Proposed Ten Year Capital Plan Overview

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Office of Resilience and Capital Planning
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The 10-Year Capital Plan

- Adopted in 2006 to provide a formal structure to infrastructure planning and finance
- Guides San Francisco's infrastructure investments over the next ten years, and is updated every two years
- Fiscally constrained, relies on funding principles and policies to prioritize projects and allocate funds
- Capital Planning Committee recommends Plan, use of debt, and annual capital budget for Board of Supervisor's approval
  - G.O Bond Program
  - Debt Program (COPs and Revenue bonds)
  - Capital Budget and Pay-As-You-Go Program

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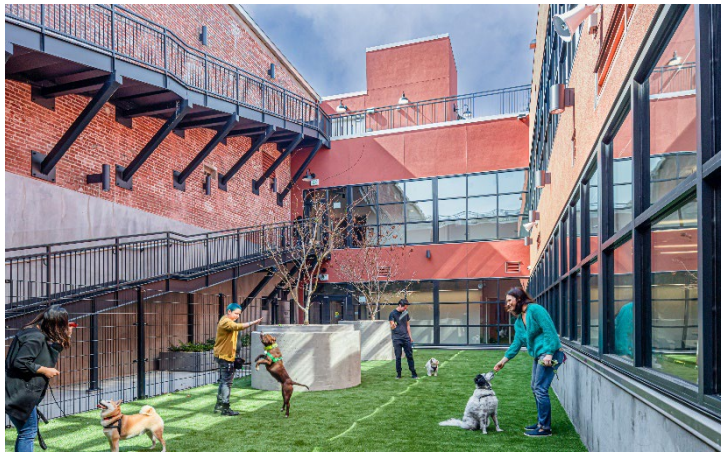
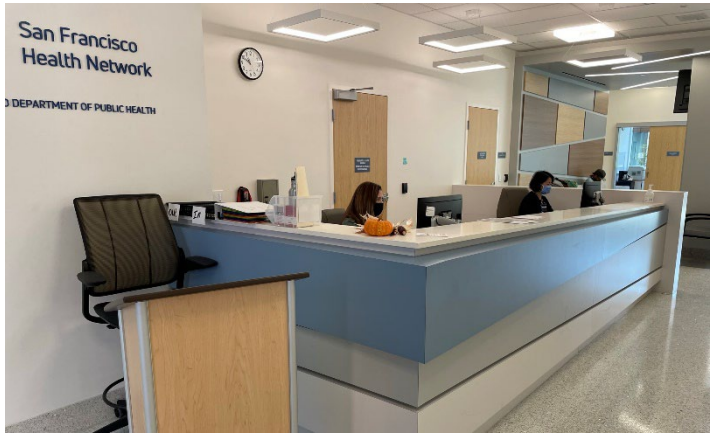
Capital Accomplishments

- 2,600 new affordable housing units since 2020 through 10 groundbreakings and 12 grand openings
- Completion of 105-unit Maceo May project for formerly homeless and low-income veterans
- Updated Housing Element, this is the first housing plan that centers racial and social equity
- Mission Bay: Completed 24 acres of open space, and 39,000 feet of streets and underground utilities
- Connected over 8,096 units with free broadband internet access over the last 5 years
- Completed Animal Care and Control replacement animal shelter at 1419 Bryant Street.



Capital Accomplishments

- Completed construction of Maria X Martinez Health Resource Center and Southeast Health Center, and two seismic retrofits for two existing public health centers
- Acquired 6 buildings for permanent supportive housing, totaling 625 units
- Completed floating fire station to replace Fireboard Station 35
- Completed new Ambulance Deployment Facility
- Moved police staff into completed Forensic Services Division



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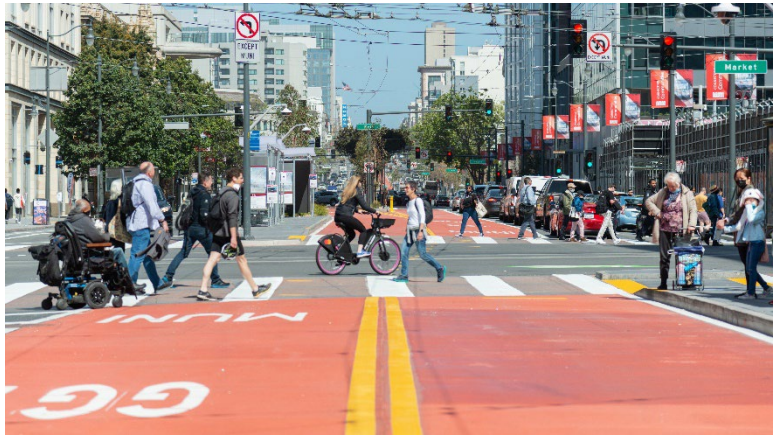
Capital Accomplishments

