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Capital Planning and Market Octavia

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CAPITAL PLANNING PROGRAM

Roles & Responsibilities

2

10-Yr Capital Plan & Annual Capital Budget

- Work w/ City depts to review, analyze, & prioritize capital needs, requests and proposals
- Develop financing strategies for critical capital projects
- Track status of capital projects and budget spending

Capital Analysis

- Develop “best practice” policies around City’s overall approach to capital planning
- Analyze construction market and pricing trends
- Provide policy, analytical and admin support to the Capital Planning Committee, Mayor’s Office and Board of Supervisors

Capital Project Coordination

- Coordinate and/or manages city-wide capital initiatives
- Address project budget needs and issues as they arise
- Verify operating impacts of Capital projects

Stakeholder Engagement

- Conduct public outreach
- Coordinate interactions with the Board of Supervisors and Mayor

10-YEAR CAPITAL PLAN OVERVIEW

3

- The Capital Plan is a fiscally constrained 10-year expenditure plan for planned infrastructure investments.
- Updated every two years. Process begins in the fall and is adopted by the Board of Supervisors in January.
- Includes a section focused on the neighborhood Plan Areas, including Market Octavia.



INFRASTRUCTURE CHALLENGES

- San Francisco is a relatively old, dense urban environment prone to earthquakes.
- Population growth as well as the transition of industrial areas to residential and commercial uses require additional parks, transportation, utility, public right-of-way and related infrastructure.
- Despite record levels of infrastructure investments the City's need for improvements continues to grow.
- Construction Cost Inflation and strong Bay Area market are putting upward pressure on project budgets.

SAN FRANCISCO SERVICES & INFRASTRUCTURE

5

San Francisco is responsible for a broad array of city, county, and regional services supported by a massive physical infrastructure.

- **City Services** – Police and fire stations, roads and mass transit networks, parks and libraries, port and utility systems, convention facilities. Over 15 million square feet of facilities, 850 miles of streets, and transit infrastructure within two blocks of 90% of every location in the city.

- **County Services** – Two public hospitals, over a dozen clinics, county jails housing 2,000 prisoners, county welfare and public health programs.

- **Regional Services** – International airport and regional port; regional water and sewer system. Participation in regional transit networks (BART, Caltrain). Water system infrastructure from South Bay to Sierras, piers along the majority of San Francisco’s north and east waterfronts.



5

FY 2018-27 CAPITAL PLAN FUNDING LEVELS

As adopted in April 2017

6

Summary by Service Area FY 2018-27

(in \$millions – includes all funding sources)	2018-22	2023-27	Total
Economic & Neighborhood Development	3,017	1,962	4,979
General Government	87	156	243
Health + Human Services	808	125	933
Infrastructure + Streets	6,139	3,386	9,525
Public Safety	1,274	381	1,655
Recreation, Culture + Education	1,964	414	2,378
Transportation	10,345	5,137	15,482
TOTAL	\$23,634	\$11,561	\$35,195

FUNDING PRINCIPLES

7

1. Addresses legal or regulatory mandate
2. Protects life safety and enhances resilience
3. Ensures asset preservation and sustainability
4. Serves programmatic or planned needs
5. Promotes economic development

