

## MEMORANDUM

May 6, 2024

**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) 2016 Public Health & Safety Bond Interest (2) FY25 & FY26 General Fund Department Capital Budget (3) 2024 Healthy, Safe, and Vibrant San Francisco General Obligation (G.O.) Bond

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In accordance with Section 3.21 of the Administrative Code, on May 6, 2024, 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**

**Approval of the appropriation of interest funds from the 2016 Public Health & Safety Bond interest in an aggregate amount not to exceed \$14,040,442**

CPC Recommendation:

The CPC recommends approval this appropriation.

Comments:

The CPC approves this item by a vote of 11-0. These items will be incorporated into the proposed FY25 budget.

Committee members or representatives in favor:

Carmen Chu, City Administrator; Public Works, Bruce Robertson; Aaron Peskin, Board President; Greg Wagner, Controller; Ann Duning, Mayor's Budget Director; Bree Mawhorter, SFMTA; Stephen Robinson, Public Utilities Commission; Rich Hillis, Director, Planning; Elaine Forbes, Executive Director, Port of San Francisco; Stacy Bradley, Recreation and Parks; Ivar Satero, Director, San Francisco International Airport.

**2. Board File Number: TBD**

**Approval of the FY25 & FY26 General Fund Department budget (including Certificates of**

**Participation) in an aggregate amount not to exceed \$310 million**

CPC Recommendation:

The CPC recommends approval of this capital budget as amended by the Mayor's Budget Office to reduce the Department of Technology's Fiber to Housing allocation to \$500,000 in FY25 and \$300,000 in FY26. If the Mayor's Budget Office determines that revenues cannot support this \$310 million budget, CPC also recommends an alternative scenario in an aggregate amount of \$280 million.

Comments:

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

Committee members or representatives in favor:

Carmen Chu, City Administrator; Public Works, Bruce Robertson; Greg Wagner, Controller; Ann Duning, Mayor's Budget Director; Bree Mawhorter, SFMTA; Stephen Robinson, Public Utilities Commission; Rich Hillis, Director, Planning; Elaine Forbes, Executive Director, Port of San Francisco; Stacy Bradley, Recreation and Parks; Ivar Satero, Director, San Francisco International Airport.

Abstained:

Aaron Peskin, Board President

**3. Board File Number: TBD**

**Approval of the 2024 Healthy, Safe, and Vibrant San Francisco General Obligation Bond not to exceed \$390 million**

CPC Recommendation:

The CPC recommends approval of this G.O. Bond.

Comments:

The CPC approves this item by a vote of 10-0. This item will come back to CPC for further review and approval of additional projects proposed for funding through the bond as they are identified.

Committee members or representatives in favor:

Carmen Chu, City Administrator; Public Works, Bruce Robertson; Greg Wagner, Controller; Ann Duning, Mayor's Budget Director; Bree Mawhorter, SFMTA; Stephen Robinson, Public Utilities Commission; Rich Hillis, Director, Planning; Elaine Forbes, Executive Director, Port of San Francisco; Stacy Bradley, Recreation and Parks; Ivar Satero, Director, San Francisco International Airport.

Abstained:

Aaron Peskin, Board President

# FY 2024-25 & FY 2025-26 Capital Budget



Office of Resilience and Capital Planning | May 6, 2024

# CPC AGENDA

## General Fund Dept Capital Budget

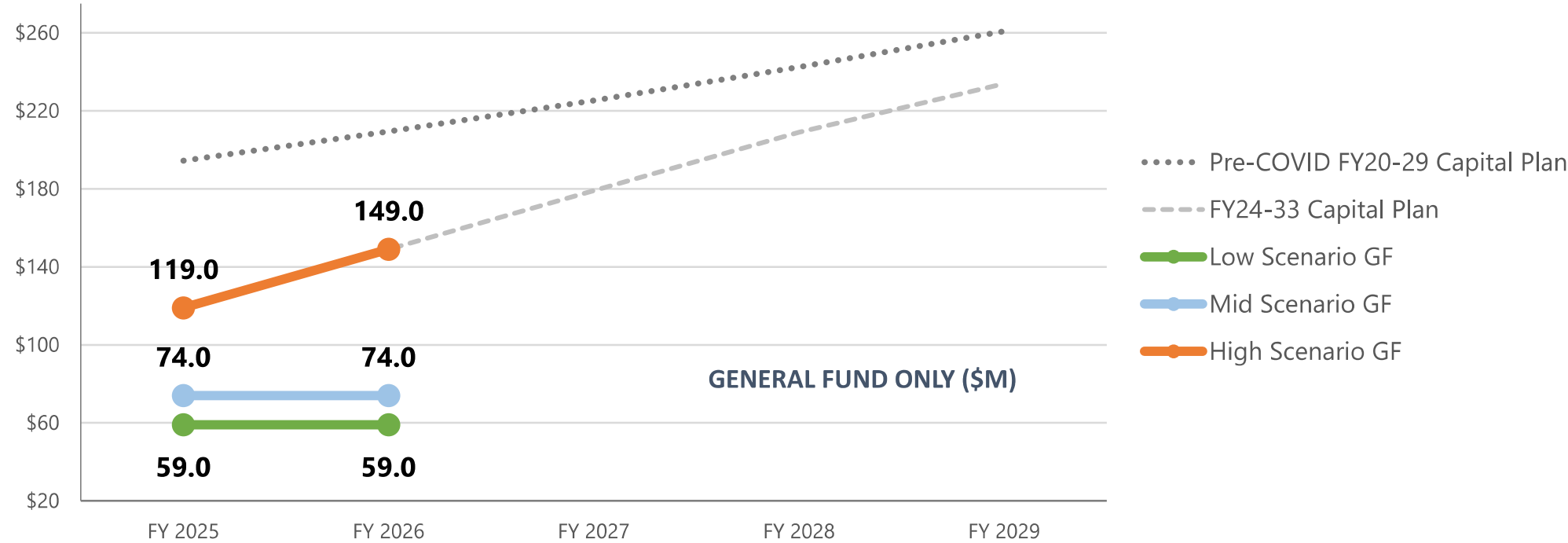
### Action Item

- Approve the FY25 & FY26 Proposed General Fund Dept Capital Budget for recommendation to Board of Supervisors;
- Approve the recommended FY25 Certificates of Participation for Streets & Critical Repairs
  - Admin Code Section 3.21: CPC reviews the Capital Budget to ensure it aligns with recommendations in Capital Plan

# CAPITAL BUDGET

## Scenario Recap

|                               | CAPITAL PLAN RECOMMENDATION |       |                       |      |                    |      |
|-------------------------------|-----------------------------|-------|-----------------------|------|--------------------|------|
|                               | High Scenario (\$M)         |       | Medium Scenario (\$M) |      | Low Scenario (\$M) |      |
|                               | FY25                        | FY26  | FY25                  | FY26 | FY25               | FY26 |
| General Fund                  | 119.0                       | 149.0 | 74.0                  | 74.0 | 59.0               | 59.0 |
| Certificates of Participation | 30.0                        | -     | 45.0                  | -    | 45.0               | -    |
| TOTAL                         | 149.0                       | 149.0 | 119.0                 | 74.0 | 104.0              | 59.0 |



# CAPITAL BUDGET

## Changes to Mid Scenario since April 22

- Mayor’s Office presented a proposal for the November 2024 G.O. Bond on April 29
  - DPH allocations in the proposed bond are lower than previously anticipated
- To meet regulatory and cash flow needs for DPH, projects worth \$7.3M are being brought forward from FY26 to FY25

|              | ORIGINAL              |      |       |  | NEW                   |      |       |
|--------------|-----------------------|------|-------|--|-----------------------|------|-------|
|              | Medium Scenario (\$M) |      |       |  | Medium Scenario (\$M) |      |       |
|              | FY25                  | FY26 | Total |  | FY25                  | FY26 | Total |
| General Fund | 74.0                  | 74.0 | 148.0 |  | 81.3                  | 66.7 | 148.0 |

