

# General Fund Debt for Critical Capital Needs



February 12, 2024

# COP financing has been a flexible tool for the City's large capital needs when GO bonds have not been accessible

Veteran's Building, *completed 2016*



49 South Van Ness, *completed 2019*



Animal Care and Control, *completed 2021*





# Financing needed to continue relocating public services currently in seismically vulnerable buildings

HOJ: 814-820 Bryant St, Ahern Way, 1828 Egbert acquisition and tenant improvements



Shifting staff out of 101 Grove; Maria X Martinez Clinic opening, AITC relocation, Laguna Honda M&O renovation

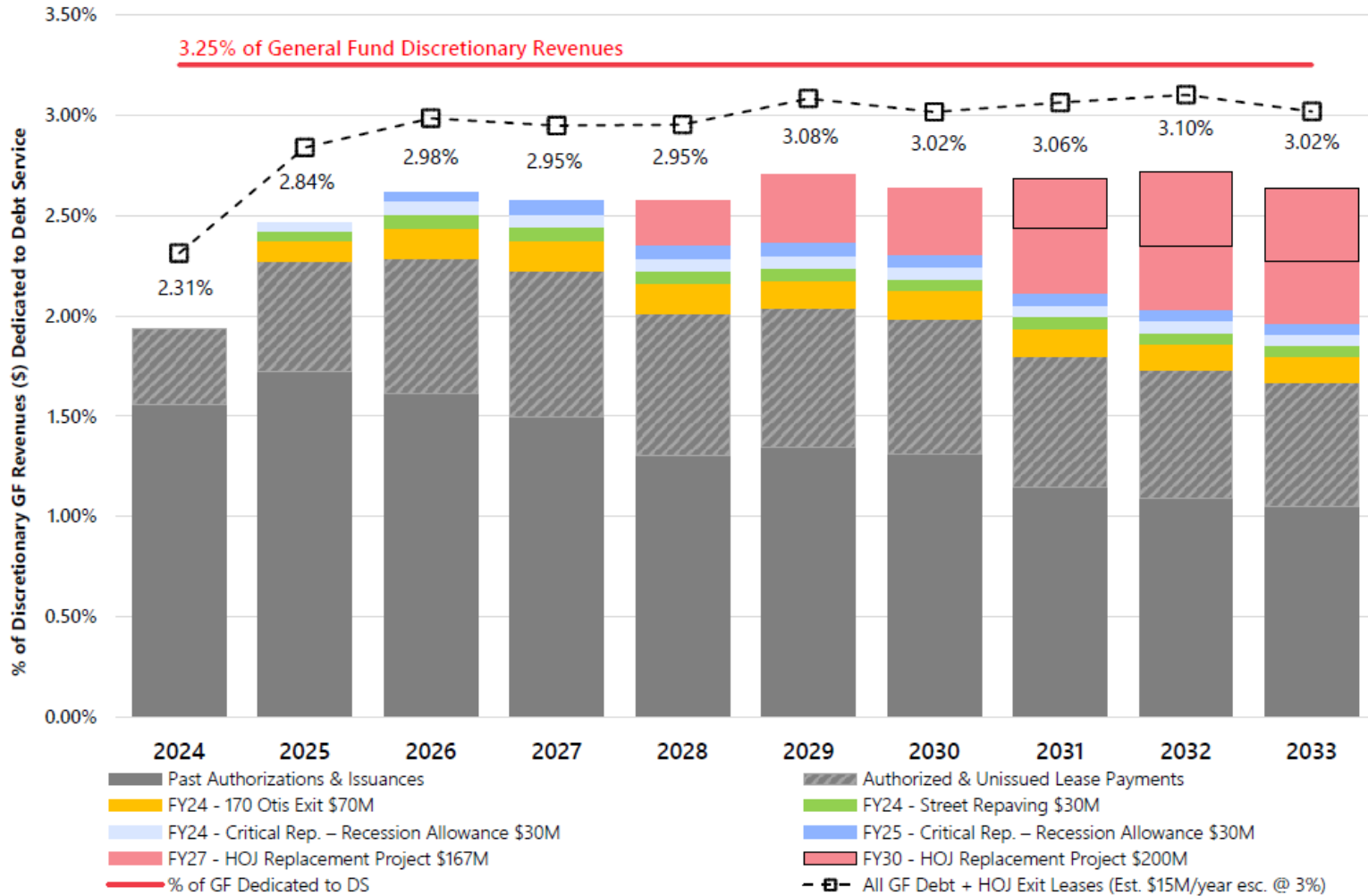


HSA programs and teams to exit from 170 Otis



## Adopted Capital Plan - General Fund Debt Program FY2024-2033

(Post COP 2023AB Issuance, Updated Discretionary Revenue Projections as of 11/3/23)



