation Bond”);

11 WHEREAS, The Capital Plan provided for a proposed earthquake safety and
12 emergency response general obligation bond in an amount of \$350,000,000 for the November
13 2028 election (“Earthquake Safety & Emergency Response Bond”); and

14 WHEREAS, The Capital Plan also provided for a proposed waterfront safety and
15 climate general obligation bond in an amount of \$350,000,000 for the March 2028 election
16 (“Waterfront Safety & Climate Bond”); and

17 WHEREAS, The Capital Plan also provided for a proposed parks and open space
18 general obligation bond in an amount of \$200,000,000 for the June 2030 election (“Parks &
19 Open Space Bond”); and

20 WHEREAS, Subsequent to its adoption of the Capital Plan, the Committee determined
21 that a key component of the bond program addressing seismic safety for a transportation
22 facility should be consolidated into the Earthquake Safety & Emergency Response Bond to:
23 (i) consolidate earthquake safety improvement projects (ii) improve the delivery of bond-
24 financed projects; (iii) enhance the administrative efficiency of reporting on those projects; and
25 (iv) expedite delivery of projects that have completed advanced planning; and

1 WHEREAS, At the December 1, 2025, meeting the Committee unanimously adopted
2 an amended 10-year capital expenditure plan for FYs 2026-2035 to consolidate funding for
3 transportation projects into the Earthquake Safety & Emergency Response Bond, thereby
4 increasing the amount of that bond to \$535,000,000 for the June 2026 election, and modifying
5 the Parks and Open Space Bond to \$250,000,000 for the March 2028 election, and modifying
6 the planned election date of the Waterfront Safety & Climate bond to November 2028 (as so
7 adopted, the “Amended Capital Plan”); and

8 WHEREAS, The Amended Capital Plan and the City Administrator’s transmittal letter
9 are on file with the Clerk of the Board of Supervisors in File No. 251215, which is hereby
10 declared to be a part of this Resolution as if set forth fully herein; now, therefore, be it

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

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

14 FURTHER RESOLVED, That this Board hereby adopts the Amended Capital Plan as
15 the City’s 10-year capital expenditure plan for purposes of the Capital Planning Ordinance.
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2026 Earthquake Safety and Emergency Response (ESER) G.O. Bond and Related 10-Year Capital Plan Updates

Brian Strong, Office of Resilience and Capital Planning

Budget and Finance Committee

- ▣ **251214**: Ordinance amending Administrative Code Sec 3.20. for future Capital Plan update schedule (even-year updates instead of odd-year updates)
- ▣ **251215**: Resolution amending FY2026-2035 Capital Plan to update General Obligation (G.O.) Bond Program
- ▣ **251216**: Ordinance Authorizing the Proposed 2026 Earthquake Safety And Emergency Response (ESER) General Obligation (G.O.) Bond In The Amount Of \$535,000,000
- ▣ **251217**: Resolution of Public Interest and Necessity Authorizing the Proposed 2026 Earthquake Safety And Emergency Response (ESER) General Obligation (G.O.) Bond In The Amount Of \$535,000,000

251214: Admin Code Sec 3.20. Amendment

Changing Capital Plan updates from odd-years to even-years

- ▣ Currently the Capital Plan is updated every odd year (current Plan was approved in **April 2025**)
- ▣ The change in the Mayoral election schedule (from odd years to even years – *Prop H, 2022*) means that a new Mayor must adopt a new Capital Plan very soon after taking office
- ▣ The proposed change in Capital Plan update schedule enables the Mayor's Office to fully engage with the Capital Plan process and aligns the General Fund and Enterprise Depts. Capital Plan update cycle
- ▣ With this amendment, the next Capital Plan would be approved in **April 2028** and cover the 10 years from **FY2029 – 2040**

251215: Capital Plan Amendment

General Obligation Bond Schedule

CURRENT CAPITAL PLAN

Election Date	Bond Program	Amount (\$M)
Nov 2026	Transportation	235
Mar 2028	Waterfront & Climate Safety	350
Nov 2028	Earthquake Safety & Emergency Response	350
June 2030	Parks & Open Space	200
Nov 2030	Public Health	250
Nov 2032	Transportation	200
Nov 2034	Affordable Housing	200
Total		1,785