- Maintained Pavement Condition Index at 74 and 53,949 trees, constructed 2,104 curb ramps, and repaired 93,235 square feet of sidewalks



- Renovations at three Neighborhood Parks in Equity Zones and nine playgrounds, with four additional parks under renovation

- Two new parks at Francisco Reservoir and Shoreview Park, and launching process for 11th & Natoma

- Completed the Van Ness Improvement Project, providing transit-only lanes and pedestrian and accessibility upgrades,

- Completed Central Subway, extending the T-line through SoMa, Union Square and Chinatown

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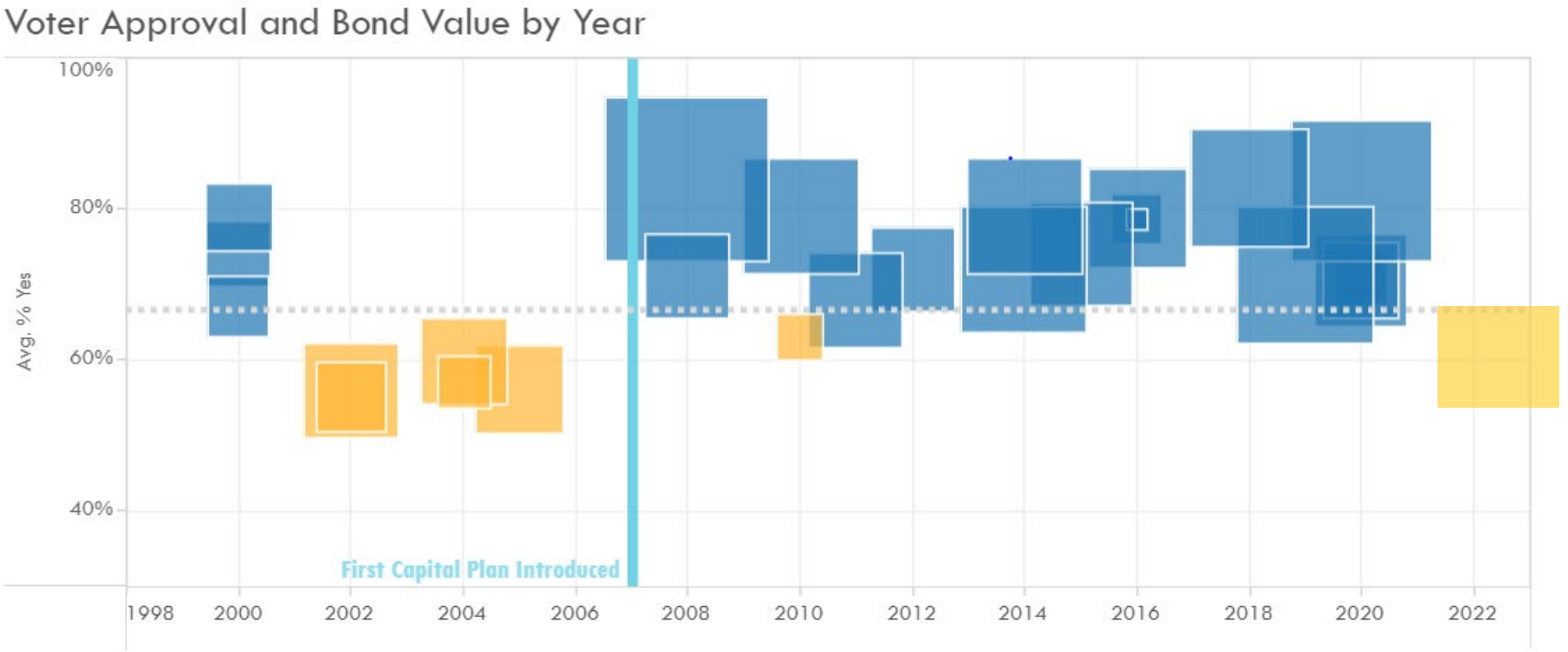
G.O. Bonds Since 2000