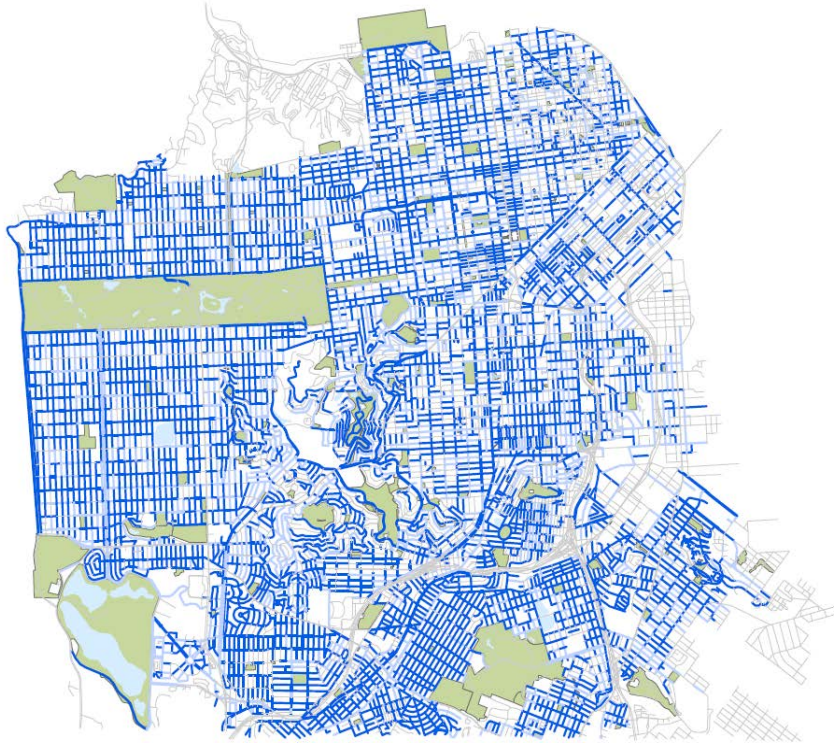
Revised 11-16-2023



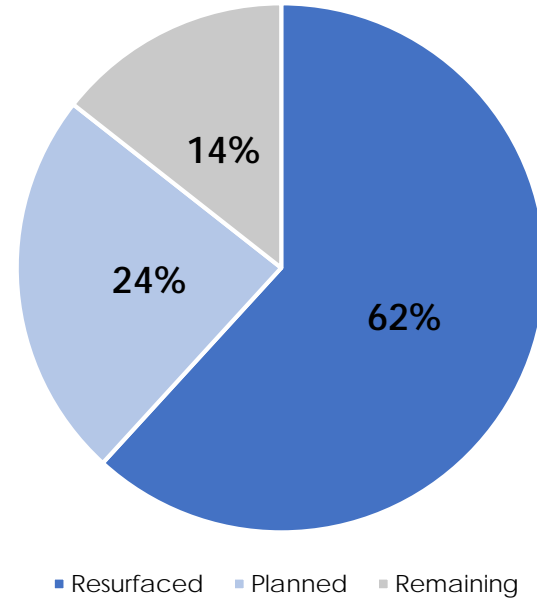
# Street Resurfacing Program

Capital Planning Committee  
February 2024

# Right Road, Right Treatment, Right Time, Right Price



Street resurfacing takes place through all districts and neighborhoods of the City.

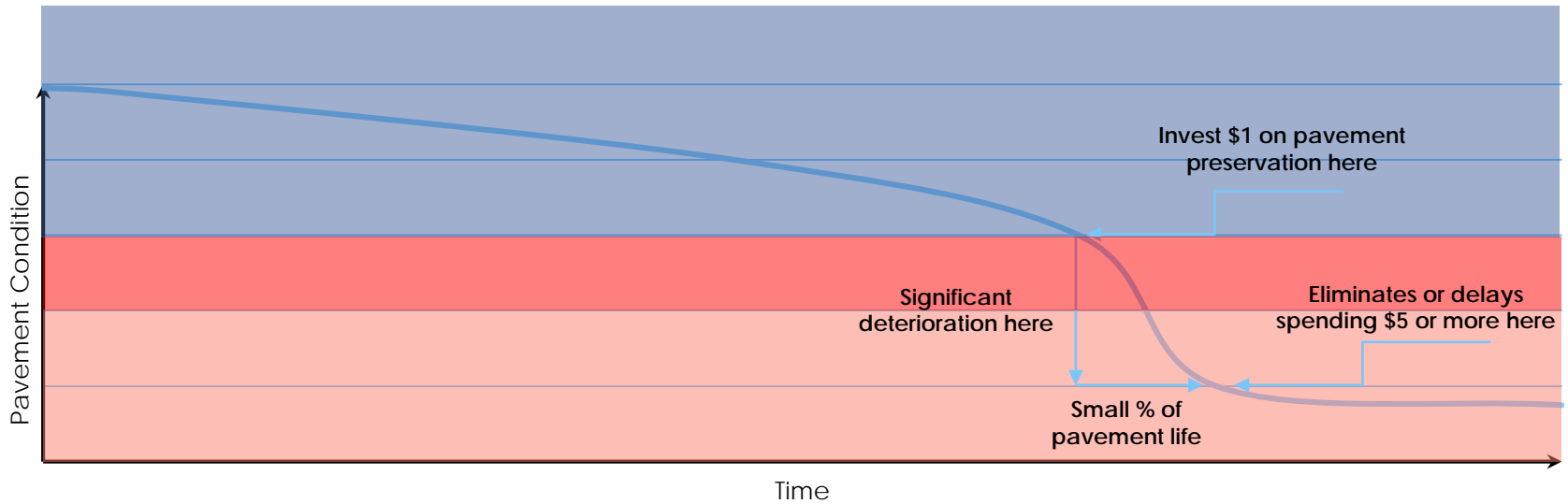


From FY 09-10 to FY 23-24, Public Works has resurfaced over **8,000+**.

From FY 23-24 to FY 27-28+, Public Works plans to resurface over **3,000+**.

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# Programming Strategy








## Invest \$1 to eliminate \$5+

A city or county that invests \$1 on timely maintenance to keep a section of roadway in good condition would have to spend \$5 or more to restore the same road if the pavement is allowed to deteriorate.