AMENDED CAPITAL PLAN

Election Date	Bond Program	Amount (\$M)
Jun 2026	Earthquake Safety & Emergency Response	535
Mar 2028	Parks and Open Space	250
Nov 2028	Waterfront & Climate Safety	350
Nov 2030	Public Health	250
Nov 2032	Transportation	200
Nov 2034	Affordable Housing	200
Total		1,785

- ESER Bond brought forward from 2028 to 2026, and increased to include Potrero Bus Yard (formerly part of Transportation 2026 Bond)
- Parks Bond brought forward from 2030 to 2028 and increased by \$50M

251216 & 251217: ESER 2026 Program Overview

Component	Proposed Allocation	Description & Key Deliverables
Emergency Firefighting Water System (EFWS)	\$130M	Renovate, expand and seismically upgrade the City's Emergency Firefighting Water System, including extending the Potable Emergency Firefighting Water System into the Richmond District and constructing the fireboat manifold at Fort Mason.
Neighborhood Fire Stations & Support Facilities	\$100M	Strengthen, improve and rehabilitate Neighborhood Fire Stations and Support Facilities, including the replacement of fire stations that are seismically unsafe.
District Police Stations & Support Facilities	\$72M	Renovate, improve and expand dilapidated Police Stations that are no longer adequate for the operational needs of the SFPD.
Muni Bus Storage & Maintenance Facility at Potrero Yard	\$200M	Replace a 110-year-old, seismically unsafe Muni bus yard with a modern bus maintenance and storage facility to help ensure Muni has buses available to provide transit service after a disaster.
Critical Public Safety Building Repairs	\$33M	Make critical building repairs and improvements at public safety facilities.
TOTAL	\$535M	

ESER 2026 – Emergency Firefighting Water System

- Planned 2026 bond allocation: **\$130 million**
- Next phase of EFWS: Expand capacity to include a separate component that uses drinking water
- This extension of the system can supply water for both fighting fires and for drinking
- Expanded system would extend high-pressure water pipelines, hydrants and key connection points into the City's western neighborhoods



New pipe for Potable Emergency Firefighting Water Systems pipeline at 19th Ave and Sloat Blvd.

ESER 2026 – Neighborhood Fire Stations & Support Facilities

- Planned 2026 bond allocation: **\$100 million**
- Renovate/replace fire stations with the highest-priority needs to provide improved life-safety and seismic performance, meet essential facility standards and create a healthy work environment for firefighters and EMTs
- Vulnerable stations in need of improvements include:
 - Fire Station No. 2, 1340 Powell St.
 - Fire Station No. 7, 2300 Folsom St.
 - Fire Station No. 8, 36 Bluxome St.
 - Fire Station No. 40, 2155 18th Ave.



In a 2017 Public Works seismic survey, Fire Station 2 was listed as a high safety hazard with an SHR rating of 4, placing it in the highest risk category.

ESER 2026 – District Police Stations & Support Facilities

- Planned 2026 bond allocation: **\$72 million**
- Some police stations are more than a century old and at risk of failure during a major earthquake
- Additionally, some Police Department stations and support facilities are outdated, inadequate and don't meet today's policing needs
- Stations and facilities in need of improvements include:
 - Taraval Police Station
 - SFPD Property Control Division



Built in 1915, the Taraval Police Station's historic building has a high probability of collapsing after a major earthquake and would not be operational, potentially increasing response times and delaying service.

ESER 2026 – Critical Public Safety Building Repairs

- Planned 2026 bond allocation: **\$33 million**
- State-of-good-repair projects would include building improvements, such as the repair or replacement of roofs and plumbing and electrical systems
- The City will prioritize the improvement projects that are the most necessary, beneficial and cost-effective