FUNDING POLICIES

PAY-AS-YOU-GO PROGRAM

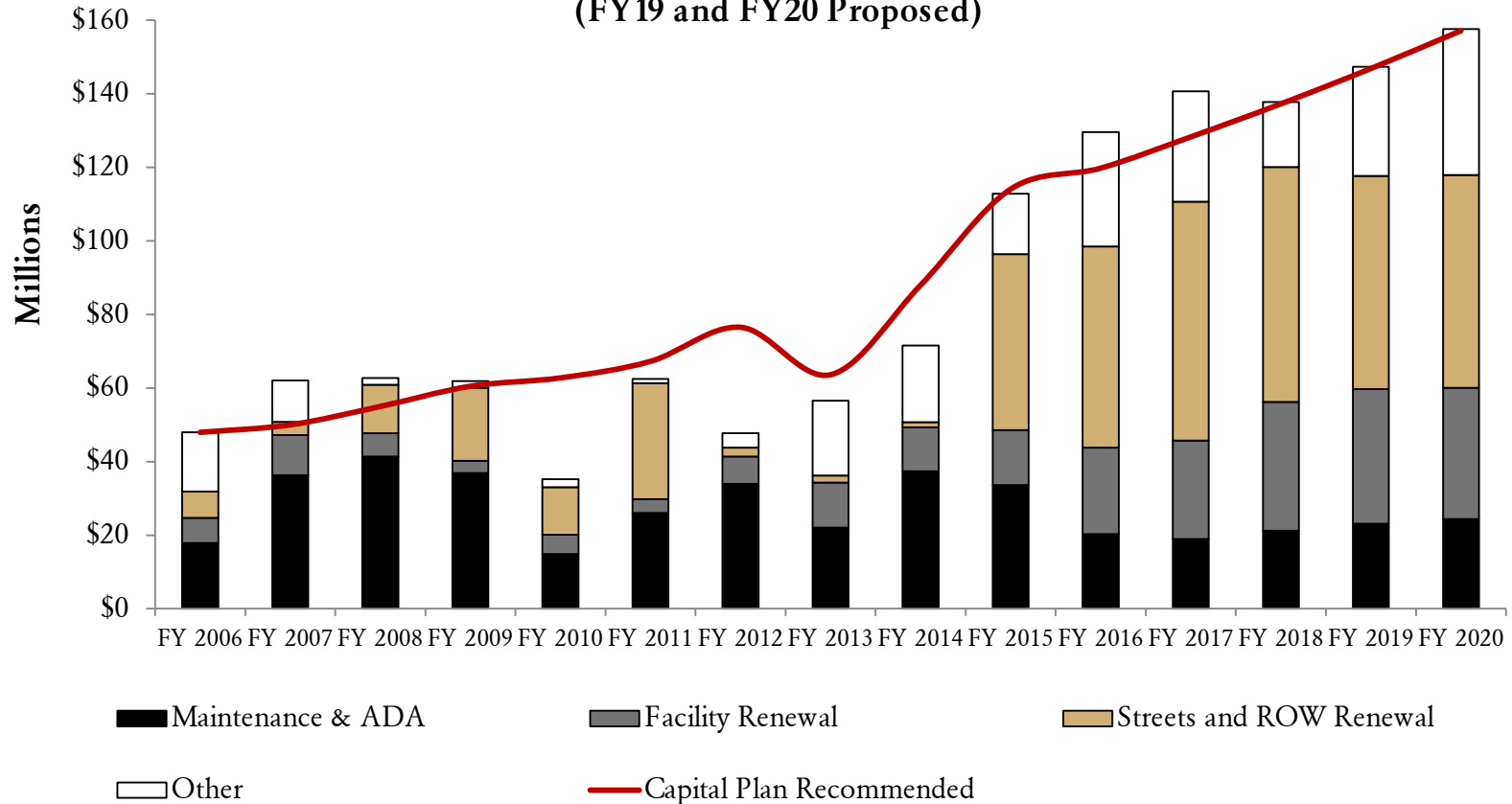
- ▣ Grow General Fund commitment by 7% annually
- ▣ Fully fund routine maintenance and ADA
- ▣ Fund Street Resurfacing to achieve a “Good” rating by 2025
- ▣ Set aside \$10M/year for unanticipated critical enhancements

DEBT PROGRAM

- ▣ New G.O. Bonds to be issued as old bonds are retired. The City’s Property Tax Rate remains unchanged
- ▣ Debt service on Certificates of Participation not to exceed 3.25% of General Fund Discretionary Revenues