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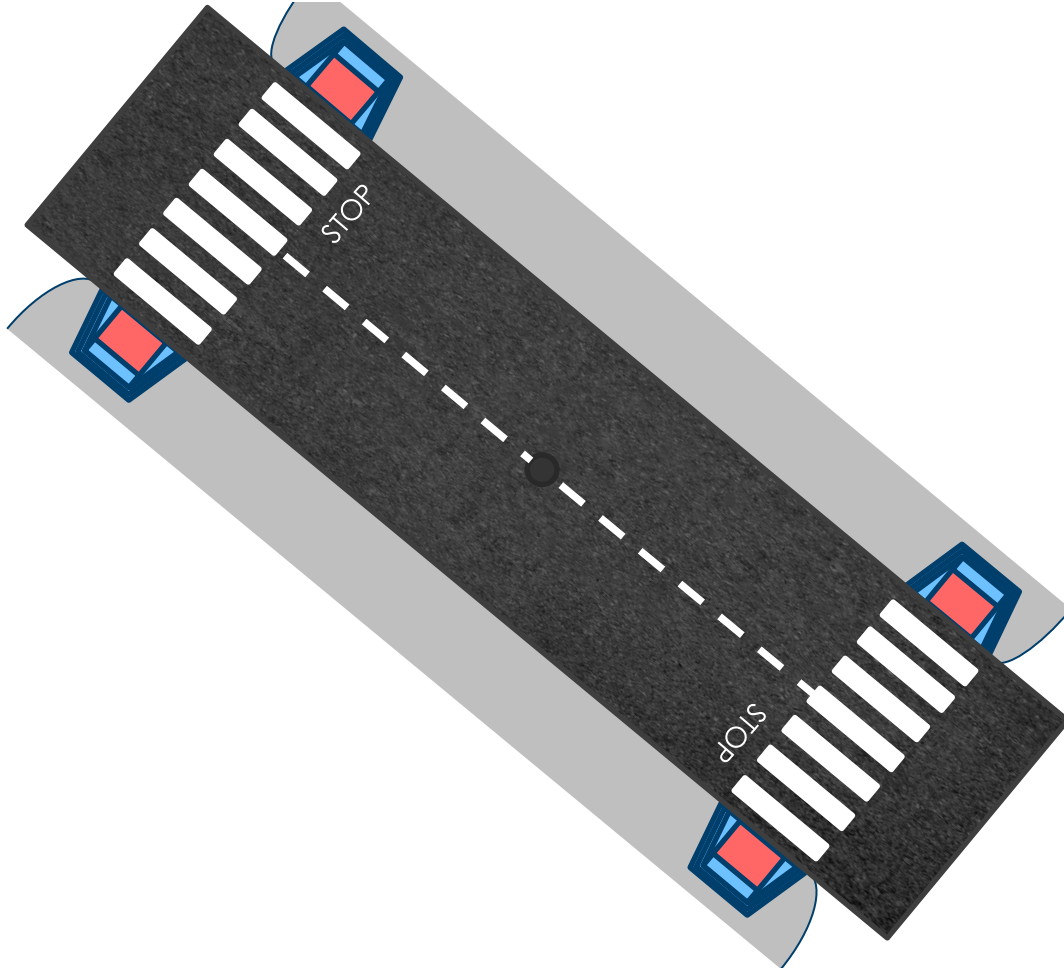
# Accepted Streets Network Conditions

|                |  |  |  |  |  |
|----------------|---|---|--|---|---|
|                | Excellent<br>No Resurfacing   | Good<br>Preservation  | At-Risk<br>Resurfacing   | Poor<br>Resurface w. Base   | Very Poor<br>Reconstruct  |
| PCI RANGE      | 80 - 100  | 60 - 80   | 50 - 60  | 25 - 50   | 0 - 25  |
| COST PER BLOCK | \$---   | \$80,000.00   | \$210,000  | \$250,000   | \$360,000 - \$600,000   |
| <b>2023</b>    | 6,795   | 4,218   | 826  | 939   | 204   |
| <b>2022</b>    | 6,446   | 4,407   | 908  | 1,011   | 205   |
| <b>2021</b>    | 6,708   | 4,054   | 914  | 1,084   | 211   |
| <b>2020</b>    | 7,079   | 3,658   | 838  | 1,145   | 251   |
| <b>2019</b>    | 7,290   | 3,345   | 1,012  | 1,124   | 181   |
| <b>2018</b>    | 7,007   | 3,391   | 1,108  | 1,226   | 200   |
| <b>2017</b>    | 6,847   | 3,613   | 1,052  | 1,209   | 197   |
| <b>2016</b>    | 5,594   | 4,250   | 1,300  | 1,546   | 202   |
| <b>2015</b>    | 4,809   | 4,396   | 1,650  | 1,817   | 220   |
| <b>2014</b>    | 3,992   | 4,724   | 1,515  | 2,356   | 293   |
| <b>2013</b>    | 4,484   | 4,221   | 1,886  | 1,915   | 351   |

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# Average Cost for Block of Paving



**\$210,000**

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**\$40,000 – Staff Time (19%)**

- \$7,000 Planning
- \$13,000 Design
- \$20,000 Construction Management

**\$40,000 – 4 Curb Ramps (19%)**

**\$30,000 – Localized Base Repair (14%)**

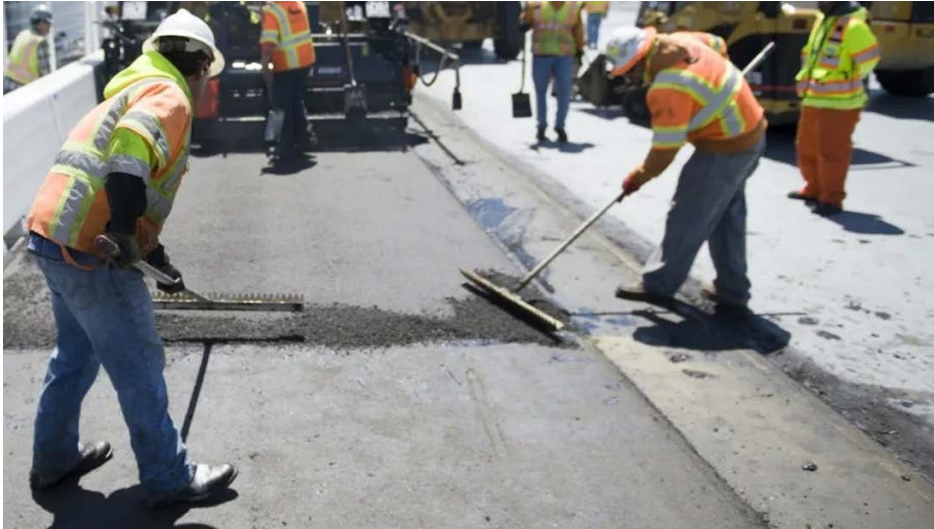
**\$65,000 – Paving (31%)**

**\$35,000 – Other (17%)**

- \$2,000 Striping
- \$7,000 Overhead Contact System
- \$13,000 Traffic Routing
- \$10,000 Survey Monuments
- \$3,000 Miscellaneous

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# Implementation: Pavement Resurfacing Criteria