ESER 2026 – Muni Bus Storage & Maintenance Facility at Potrero Yard

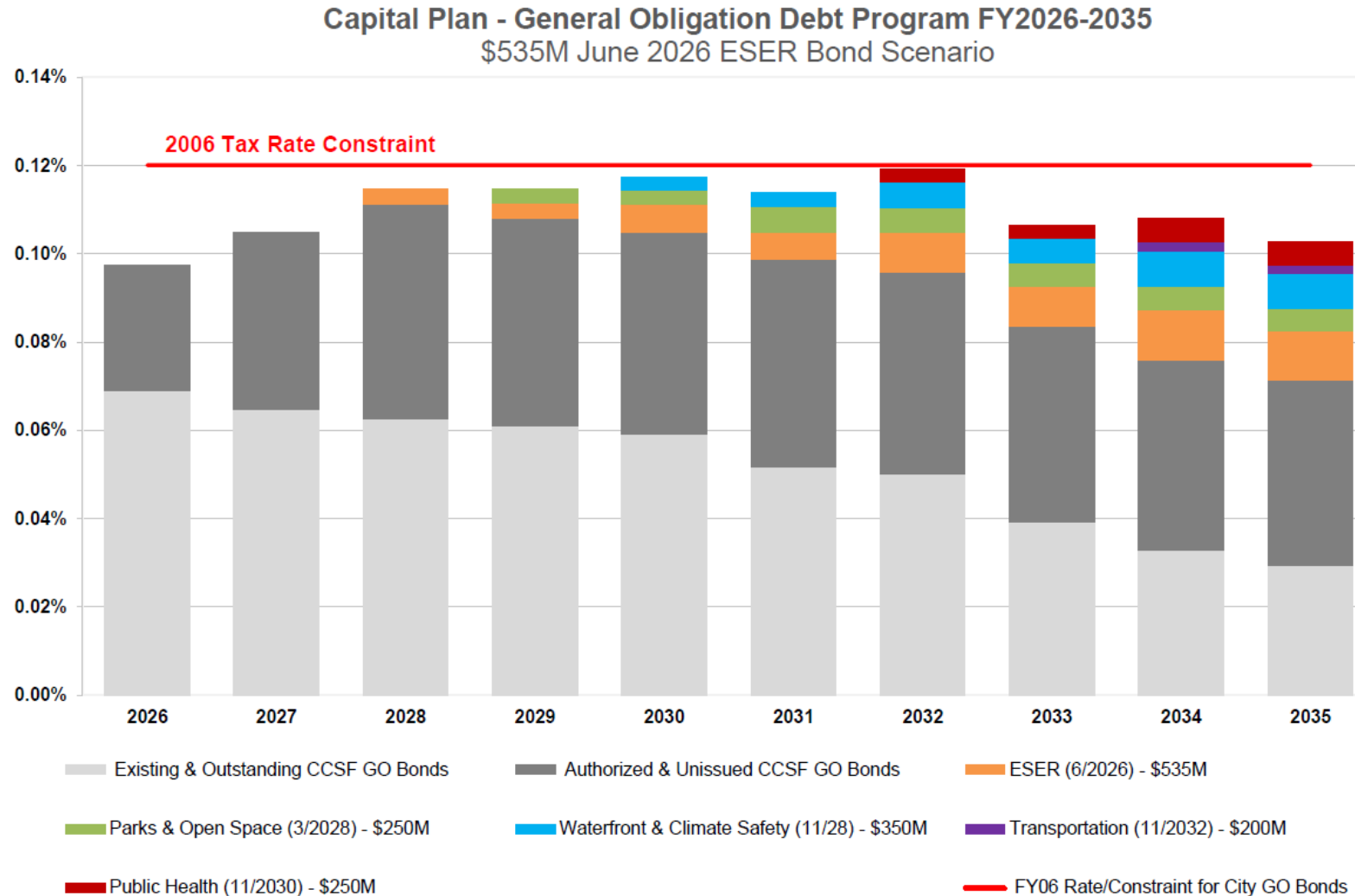
- Planned 2026 bond allocation: **\$200 million**
- Maintenance facilities like Potrero Yard, which was built in 1915 and is Muni's second oldest bus yard, are essential to repairing and keeping buses running during an emergency event
- A partial or total collapse of the bus yard (SHR-4), risks employee lives and the destruction of the fleet
- In the event of a large-scale disaster, Muni's fleet must be prepared to provide transit services to help evacuate residents, commuters and tourists
- Buses may be needed for disaster response, including transporting disaster service workers, emergency responders and emergency supplies to key deployment locations across the City



The Potrero Yard is more than a century old and long past its lifespan.

FY 2026-2035 Capital Plan

G.O. Bond Program



Adopted Capital Plan AV assumptions from Nov 2024

Assumes AAB reserves in FY26, and growth of 0.52% in FY27, 2.63% in FY28, 3.18% in FY29, 3.28% in FY30, and 3% per year thereafter

Revised 11-7-25

Thank you!

Questions?



ESER Webpage:
<https://sfpublicworks.org/eser>

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Brian Strong, Chief Resilience Officer
Office of Resilience & Capital Planning

A handwritten signature in black ink, appearing to be "JB".