GENERAL FUND PAY-AS-YOU-GO PROGRAM

**Pay-as-you-go Program
Recommended vs. Actual Funding
(FY19 and FY20 Proposed)**



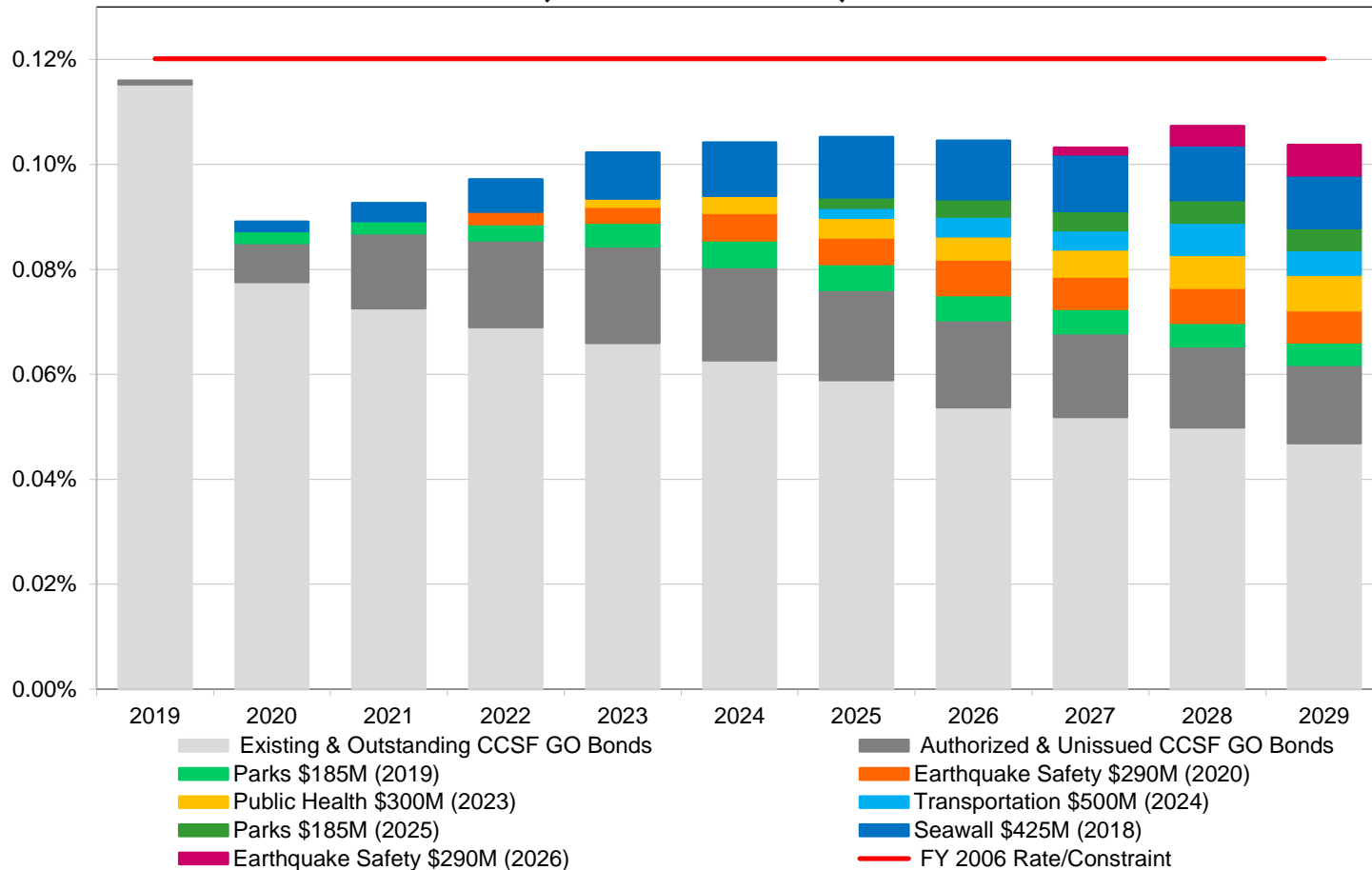
DEBT PROGRAM

General Obligation (G.O.) Bond Capacity

10

Capital Plan GO Bond Program

(Certified AV 8-1-18)



DEBT PROGRAM

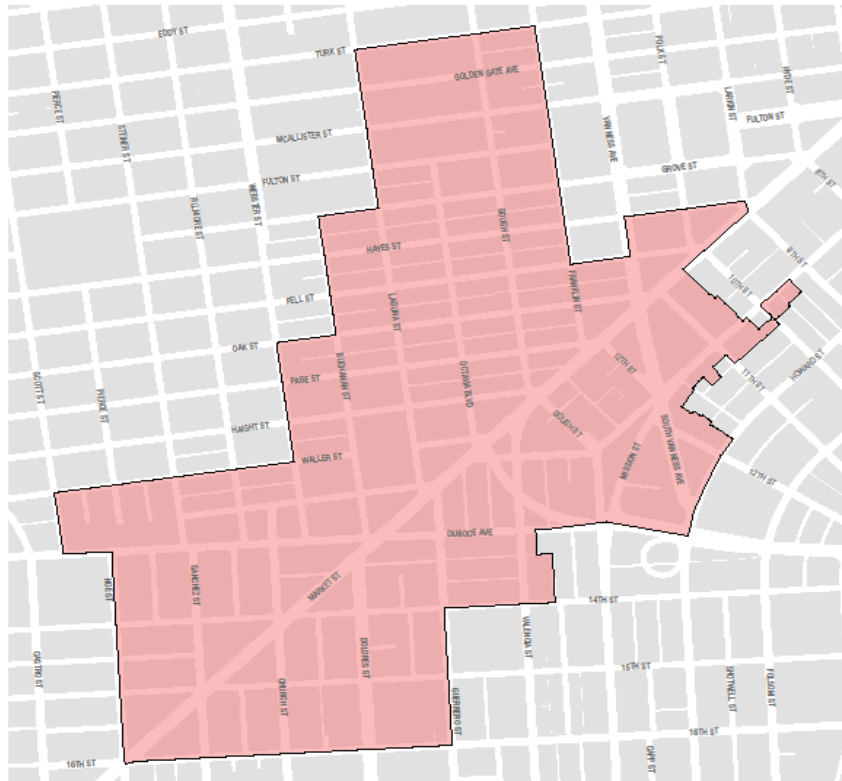
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G.O. Bond Debt Program (in \$millions)