## Street Selection

- PCI Score
- Functional Class
- Delivery Method
- Project Readiness / Coordination
- Geographic Equity
- Funding

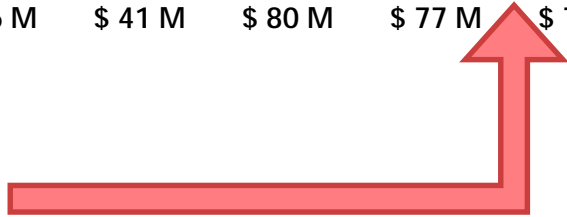
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# Budget Sources Detailed (FY 2019 – FY 2025)

|       | FUND                            | DESCRIPTION                         | FY18-19 | FY19-20 | FY20-21 | FY21-22 | FY22-23 | FY23-24 | FY24-25 |
|-------|---------------------------------|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| STATE | Local Partnership Program (LPP) | Competitive State Grant             | \$ 2 M  | \$ 2 M  | \$ 0 M  | \$ 0 M  | \$ 0 M  | \$ 0 M  | \$ 0 M  |
|       | Senate Bill 1 (SB-1)            | Gas Tax                             | \$ 23 M | \$ 24 M | \$ 24 M | \$ 24 M | \$ 29 M | \$ 30 M | \$ 31 M |
|       | Highway User Tax Account (HUTA) | Gas Tax                             | \$ 9 M  | \$ 5 M  | \$ 9 M  | \$ 11 M | \$ 12 M | \$ 11 M | \$ 11 M |
| LOCAL | Proposition K / L               | ½-Cent Sales Tax for Transportation | \$ 3 M  | \$ 2 M  | \$ 0 M  | \$ 8 M  | \$ 3 M  | \$ 3 M  | \$ 2 M  |
|       | Proposition AA                  | Vehicle Registration Fee            | \$ 0 M  | \$ 6 M  | \$ 2 M  | \$ 5 M  | \$ 3 M  | \$ 2 M  | \$ 2 M  |
|       | 2020 Health & Recovery Bond     | General Obligation Bond             | \$ 0 M  | \$ 0 M  | \$ 0 M  | \$ 32 M | \$ 0 M  | \$ 0 M  | \$ 0 M  |
|       | COPs                            | Certificates of Participation       | \$ 0 M  | \$ 3 M  | \$ 0 M  | \$ 0 M  | \$ 30 M | \$ 33 M | ???     |
|       | General Fund                    | General Fund                        | \$ 22 M | \$ 24 M | \$ 6 M  | \$ 0 M  | \$ 0 M  | \$ 0 M  | ???     |
|       |                                 |                                     | \$ 59 M | \$ 66 M | \$ 41 M | \$ 80 M | \$ 77 M | \$ 79 M | \$ 46 M |

**CHALLENGE:** Sustainable, reliable, and consistent level of funding.

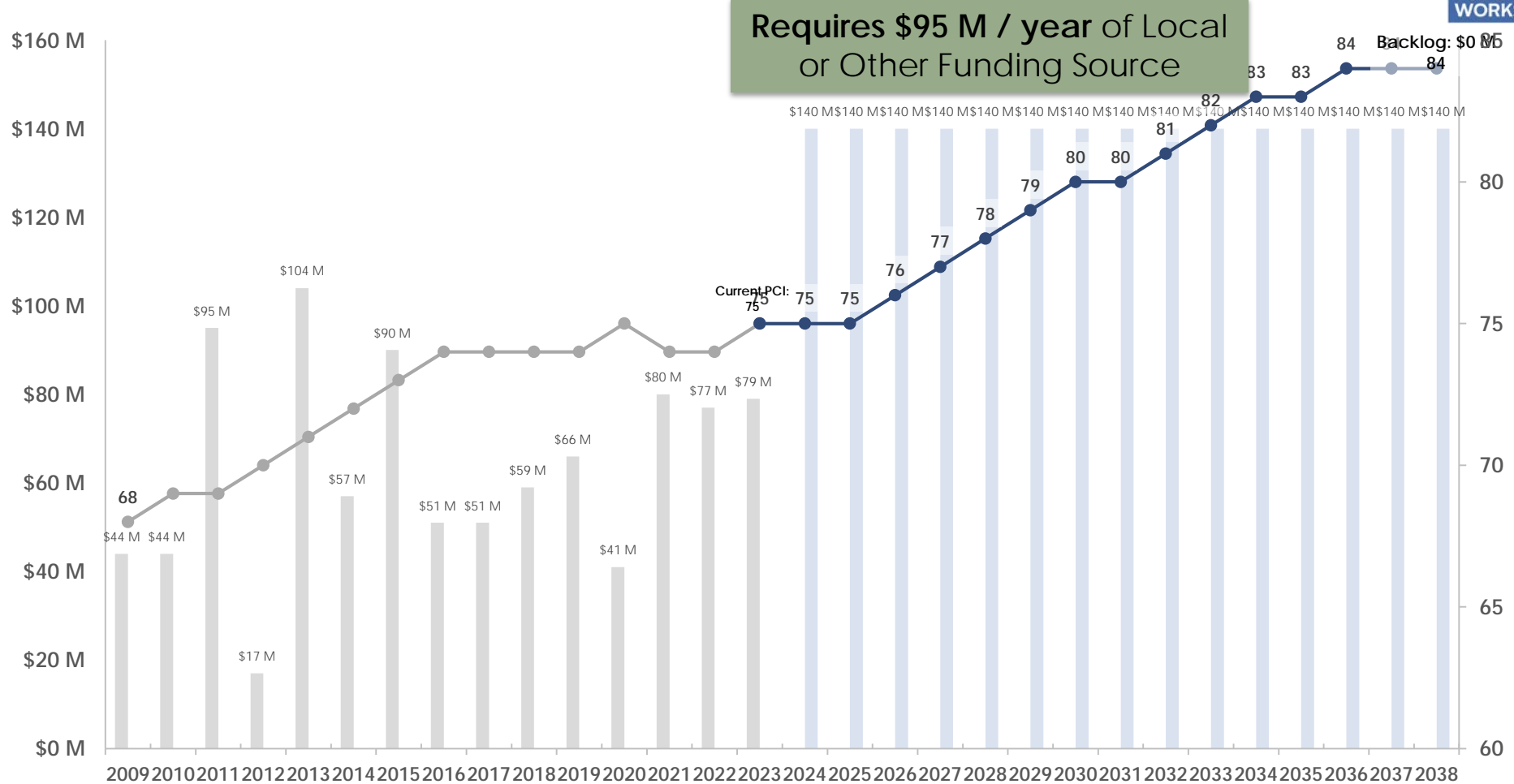
Approximately ~40% of budget is one-time sources