- Two-year total investment for DPH is unchanged

# CAPITAL BUDGET

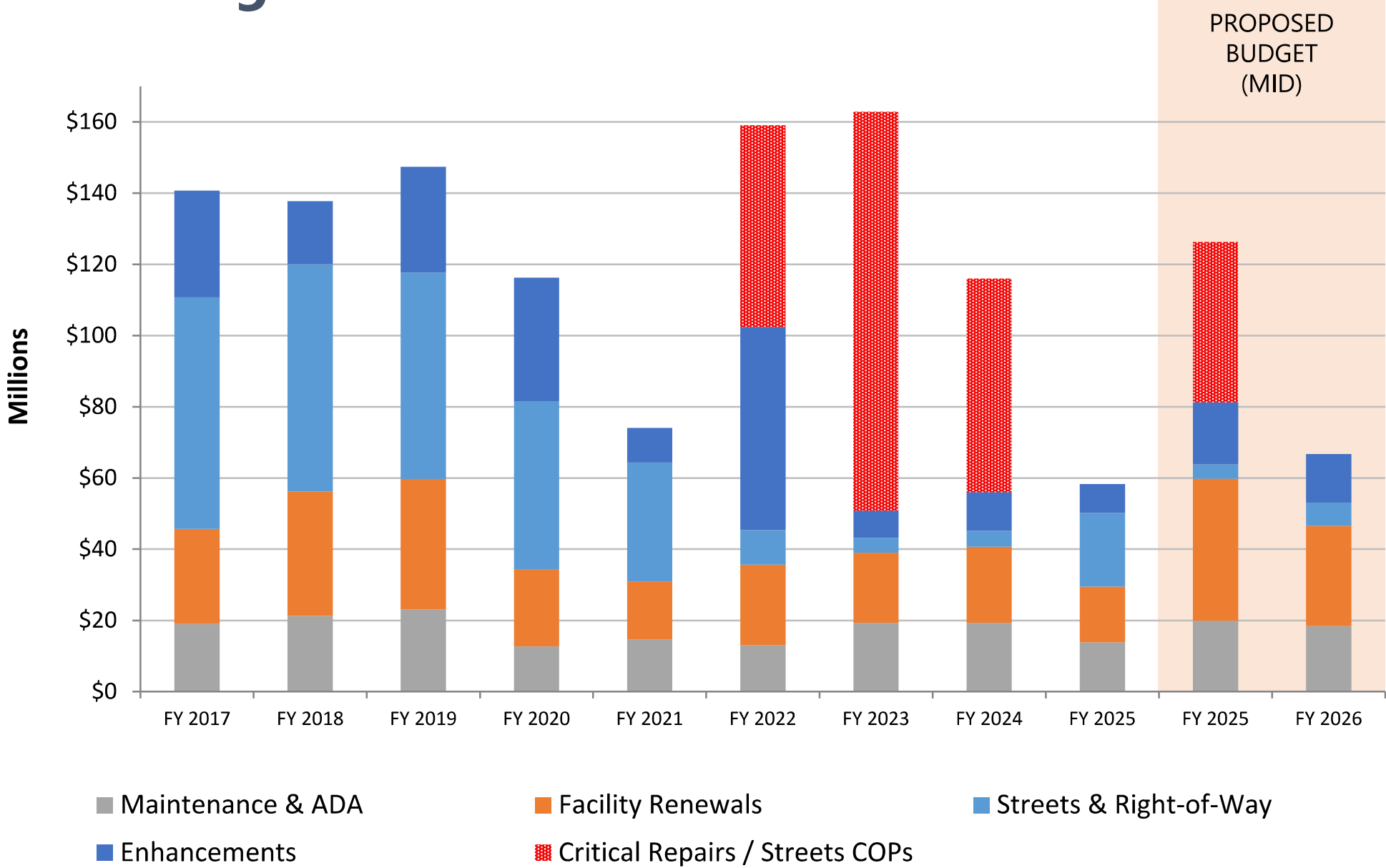
## Recommendation

- Capital Planning Committee (CPC) recommends **Mid Scenario** to Board of Supervisors
- If Mayor’s Office determines that revenue is not available to fund the Mid Scenario, CPC recommends the Low Scenario

|                               | Medium Scenario (\$M) |      | Low Scenario (\$M) |      |
|-------------------------------|-----------------------|------|--------------------|------|
|                               | FY25                  | FY26 | FY25               | FY26 |
| General Fund                  | 81.3                  | 66.7 | 59.0               | 59.0 |
| Certificates of Participation | 45.0                  | -    | 45.0               | -    |
| TOTAL                         | 126.3                 | 66.7 | 104.0              | 59.0 |