Election	Proposed Debt Issuance	Amount
Nov 2018	Seawall Fortification	425
Nov 2019	Parks and Open Space	185
Nov 2020	Earthquake Safety & Emergency Response	290
Nov 2022	Public Health	300
Nov 2024	Transportation	500
Jun 2025	Parks and Open Space	185
Nov 2026	Earthquake Safety & Emergency Response	290
TOTAL		\$2,175

MARKET OCTAVIA AREA CAPITAL PLAN

12



Market-Octavia

- Helps prioritize which projects to implement
- Shows the level of investment in a neighborhood
- Identifies the amount of funding still needed
- Provides transparency on how projects are developing

DIFFERENCES BETWEEN PLANS

13

	10-Year Capital Plan	Market Octavia Capital Plan
Area covered	City-wide	Plan areas only
Expenditure Type	All capital expenditures	Population-related Enhancements only
Asset Type	All City-owned assets	Streetscapes, Transit, Open Space
Level of Detail	Programs	Individual projects
Estimated Cost	\$35 billion	\$164 million
Amount Deferred	\$4.6 billion	\$80 million

MARKET OCTAVIA PLAN DEVELOPMENT

14

Projects come from department plans and strategic documents, including:

- Original Area Plans
 - IPIC Expenditure Plans
 - Planning Dept. public realm plans
 - Public Works Right-of-Way Priorities
 - Rec/Park Programming
 - MTA 5-Year Capital Improvement Program
- Community-based recommendations



MARKET OCTAVIA SPENDING PLAN

15

Summary by Project Category Through FY28

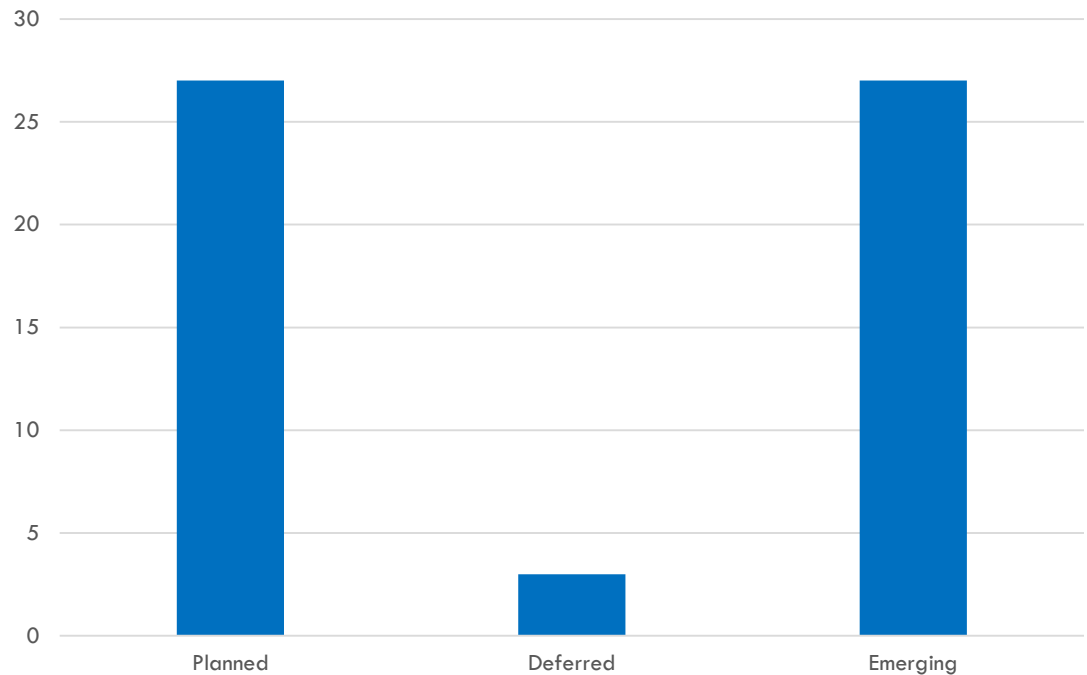
(in \$millions – includes all funding sources)	Prior Years	FY19-23	FY24-28	Funding Gap	Total
Complete Streets	11.4	13.1	-	77.3	101.7
Transit	10.8	18.3	-	.5	29.6
Open Space	27.6	3.0	-	2.5	33.1
TOTAL	\$49.8	\$34.4	-	\$80.2	\$164.4