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# Budget Scenarios – State of Good Repair (PCI mid-80's)



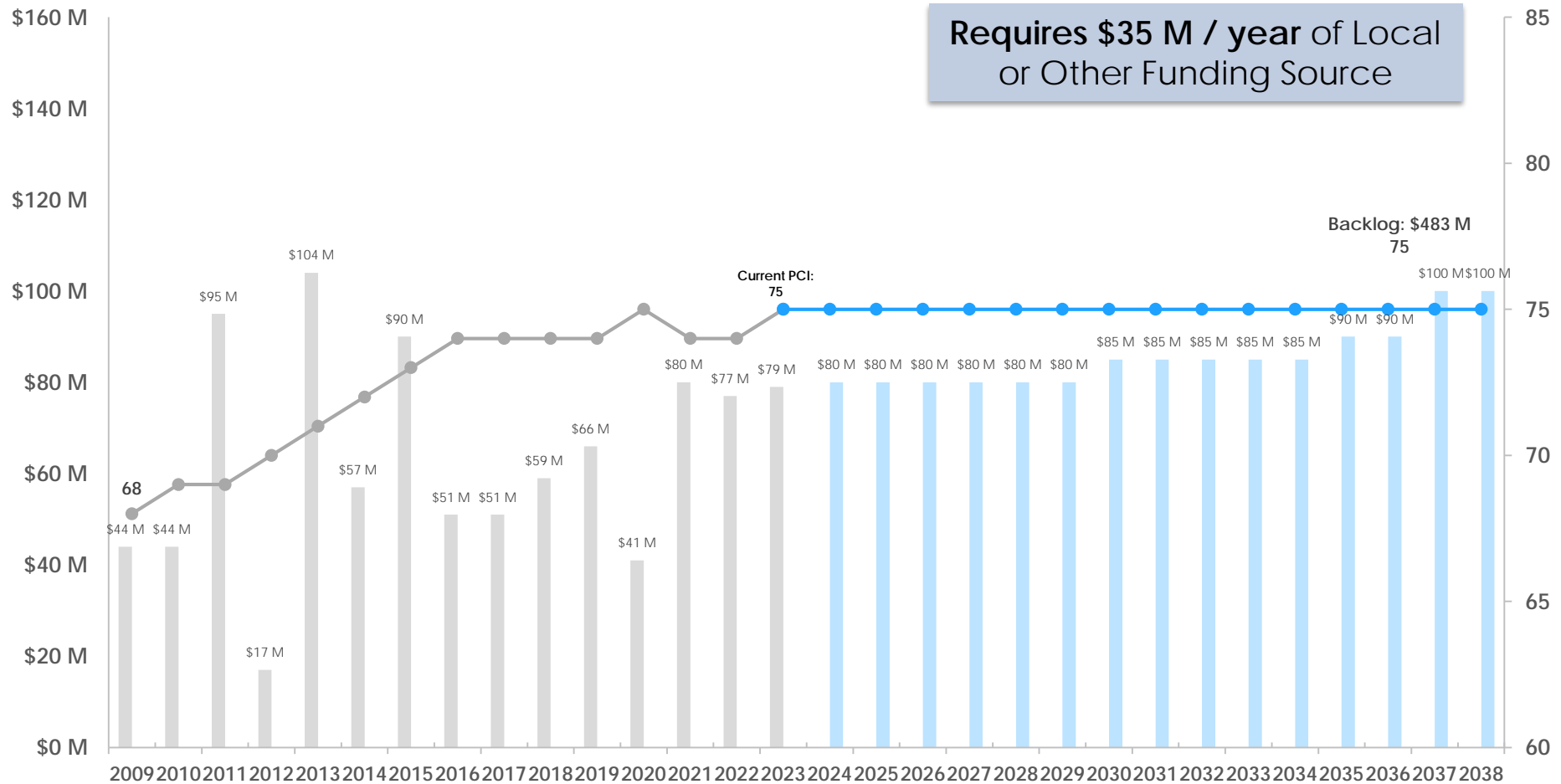
Requires \$95 M / year of Local or Other Funding Source