- The 10-Year Capital Plan and process to create it has helped build confidence with voters
- $6 billion since 2008 and $2 billion in the last thee years
- Important consideration for rating agencies

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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**

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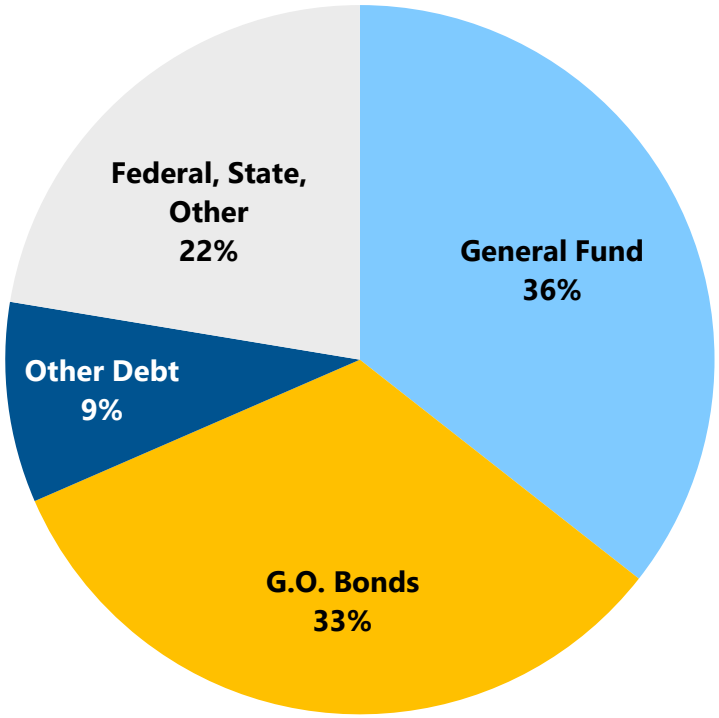
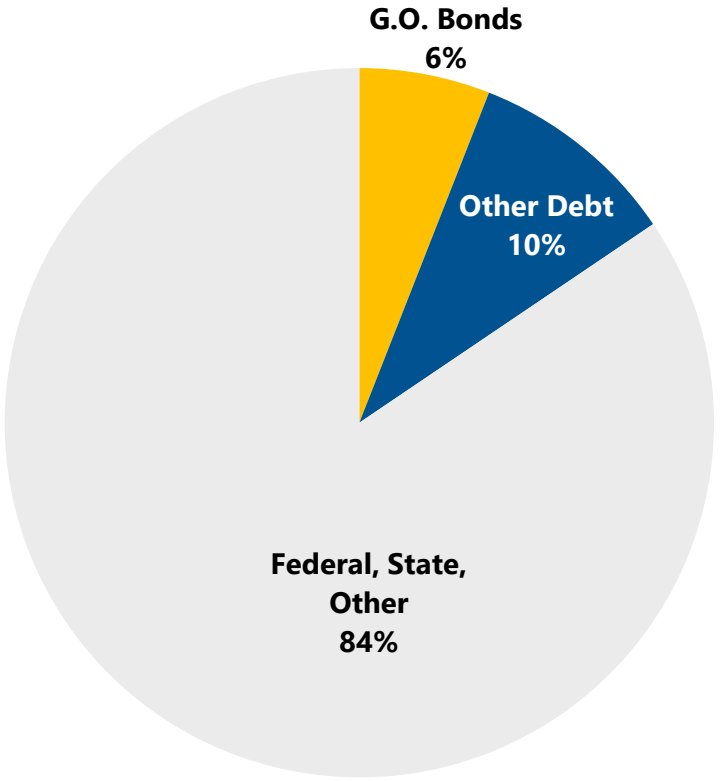
Proposed FY2024-33 Capital Plan
Sources

Funding Sources - GF Depts



Funding Sources - Enterprise Depts



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Proposed FY2024-33 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
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Racial and Social Equity	Climate Resilience	Earthquake Safety
Promote equity in the services delivered by the City's facilities and infrastructure	Get to net-zero GHG emissions and adapt to unavoidable climate impacts	Protect communities from the impacts of a major earthquake
▪ 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 G.O. bonds since 2015, new bond in 2024 and overall funding ▪ Homeless Shelters	▪ Connect SF ▪ Muni Forward ▪ Bike and Ped Improvements ▪ EV Charging ▪ Building electrification ▪ Waterfront Resilience Program ▪ Ocean Beach Adaptation ▪ Extreme precipitation and rising ground water studies ▪ Heat and Air Quality Resilience	▪ 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