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2025 DEC 02 AM10:47

MEMORANDUM

December 1, 2025

To: Members of the Board of Supervisors
From: Carmen Chu, City Administrator & Capital Planning Committee Chair 
Copy: Angela Calvillo, Clerk of the Board
Capital Planning Committee
Regarding: (1) Proposed 2026 Earthquake Safety and Emergency Response (ESER)
General Obligation (G.O.) Bond
(2) Capital Plan and Administrative Code Section 3.20 Amendments
(3) Annual Infrastructure Construction Cost Inflation Estimate (AICCIE)

In accordance with Section 3.21 of the Administrative Code, on December 1, 2025, the Capital Planning Committee (CPC) approved the following action item to be considered by the Board of Supervisors. The CPC's recommendation is set forth below.

1. Board File Number: **Approval of (1) the Resolution of Public Interest and Necessity authorizing the proposed 2026 Earthquake Safety and Emergency Response (ESER) General Obligation (G.O.) Bond in the amount of \$535,000,000, and (2) Ordinance calling special election to authorize the incurrence of bonded indebtedness entitled 2026 Earthquake Safety and Emergency Response (ESER) General Obligation (G.O.) Bond in the amount of \$535,000,000**

CPC Recommendation: The CPC recommends approval of both the Resolution and the Ordinance related to the 2026 ESER Bond.

Comments: The CPC approves this item by a vote of 9-0.
Committee members or representatives in favor:
Carmen Chu, City Administrator; Sophia Kittler, Mayor's Budget Director; Bruce Robertson, Public Works; Greg Wagner, Controller; Mike Martin, Port of San Francisco;

Stephen Robinson, Public Utilities Commission; Stacy Bradley, Recreation and Parks Department; Julie Kirschbaum, Director, SFMTA; Mike Nakornkhet, Director, San Francisco International Airport.

2. Board File Number:

Approval of the FY2026-2035 Capital Plan and Administrative Code Section 3.20 Amendments

CPC Recommendation:

The CPC recommends approval of both the proposed Resolution amending the G.O. Bond Program schedule from the FY2026-2035 Capital Plan and the proposed Ordinance to amend Administrative Code Section 3.20, to change the reporting requirement for Capital Expenditure Plans to even years from odd years, beginning in 2028.

Comments:

The CPC approves this item by a vote of 10-0.

Committee members or representatives in favor:

Carmen Chu, City Administrator; Sophia Kittler, Mayor's Budget Director; Bruce Robertson, Public Works; Greg Wagner, Controller; Sarah Dennis-Phillips, Director, SF Planning; Mike Martin, Port of San Francisco; Stephen Robinson, Public Utilities Commission; Stacy Bradley, Recreation and Parks Department; Julie Kirschbaum, Director, SFMTA; Mike Nakornkhet, Director, San Francisco International Airport.

3. CPC Action Item:

Approval of the Annual Infrastructure Construction Cost Inflation Estimate (AICCIE) for Calendar Year 2026. A copy of the analysis is available under the December 1st CPC meeting at

<https://onesanfrancisco.org/CPC-committee-meetings>

Action:

The CPC approves adoption of AICCIE at 4.5% for CY 2026.

Comments:

The CPC approves this item by a vote of 10-0.

Committee members or representatives in favor:

Rachel Cukierman, City Administrator's Office; Tiffany Young, Mayor's Budget Office; Bruce Robertson, Public Works; Greg Wagner, Controller; Sarah Dennis-Phillips, Director, SF Planning; Mike Martin, Port of San Francisco; Stephen Robinson, Public Utilities Commission; Stacy Bradley, Recreation and Parks Department; Julie Kirschbaum, Director, SFMTA; Mike Nakornkhet, Director, San Francisco International Airport.

General Obligation Bonds

The Plan anticipates \$1.8 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 large bonds in the past few years, the capacity of the G.O. Bond Program is limited in the near term.