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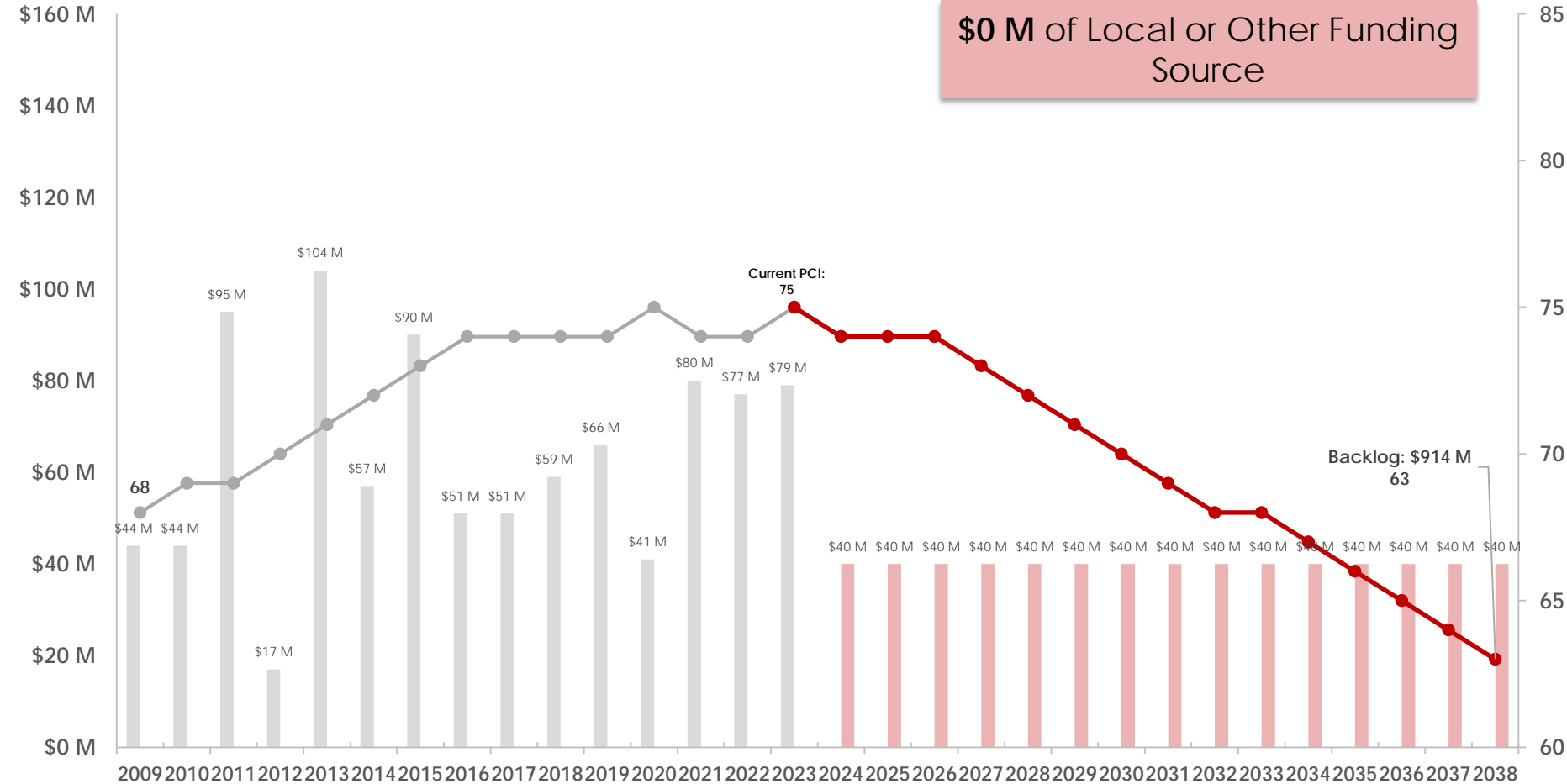
# Budget Scenarios – Maintain Current PCI of 75

**Requires \$35 M / year of Local or Other Funding Source**



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# Budget Scenarios – Minimal Funding



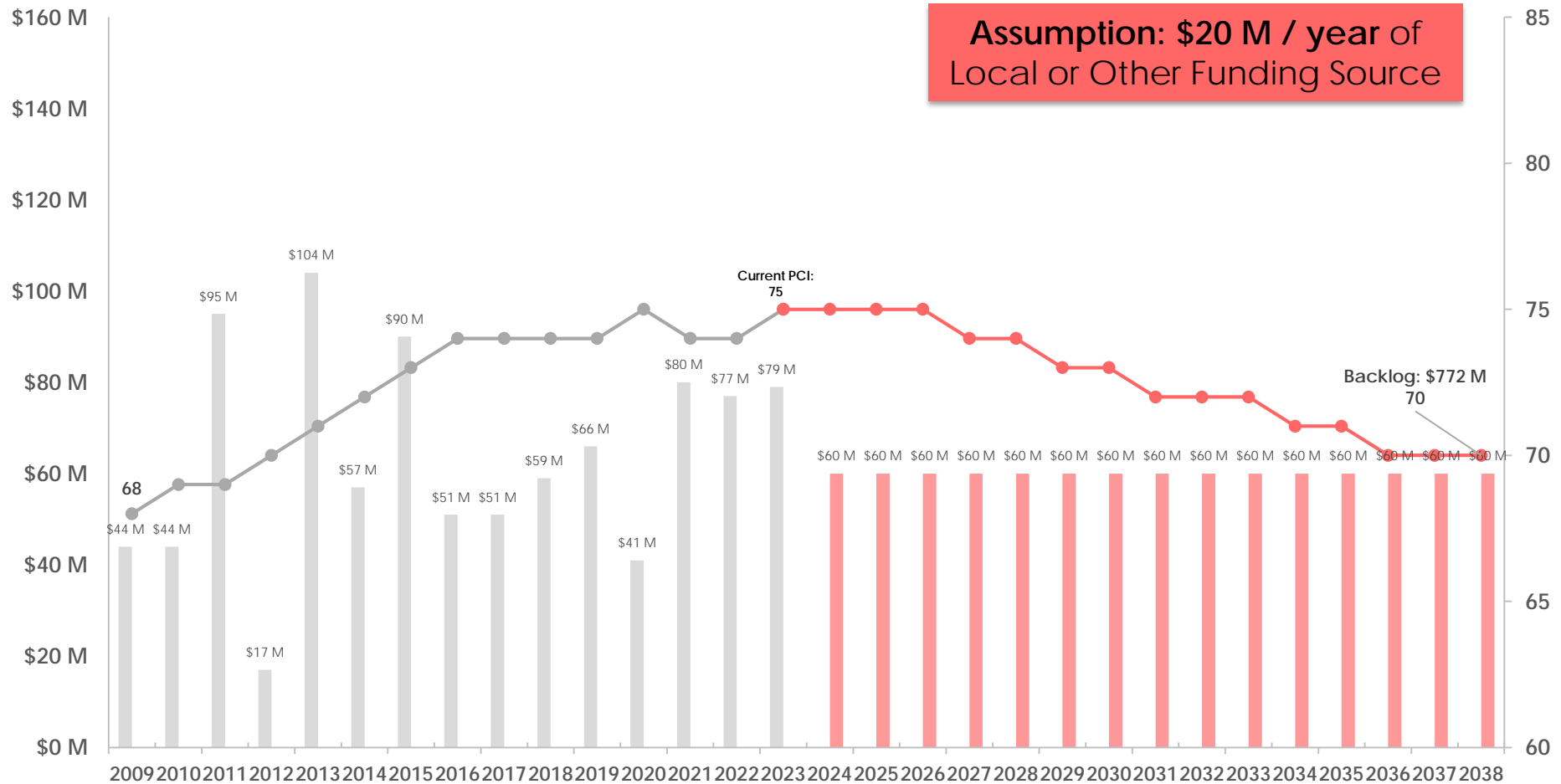
**\$0 M of Local or Other Funding Source**