G.O. Bond Program

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G.O. 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 (as seen on previous slide)
- 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)	Details
Mar 2024	Public Health & Shelters	**310**	▪ 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**	▪ Contribution to Affordable Housing Pipeline: 160M ▪ 260 Golden Gate Shelter: 40M (partial funding only)
Nov 2026	Transportation	**300**	▪ MTA facilities / yards ▪ Recognizes the receipt of federal funds in 2022
Mar 2028	Waterfront Safety & Climate Change	**250**	▪ Seawall resilience (federal match & projects): 200M ▪ Other climate priorities (flood/heat/GHG, etc.): 50M
Nov 2028	Earthquake Safety & Emergency Response	**310**	▪ Fire Stations (additional funds for escalation) ▪ Police Stations (additional funds for escalation) ▪ Emergency Firefighting Water Supply (southern areas)
Jun 2030	Parks & Open Space	**200**	▪ 10 years since last RPD bond + escalation ▪ Renewals, retrofits, and climate projects across the city
Nov 2030	Public Health	**250**	▪ ZSFG Building 80/90 ▪ Health Clinics and other projects across the city
Nov 2032	Transportation	**200**	▪ On-going facility and system-wide needs ▪ Projects yet to be defined
TOTAL		**2,020**	

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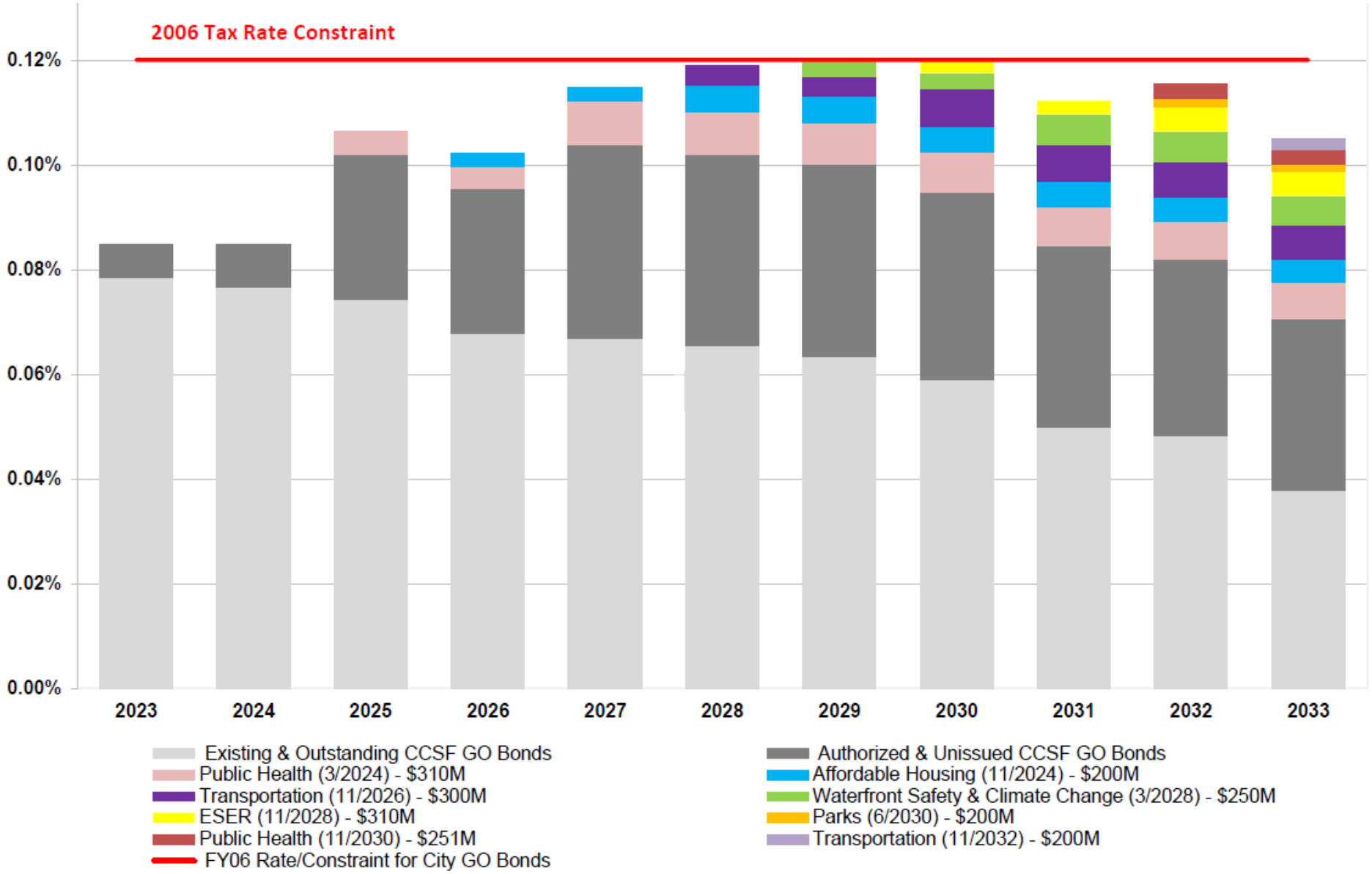
Proposed G.O. Bond Capacity



