

CLEE Recommendations and The 10-Year Capital Plan

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Budget and Finance Committee Hearing
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CLEE Funding San Francisco Climate Action

Rough Estimate Costs

BY SECTOR			
	NO.*	TOTAL COST (LOW)	TOTAL COST (HIGH)
Energy Supply (ES)	5	\$1.012 Billion	\$10.12 Billion
Building Operations (BO)	4	\$503 Million	\$5.03 Billion†
Transportation/Land Use (TLU)	7	\$513 Million	\$5.132 Billion
Housing (H)	4	\$210 Million	\$1.101 Billion
Production/Consumption (RPC)	4	\$2 Million	\$20 Million
Healthy Ecosystems (HE)	7	\$51 Million	\$511 Million
Total	31	\$2.291 Billion	\$21.914 Billion

* Number of CAP strategies within each sector

† Includes residential buildings only, for scoping purposes

CLEE Funding San Francisco Climate Action Bond Proposals: \$.650-1.1 billion

PROPOSE AND PASS CAP-FOCUSED GENERAL OBLIGATION (GO) BONDS, coupled with an increase in the City's GO bond limit^b to allow property tax increases exclusively to fund new bonds for CAP investments, including:

- A **building decarbonization GO bond** to fund efficiency and electrification retrofits for existing residential buildings¹
- **Increase the size of the affordable housing GO bond** to fund the San Francisco Housing Accelerator Fund for CAP-aligned housing investment

PROPOSE AND PASS A TRANSPORTATION GO BOND to fund public transit, active transportation, and electric vehicle charging infrastructure (following an increase in the City's GO bond limit to allow property tax increases exclusively to fund new bonds for CAP investments, as described in Near-term Measures

Proposed FY 2024-33 Capital Plan

Funding Overview

Summary by Service Area FY 24-33

(in \$millions – includes all funding sources)

	GENERAL FUND DEPTS	ENTERPRISE DEPTS	EXTERNAL AGENCIES	TOTAL
Affordable Housing	-	-	3,780	3,780
Public Safety	1,413	-	-	1,413
Health and Human Services	891	-	-	891
Infrastructure & Streets	1,694	8,774	-	10,468
Recreation, Culture, and Education	1,397	-	2,932	4,329
Economic & Neighborhood Development	-	2,183	2,555	4,738
Transportation	-	8,071	7,244	15,315
General Government	311	-	-	311
TOTAL	5,706	19,028	16,511	41,245

Capital Plan

Funding Principles

1. Address legal or regulatory mandate
2. Protect life safety and enhance resilience, including racial equity
3. Ensure asset preservation and sustainability
4. Programmatic and planned needs
5. Economic development