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

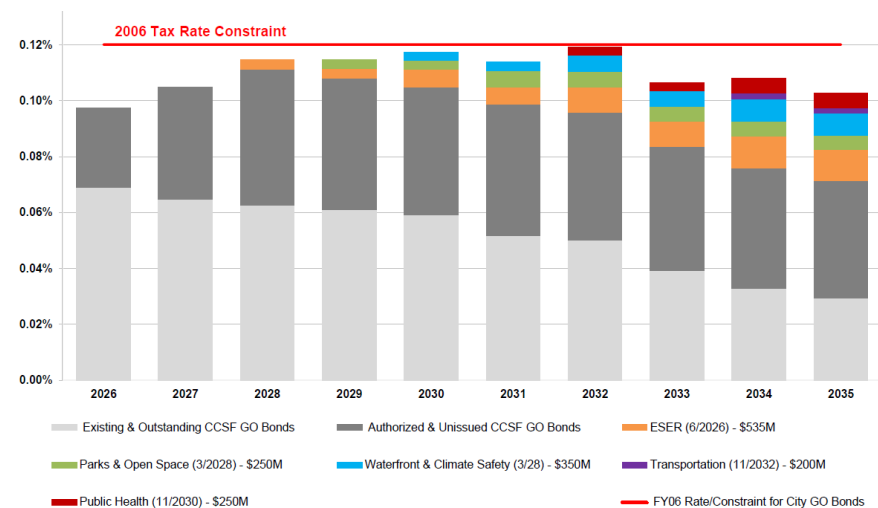
Chart 1.1 illustrates the relationship between the G.O. Bond Program and the local property tax rate, including existing and outstanding issuance and voter-approved bonds. This view shows the City's policy constraint that G.O. bonds will not increase the property tax rate above 2006 levels.

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

TABLE 1.5

Amended G.O. Bond Debt Program		
(Dollars in Millions)		
Election Date	Bond Program	Amount
Jun 2026	Earthquake Safety & Emergency Response	535
Mar 2028	Parks & Open Space	250
Nov 2028	Waterfront & Climate Safety	350
Nov 2030	Public Health	250
Nov 2032	Transportation	200
Nov 2034	Affordable Housing	200
Total		1,785

Amended Capital Plan G.O. Debt Program FY2026-35



Adopted Capital Plan AV assumptions from Nov 2024
Assumes AAB reserves in FY26, and growth of 0.52% in FY27, 2.63% in FY28, 3.18% in FY29, 3.28% in FY30, and 3% per year thereafter

Revised 11-7-25

CHART 1.1

Debt Programs

Many of San Francisco's capital improvements are funded with voter-approved general obligation bonds (G.O. bonds) and General Fund debt called Certificates of Participation (COPs), or revenue bonds. Issuing debt is a typical method for financing capital enhancements with long useful lives and high upfront costs, which the City would not be able to cover through the Pay-Go Program. The use of debt also spreads the financial burden of paying for facilities between current residents and future generations who will also benefit from the projects.

General Obligation Bonds

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.

The Plan structures the G.O. bond schedule around the notion of rotating bond programs across areas of capital need, although the City's debt capacity, election schedules, and capital needs



Merced Heights Playground

also inform these levels. This approach was established in the original Capital Plan and has been maintained ever since.

Priority areas of capital investment include Earthquake Safety & Emergency Response, Parks & Open Space, Affordable Housing, Transportation, Public Health, and the Waterfront. The Plan occasionally recommends bonds outside these categories if there is a

demonstrated capital need that the City would otherwise not be able to afford. Table 5.1 lays out the planned G.O. bond schedule for upcoming elections.

Chart 5.1 illustrates the impact on the local tax rate of issued, expected, and planned G.O. bond debt. The red line represents the property tax limit policy established in 2006 that sets the annual level of bond debt repayment. The space