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General Fund Debt Program

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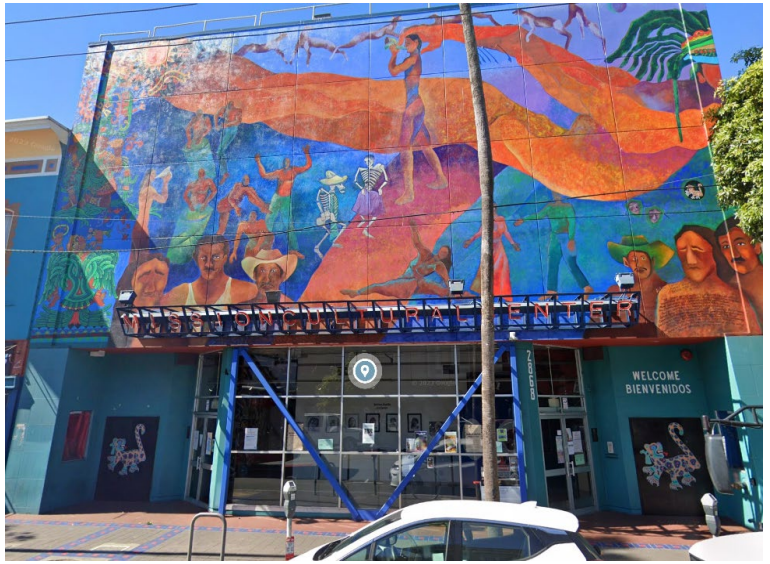
Proposed COPs Debt Schedule

Issuance	Proposed Project	*(in $millions)* Amount
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
TOTAL		**527**