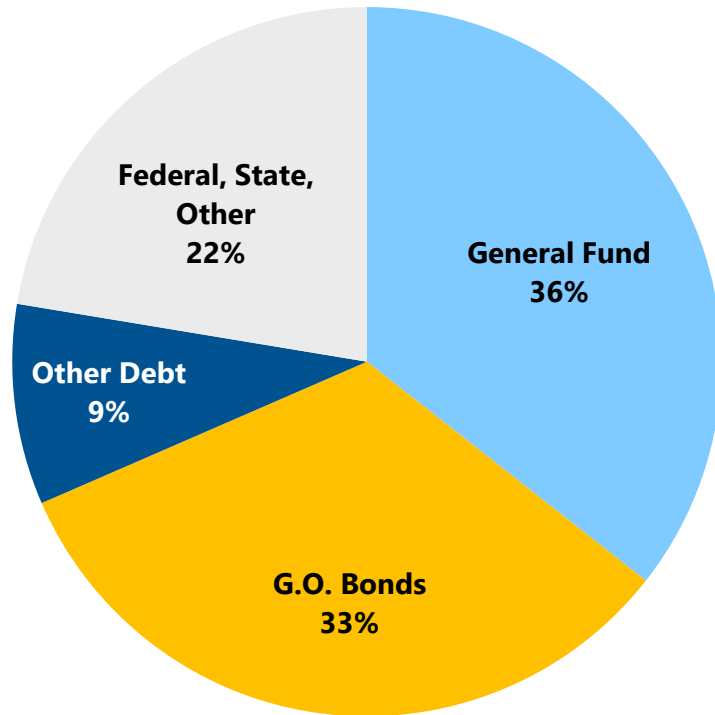
Proposed FY 2024-33 Capital Plan

Building our Future

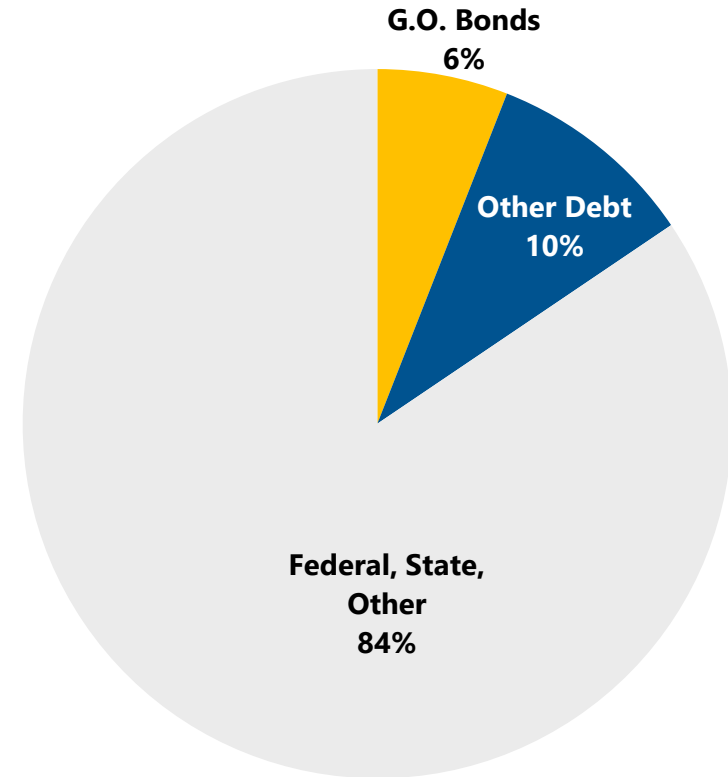
Racial and Social Equity	Climate Resilience	Earthquake Safety
<p>Promote equity in the services delivered by the City’s facilities and infrastructure</p>	<p>Get to net-zero GHG emissions and adapt to unavoidable climate impacts</p>	<p>Protect communities from the impacts of a major earthquake</p>
<ul style="list-style-type: none"> ▪ Environmental Justice Framework ▪ Racial Equity Lens in the Capital Budget ▪ Public Health – Mental Health SF, Neighborhood Clinics, Public Health bond ▪ Affordable Housing - \$1.1B in bonds since 2015, new bond in 2024 ▪ Homeless Shelters 	<ul style="list-style-type: none"> ▪ Connect SF ▪ Muni Forward ▪ Bike and Ped Improvements ▪ EV Charging ▪ LEED and building electrification (Chapter 7) -- \$1.6B in est. costs ▪ Waterfront Resilience Program ▪ Ocean Beach Adaptation ▪ Extreme precipitation and rising groundwater studies ▪ Heat and Air Quality Resilience Project 	<ul style="list-style-type: none"> ▪ Concrete Building Safety Program ▪ Addressing the most vulnerable buildings including clinics and shelters ▪ ESER Bond Program – Police and Fire Stations ▪ Emergency Firefighting Water Supply ▪ Embarcadero Early Projects

Proposed FY2024-33 Capital Plan Sources

Funding Sources - GF Depts



Funding Sources - Enterprise Depts



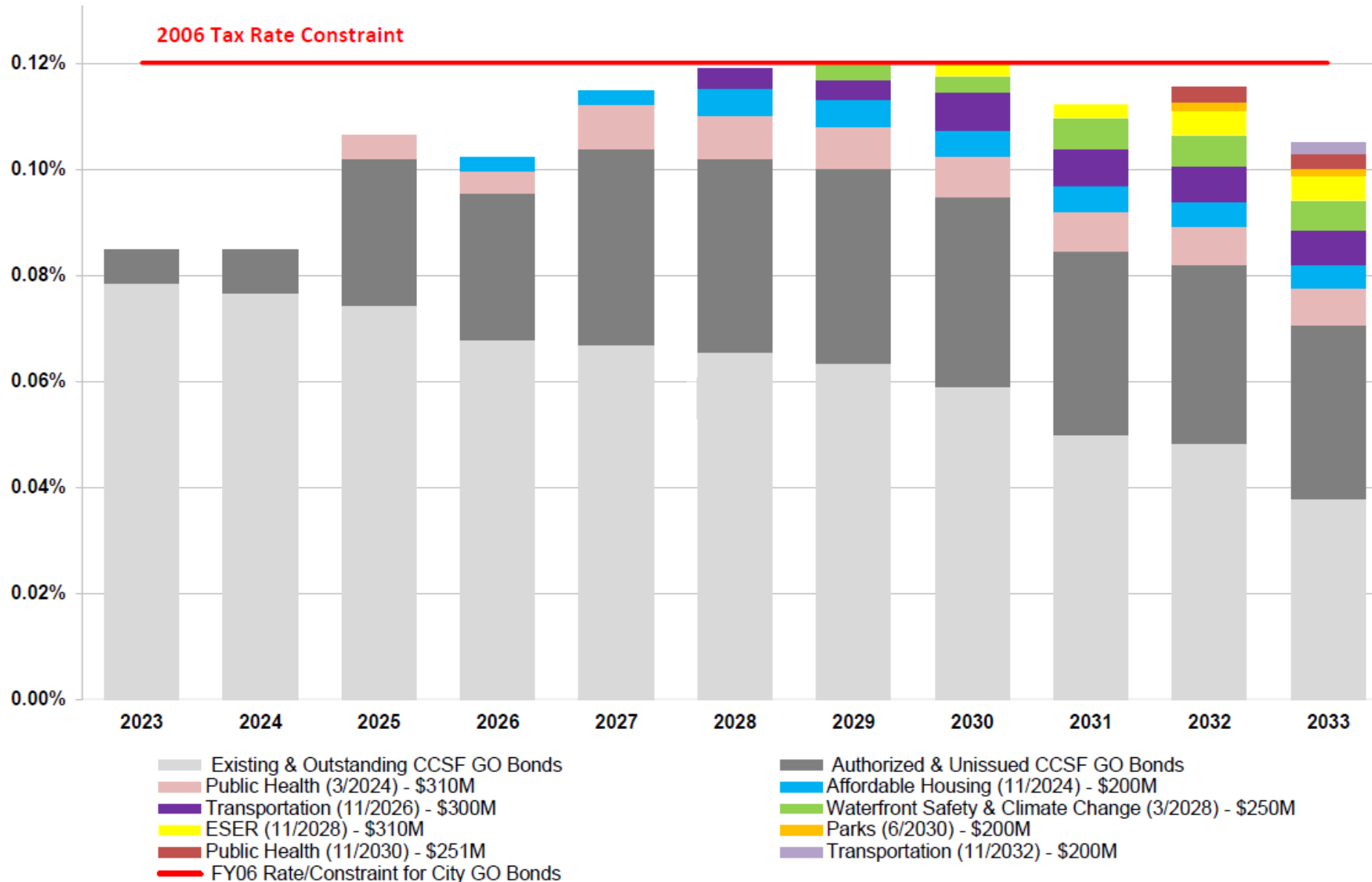
Proposed G.O. Bond Program Considerations