# CAPITAL BUDGET

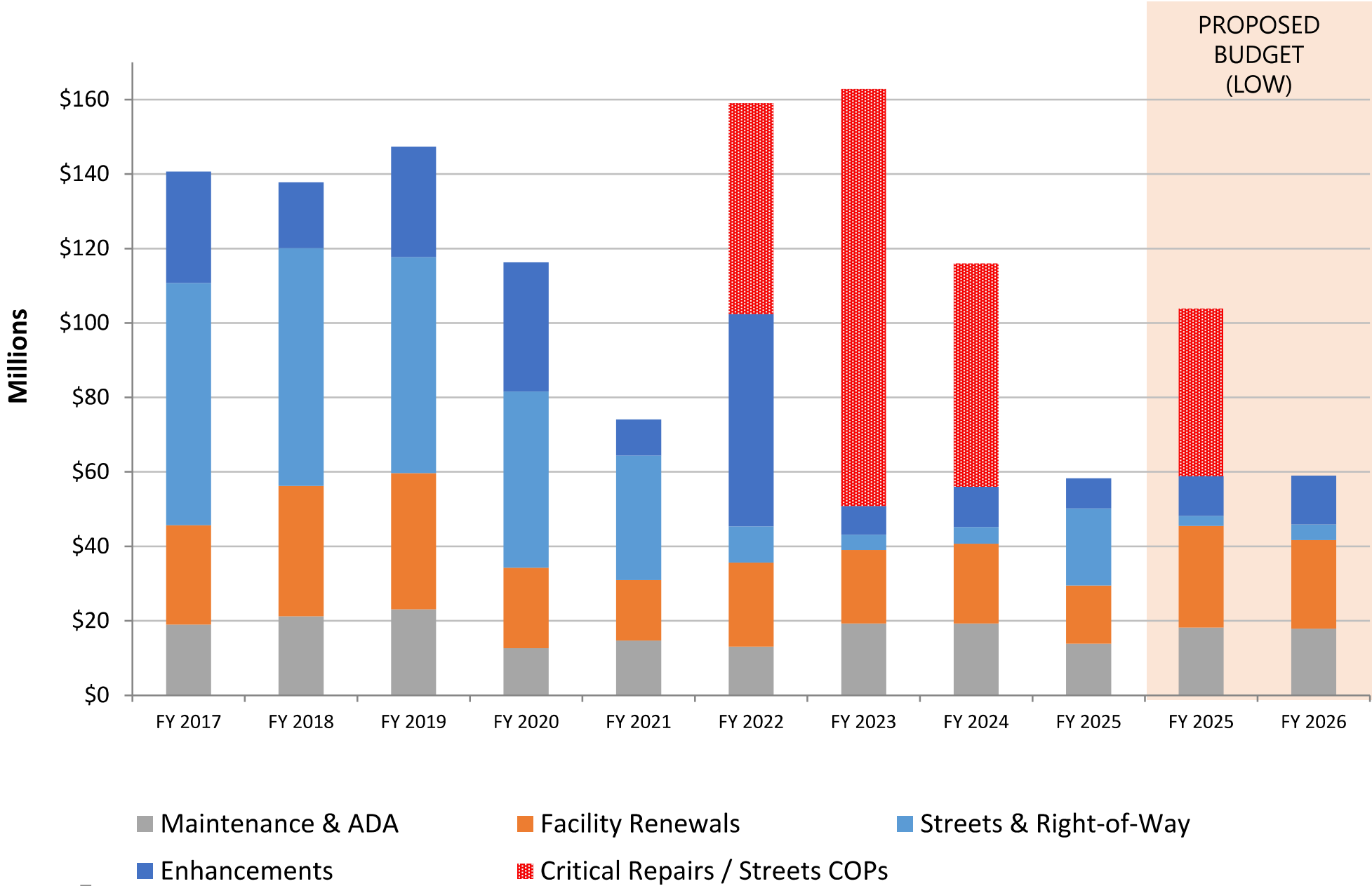
## Past Budgets vs. Mid Scenario





# CAPITAL BUDGET

## Past Budgets vs. Low Scenario



# CAPITAL BUDGET

## General Fund Allocations (Mid Scenario)

| Set-asides & Policies                                   | FY25        | FY26        |
|---------------------------------------------------------|-------------|-------------|
| REC Set-Aside ( <i>Prop B, 2016</i> )                   | 15.0        | 15.0        |
| Street Trees Set-Aside ( <i>supports Prop E, 2016</i> ) | 6.4         | 6.8         |
| Routine maintenance allocations for all depts.          | 11.5        | 12.3        |
| <b>SUB-TOTAL</b>                                        | <b>32.9</b> | <b>34.1</b> |