TABLE 5.1

Amended G.O. Bond Debt Program		
(Dollars in Millions)		
Election Date	Bond Program	Amount
Jun 2026	Earthquake Safety & Emergency Response	535
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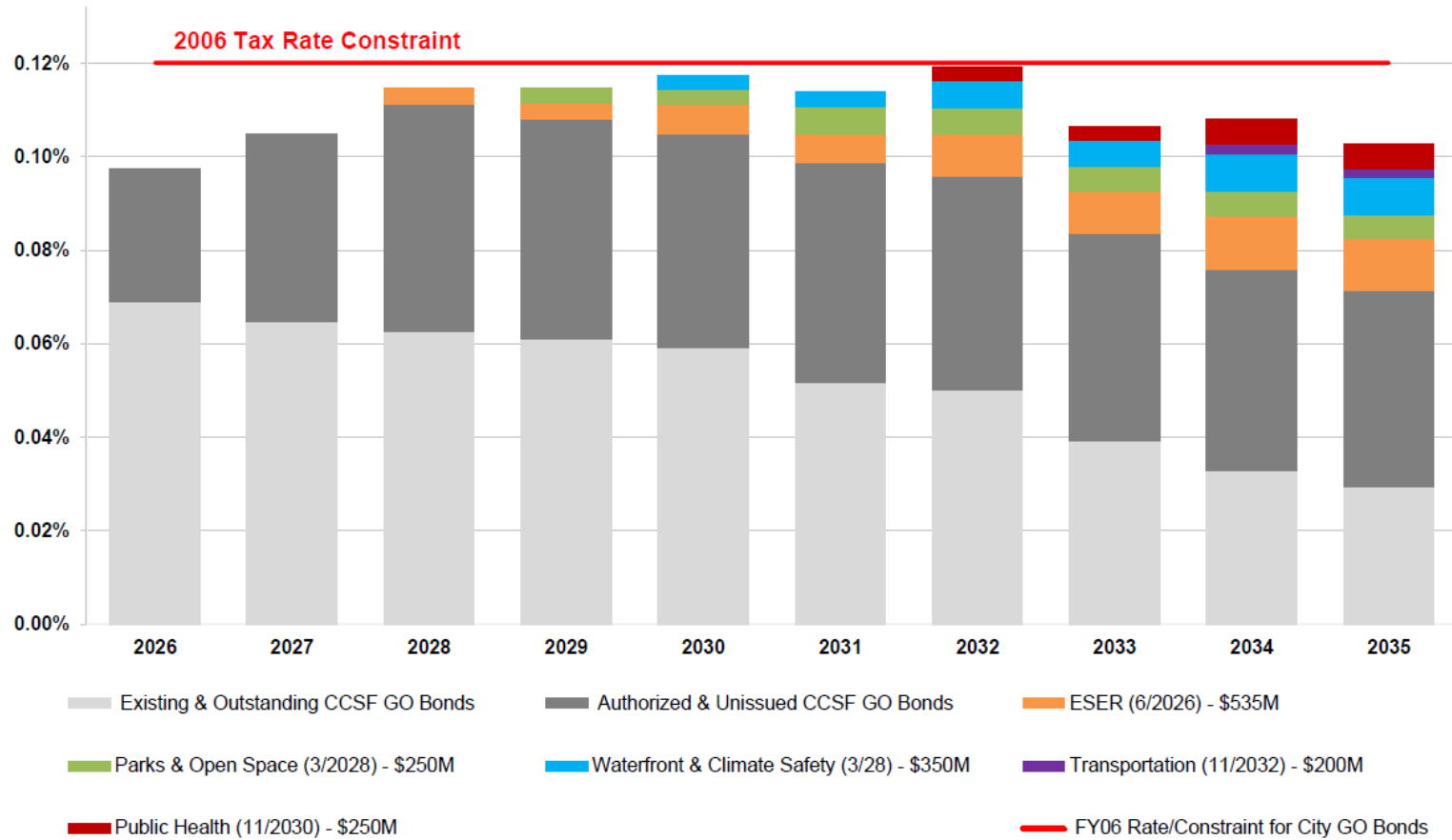
between the red line and the bars on the chart illustrates the projected capacity for bond debt for each year. All amounts attributed to future bonds are estimates and may need to be adjusted to account for new federal and state laws, programmatic changes, site acquisition, alternate delivery methods, changing rates of construction cost escalation, and/or newly emerged City needs.

The G.O. Bond Program's capacity is largely driven by changes in assessed value and associated property tax

revenues within the city. While the passage of recent bonds is a sign of the effectiveness of the capital planning process, it also impacts the available bond capacity going forward. The passage of six bonds for a total of \$2.8 billion since 2018 means there is considerably less capacity for this 10-year capital planning cycle compared to previous ones. For more information on the G.O. bond policies and past bonds, please see the **Introduction**.

CHART 5.1

Amended Capital Plan G.O. Debt Program FY2026-35



Adopted Capital Plan AV assumptions from Nov 2024

Assumes AAB reserves in FY26, and growth of 0.52% in FY27, 2.63% in FY28, 3.18% in FY29, 3.28% in FY30, and 3% per year thereafter

Revised 11-7-25

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Amending 10-Year Capital Expenditure Plan - FYs 2026-2035
DATE: December 9, 2025

Resolution amending the City's 10-year capital expenditure plan for FYs 2026-2035 to amend the proposed government obligation bond program.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org