MARKET OCTAVIA PLANNING STATUS

16

- ▣ **Planned – Fully funded projects**
- ▣ **Deferred – Projects without full funding or outside 10-years**
- ▣ **Emerging – Unfunded projects, need additional planning**

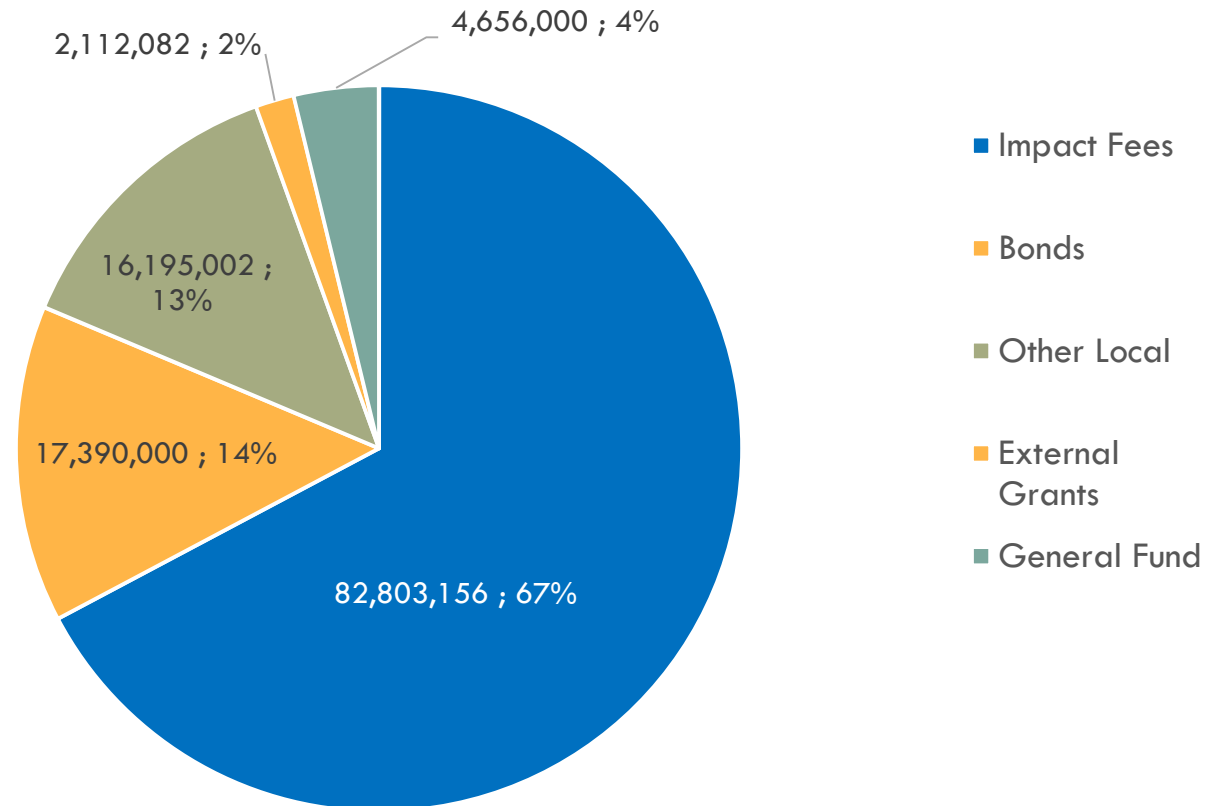
Number of Projects by Planning Status



MARKET OCTAVIA SOURCES OF FUNDS

17

- The City brings a wide variety of sources to fund Area Plan projects.



FOR MORE INFORMATION...

18

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