- Current policy is that G.O. bonds will not increase tax rates above 2006 levels (which means capacity to issue new bonds is very limited until 2028)
- Bonding capacity is very limited until 2028, due to:
 - Lower, near-term assessed value projections from Controller
 - Several, recently-approved, large G.O. Bond measures
- Proposed bond program must reflect even-year only election cycle
- New needs related to climate change and housing in addition to on-going seismic and state of repair infrastructure needs are out-stripping revenue sources

Proposed G.O. Bond Schedule

Election	Proposed Program	Amount (M)
Mar 2024	Public Health & Shelters	310
Nov 2024	Affordable Housing & Shelters	200
Nov 2026	Transportation	300
Mar 2028	Waterfront Safety & Climate Change	250
Nov 2028	Earthquake Safety & Emergency Response	310
Jun 2030	Parks & Open Space	200
Nov 2030	Public Health	250
Nov 2032	Transportation	200
TOTAL		2,020

Proposed G.O. Bond Capacity



Additional Considerations

G.O. Bonds and Climate Change

- Three in five view climate change as at least a “very serious” problem
- Voters view Public Health and Earthquake Safety and Emergency Response bonds as most acceptable, the Transportation and Affordable Housing bonds are also above two-thirds
- Acceptability of a Climate Bond decreased from 72% to 64% when building decarbonization is included
- Among a list of 10 potential climate-related infrastructure projects in SF, protecting utilities, water conservation measures, and protecting Muni and BART infrastructure rated the most important (above 66%). Converting gas heaters and appliances to electric was rated least important (51%)
- Bonds for privately-owned assets are taxable

CAP-aligned G.O Bond Investments

Next 5 years

Election	Proposed Program	Amount (M)	CAP / Climate Change
Mar 2024	Public Health & Shelters	310	<ul style="list-style-type: none"> Chinatown Health Clinic: 69M Silver Ave Health Clinic: 33M City Clinic: 27M ZSFG Bldg 3 Retrofit to allow 101 Grove Exit: 49M LHH/ZSFG Critical Renewals: 31M 1001 Polk St Shelter (will become Family Shelter): 100M
Nov 2024	Affordable Housing & Shelters	200	<ul style="list-style-type: none"> Affordable housing priority locations in well-resourced neighborhoods Affordable housing electrification when feasible
Nov 2026	Transportation	300	<ul style="list-style-type: none"> MTA facilities / yards Efforts to improve transit and reduce traffic
Mar 2028	Waterfront Safety & Climate Change	250	<ul style="list-style-type: none"> Seawall resilience (federal match & projects): 200M Other climate priorities (flood/heat/GHG, etc.): 50M

Other CAP-aligned investments in the Capital Plan

Building Electrification

- Updated Chapter 7 of the Environment code applies to all new and major renovations of City facilities
- LEED Silver and now Gold have been required for major renovations and new construction for over 20 years

Transportation

- \$1.1B for SFMTA Transit Optimization and Expansion, including Muni Forward
- \$524.5m for SFMTA Streets Program
- \$1.3 B for SFMTA Facilities

Affordable Housing

- \$3.7B for Affordable housing investment from all sources

Questions and Comments

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