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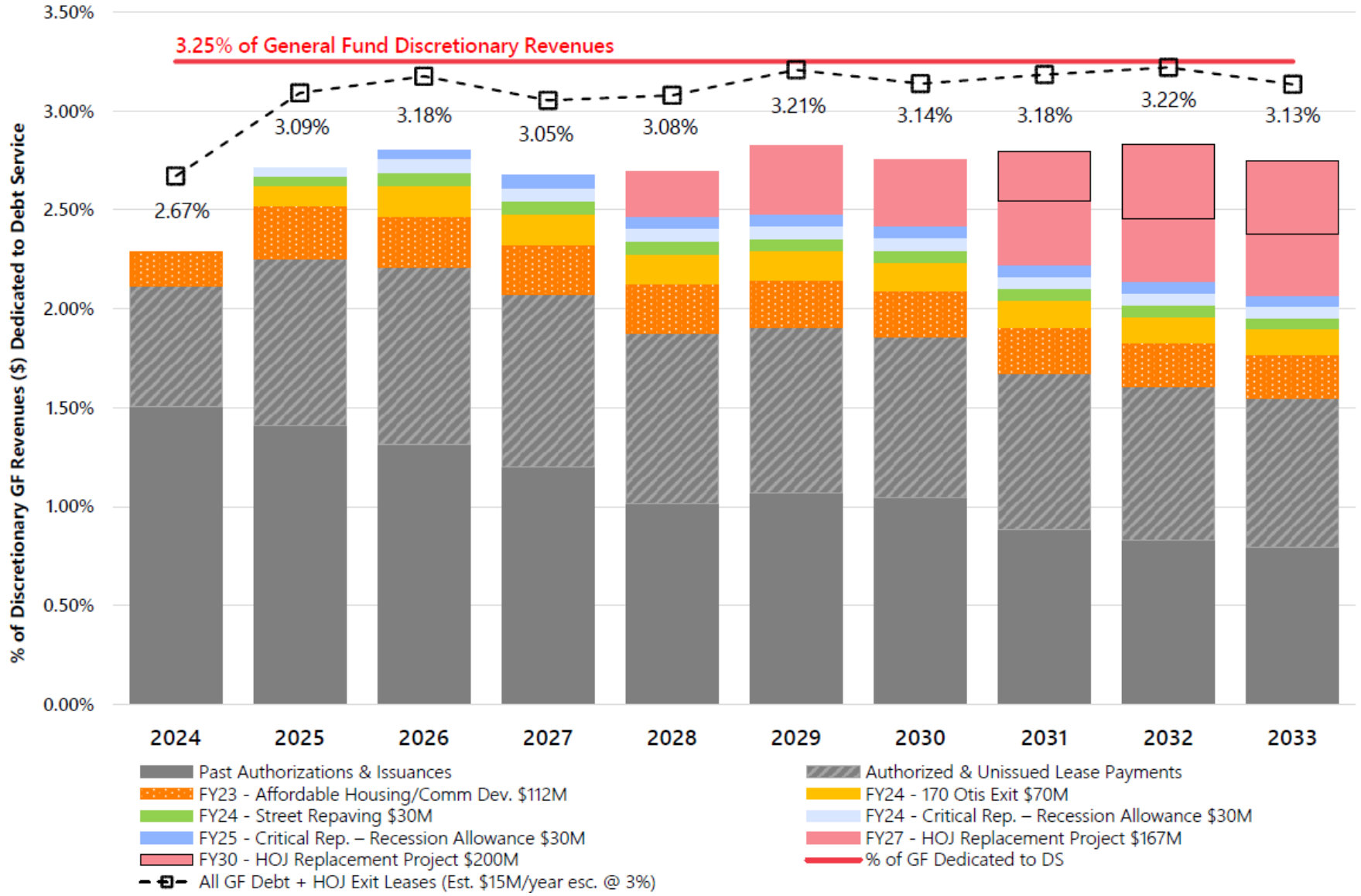
Proposed Debt Program
COPs Debt Capacity



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Pay-As-You-Go (Cash) Program