**Backlog: \$914 M**

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# Budget Scenarios – **Slower Decline**

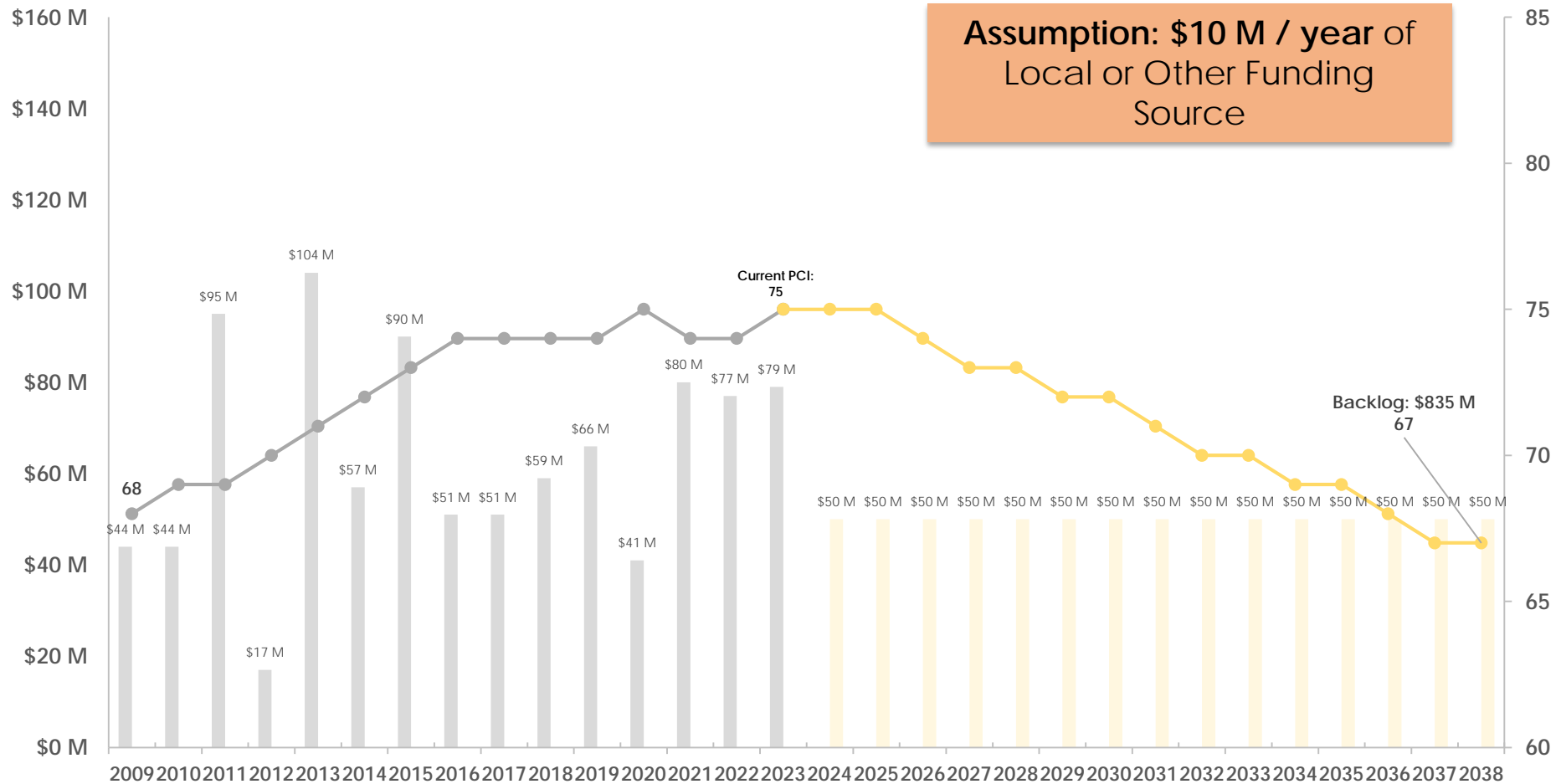
**Assumption: \$20 M / year of Local or Other Funding Source**



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# Budget Scenarios – Faster Decline