| Remaining Expenditure Categories                                                | FY25        | FY26        |
|---------------------------------------------------------------------------------|-------------|-------------|
| ADA ( <i>Curb Ramps, City Hall Wheelchair Lift, Opera House Elevator etc.</i> ) | 6.8         | 4.4         |
| Critical Enhancements ( <i>legal mandates, security improvements etc.</i> )     | 10.8        | 6.7         |
| Facility Renewals ( <i>life-safety, HVAC, roof leaks, boilers etc.</i> )        | 26.8        | 15.0        |
| ROW Renewals ( <i>potholes, plazas, medians, bridges etc.</i> )                 | 4.0         | 6.6         |
| <b>SUB-TOTAL</b>                                                                | <b>48.4</b> | <b>32.7</b> |
| <b>TOTAL</b>                                                                    | <b>81.3</b> | <b>66.7</b> |

# CAPITAL BUDGET

## Projects reduced / eliminated in Low Scenario

| DPH Projects |                          | Mid Scenario (\$M) |      | Low Scenario (\$M) |      |
|--------------|--------------------------|--------------------|------|--------------------|------|
| Campus       | Project                  | FY25               | FY26 | FY25               | FY26 |
| ZSFG         | Clinical Lab Replacement | 5.4                | -    | -                  | -    |
| ZSFG         | NPC4 Compliance          | 0.5                | -    | 0.3                | -    |
| LHH          | X-Ray Replacement        | 1.0                | -    | -                  | -    |
| LHH          | Kitchen Coil Replacement | 0.6                | -    | -                  | -    |
| LHH          | Roof Replacements        | 0.2                | -    | -                  | -    |

- These projects are prioritized for funding in the mid scenario based on regulatory need and cash flow requirements

# CAPITAL BUDGET

## Projects reduced / eliminated in Low Scenario (\$20M reduction)

### Other departments

#### ← HIGHEST PRIORITY

| Dept | Project                           |
|------|-----------------------------------|
| ADM  | 1099 Sunnydale Electrification    |
| ADM  | Satellite Building Safety Repairs |
| DPW  | Great Highway Sand Clearing       |
| DPW  | Pothole Repair                    |
| JUV  | Admin Building Windows            |
| POL  | Security Enhancement & Cameras    |
| SHF  | County Jail 3 Heaters & Boilers   |

| Dept | Project                                     |
|------|---------------------------------------------|
| AAM  | HVAC & Roof                                 |
| ART  | Civic Art Collection                        |
| DPW  | Plazas, Street Structures, Bridges, Medians |
| FAM  | Fire and Building Systems                   |
| FIR  | HVAC, Paint, Roofs                          |
| POL  | Fire Panels, Paint                          |
| SHF  | County Jail 3 Roof & Exteriors              |

| Dept | Project                           |
|------|-----------------------------------|
| AAM  | Floor Resurfacing                 |
| ART  | Doors at Cultural Centers         |
| DPW  | Street Tree Planting              |
| DPW  | Emergency Capital Repairs         |
| DPW  | Community Beautification Projects |
| DT   | Fiber Programs                    |
| POL  | Stable Repairs                    |

- If available funding is in between the mid and low scenarios, we recommend reducing / eliminating lower priority projects first

# CAPITAL BUDGET

## Recommended FY25 Certificates of Participation

*\$ in millions*

| Dept         | Project                                                      | Mid Scenario | Low Scenario |
|--------------|--------------------------------------------------------------|--------------|--------------|
| PW           | Street Resurfacing                                           | 23.9         | 17.9         |
| PW           | Sunset Blvd. Recycled Water                                  | 2.9          | 2.9          |
| PW           | Bridge Inspection and Repair (4 <sup>th</sup> Street Bridge) | 2.5          | 2.5          |
| ADM          | Underground Fuel Tank Replacement (Legal mandate)            | 11.1         | 11.1         |
| ADM          | 25 Van Ness Heat Pump and Cooling Tower                      | 2.3          | 2.3          |
| ADM          | 50 Raymond Repairs                                           | 1.3          | 1.3          |
| DPH          | Laguna Honda Emergency Power                                 | GF-funded    | 4.5          |
| SHF          | San Bruno County Water Line Replacement                      | 1.0          | 1.0          |
| WAR          | Opera House Elevator Modernization                           | GF-funded    | 1.5          |
| <b>TOTAL</b> |                                                              | <b>45.0</b>  | <b>45.0</b>  |