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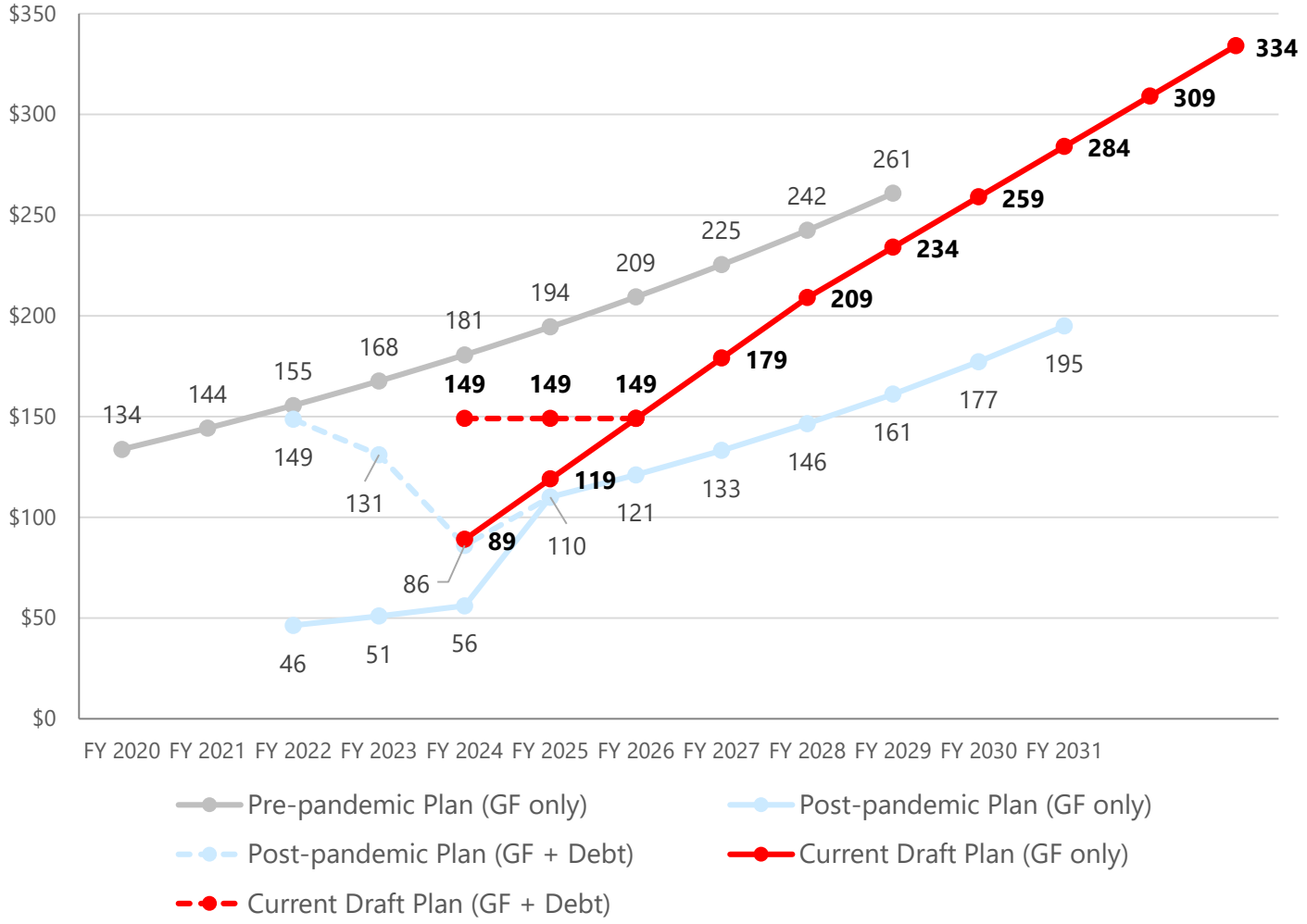
Proposed Pay-As-You-Go Program
Policies and assumptions

- 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 Pay-As-You-Go Program
Impact of COVID-19 on Capital Plan



- The FY22-31 Capital Plan (in blue) was reduced significantly 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

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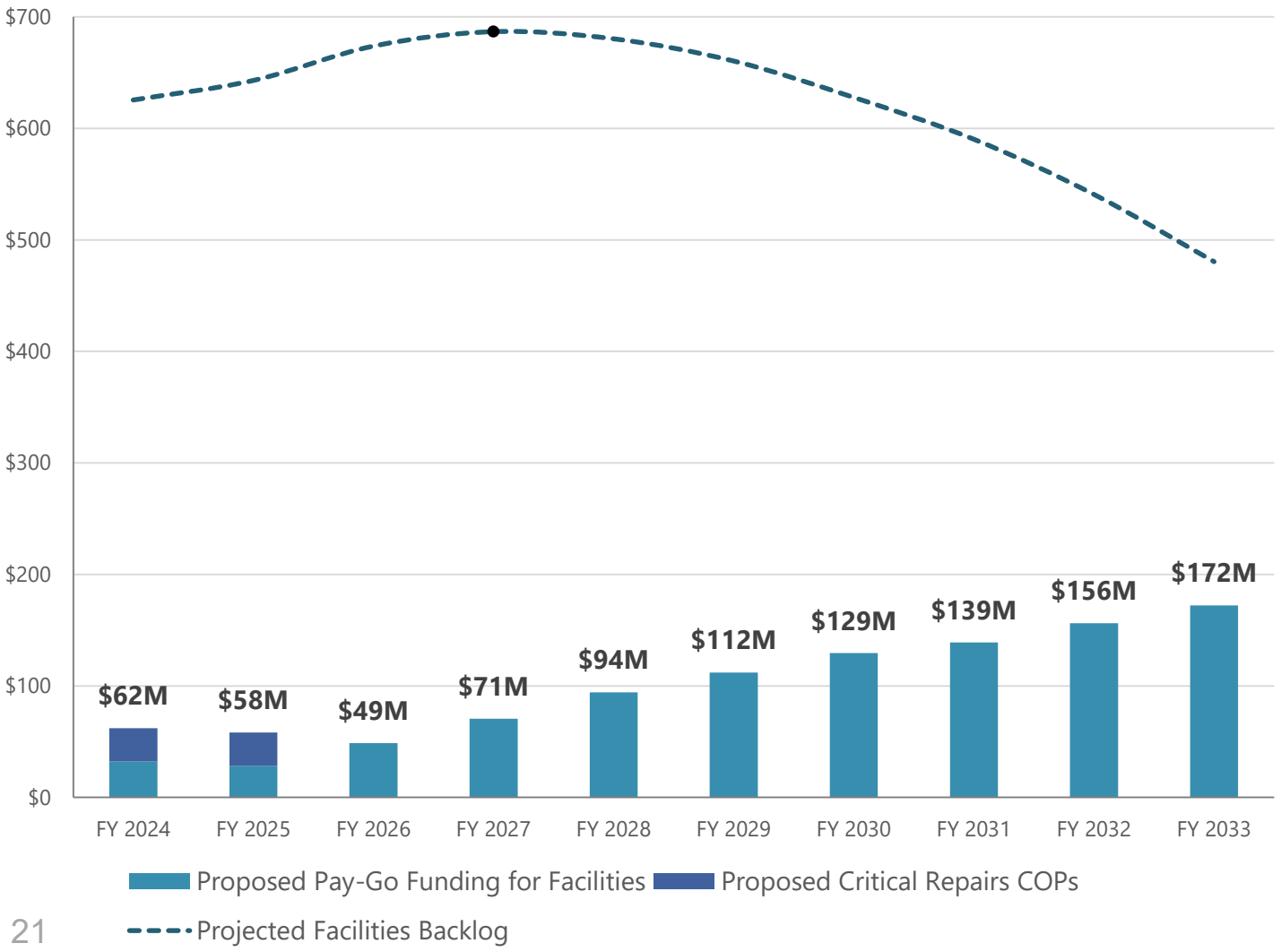
Proposed Pay-As-You-Go Program
Impact of Funding Level on Backlog