**Assumption: \$10 M / year of Local or Other Funding Source**

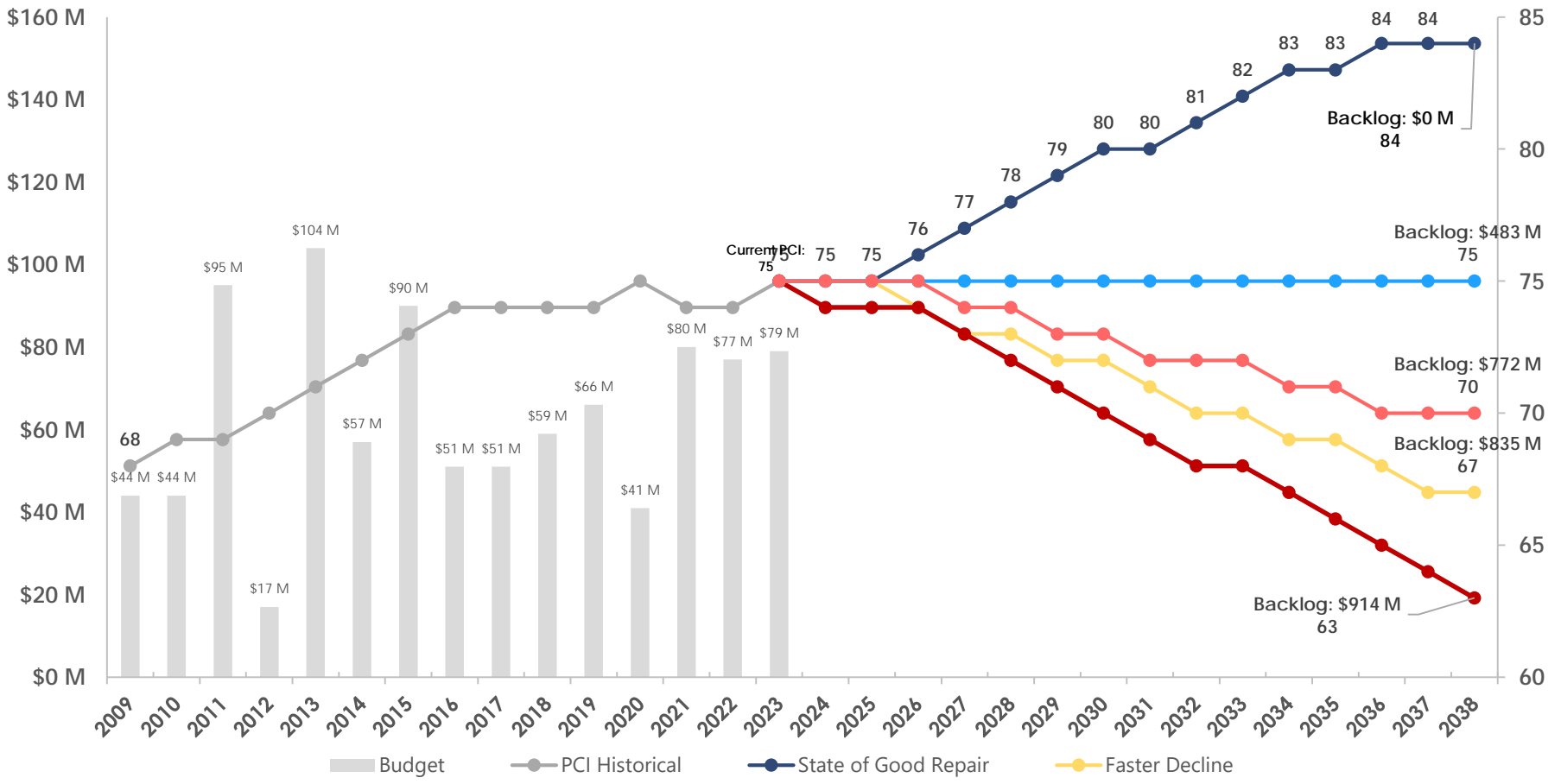


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# Budget Scenarios - Aggregated



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**Questions?**

Thank you!

# Appendix



# Selected Program + Financing Updates

| Program Name  | Project Amount (\$M)               | Board Authorized (\$M)   | Status/Accomplishments   | Sale Date | True Interest Cost* |
|---|------------------------------------|--|--|-----------|---------------------|
| Hall of Justice Exit & Relocation (2019)            | Up to 131 (Capital Plan FY20 – 29) | 94.6 for acquisitions & 62.0 for tenant improvements + Ahern acquisition | <ul style="list-style-type: none"> <li>Acquisitions have included 814-820 Bryant St, Ahern Way, 1828 Egbert</li> <li>\$5M was de-appropriated from the holding cells project for the HOJ roof replacement</li> </ul> | 4/2021    | 2.12%               |
| Affordable Housing and Community Development (2023) | 112                                | 146.8  | <ul style="list-style-type: none"> <li>Appropriated in 2019; authorized in June 2023 and issued in 10/2023</li> <li>\$10M of project amount remains for SRO elevators (not included in 10/2023 issuance)</li> </ul>  | 10/2023   | 6.29% (Taxable)     |
| Hope SF (2019)                                      | 56.9                               | 83.6   | <ul style="list-style-type: none"> <li>Funding for 569 affordable and market units at Hunters View, Sunnydale, and Potrero</li> </ul>  | N/A       | N/A                 |
| 170 Otis Exit                                       | 70                                 | N/A  | <ul style="list-style-type: none"> <li>Evaluating new sites for purchase and Civic Center for possible relocation for staff</li> </ul>   | N/A       | N/A                 |



# Selected Program + Financing Updates

| Program Name  | Project Amount (\$M)  | Board Authorized (\$M)  | Status/Accomplishments  | Sale Date | True Interest Cost* |
|---|---|---|---|-----------|---------------------|
| 101 Grove Exit + SFGH Chiller & Cooling (2020)            | 126.2   | 157   | <ul style="list-style-type: none"> <li>Tom Waddell/Maria X Martinez clinic opened in Jan 2023</li> <li>Laguna Honda M&amp;O conversion in progress</li> <li>Planned first issuance in 2024</li> </ul> | N/A       | N/A                 |
| Critical Repairs and Recovery Stimulus (2022, 2023, 2024) | <ul style="list-style-type: none"> <li>56.7 (FY2022)</li> <li>79.2 (FY2023)</li> <li>25.6 (FY2024)</li> </ul> | <ul style="list-style-type: none"> <li>67.5 (7/2021)</li> <li>140 (7/2022)</li> <li>77.2 (9/2023)</li> </ul> <i>(Combined with Streets)</i> | <ul style="list-style-type: none"> <li>Facility renewals program authorized in three FYs 7/2021, 7/2022, 9/2023</li> <li>\$45.9M issued in 2023</li> </ul>  | 10/2023   | 4.226%              |
| Street Resurfacing (2023, 2024)                           | <ul style="list-style-type: none"> <li>30 (FY2023)</li> <li>32.8 (FY2024)</li> </ul>                          | <ul style="list-style-type: none"> <li>140 (7/2022)</li> <li>77.2 (9/2023)</li> </ul> <i>(Combined with CR/RS)</i>                          | <ul style="list-style-type: none"> <li>Program authorized in two FYs 7/2022 and 9/2023</li> <li>\$30M issued for FY2023 streets</li> </ul>  | 10/2023   | 4.226%              |