- 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

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Questions and Comments

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G.O. Bond Program Review

- Historically, the Capital Plan has focused on life safety (seismic needs, first responder facilities) and the City's state-of-good-repair needs

VOTER APPROVED BONDS SINCE 2008

Year	Program	Current Amount
2008	Neighborhood Parks and Open Space	180
2008	Public Health - SFGH rebuild	887
2010	Earthquake Safety & Emergency Response	412
2011	Road Resurfacing and Street Safety	248
2012	Neighborhood Parks and Open Space	195
2014	Earthquake Safety & Emergency Response	400
2014	Transportation	500
2015	Affordable Housing	310
2016	Public Health and Safety	350
2018	Seawall Resilience	425
2019	Affordable Housing	600
2020	Earthquake Safety & Emergency Response	628.5
2020	Health and Recovery	487.5
TOTAL		**5,623**

- Voters have approved $1.7B in bonds since 2019
- This recent success limits capacity to issue new bonds in the near-term (while remaining under the 2006 property tax constraint)

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Current Overlapping General Obligation Debt

*As of March 1, 2023

Taxing Authority	Amount	% of Taxbase
San Francisco City and County	**$2,625,532,882**	**0.80%**
San Francisco Unified School District	**$1,118,600,000**	**0.34%**
San Francisco Community College	**$436,085,000**	**0.13%**
Bay Area Rapid Transit	**$848,855,342**	**0.26%**
TOTAL	**$5,029,073,224**	**1.53%**

*This percentage is the total amount of debt issued; authorized debt is higher.

FY2023 Assessed Valuation / Taxbase = $329,109,287,967

Proposed Pay-As-You-Go Program
Funding Outcomes FY24-33

Funding Category *(in $millions)*	10-yr GF Need	10-yr GF Funding	% Funded
Routine Maintenance	205	205	*100%*
ADA: Facilities	18	18	*100%*
ADA: Public Right-of-Way	130	65	*50%*
Street Resurfacing	454	454	*100%*
Enhancements	2,211	90	*4%*
Recreation and Parks Base Commitment	142	142	*N/A*
Contribution to Street Tree Set-aside	78	78	*N/A*
Moscone Renewals	30	15	*50%*
FIXED ALLOCATION TOTAL	**3,268**	**1,067**	
Facility Renewal	1,733	982	*57%*
ROW Infrastructure Renewal	201	115	*57%*
VARIABLE ALLOCATION TOTAL	**1,933**	**1,098**	
GRAND TOTAL	**5,201**	**2,165**	

- Fire and Police renewals largely covered through G.O. bonds are not included above