

MEETING AGENDA
Citizens' General Obligation Bond Oversight Committee Meeting

October 23, 2023
9:30 to 10:30 AM
City Hall Hearing Room 416
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Committee Members

Andrea Marmo Crawford
Brian Larkin
Timothy Mathews
Bart Pantoja
Judi Sanderlin
Tim Tung

This meeting was held in-person.

Note: The Citizens' General Obligation Bond Oversight Committee meetings are live-streamed courtesy of SFGovTV. The agenda, video recording, audio recording, and caption notes are posted at https://sanfrancisco.granicus.com/ViewPublisher.php?view_id=191. Below is a high-level summary of the October 23, 2023, meeting. Presentations for the meeting can be found at <https://sf.gov/meeting/october-23-2023/october-23-2023-cgoboc-meeting>.

1) Call to Order/Roll Call.

The meeting was called to order by Natasha Mihal, Committee Secretary at 9:33 am. The following Committee members were present: Vice Chair Andrea Marmo Crawford, Member Brian Larkin, Chair Timothy Mathews, Member Bart Pantoja, Member Judi Sanderlin, and Member Tim Tung. The Ramaytush Ohlone Land Acknowledgement was read aloud.

Chair Mathews remarked he'd be remiss if he didn't address the horrors being committed against the Palestinian people in Gaza and that he's hopeful for an immediate de-escalation and release of hostages and a cease fire in Gaza and across occupied Palestine.

2) Opportunity for the public to comment on any matters within the Committee's jurisdiction that are not on the agenda.

There was one public comment on the City's emergency firefighting water system.

3) Approval with possible modification of the Minutes of the August 31, 2023, meeting.

Member Pantoja made a motion to approve the minutes with Member Tung seconding. Member Sanderlin requested a change to the minutes to remove a previous committee member. Vice Chair Crawford, Member Larkin, Chair Mathews, Member Pantoja, Member Sanderlin, and Member Tung voted to approve the minutes.

There was no public comment.

4) Presentation 2011 Road Repaving and Street Safety GO Bond Program and possible action by the Committee in response to such presentation.

Edmund Lee, Project Manager at San Francisco Public Works, presented the summary of progress of the 2011 Road Repaving and Street Safety GO Bond Program. This program of \$250 million spread across six program areas, is in the closeout phase.

The six program areas are street repaving and reconstruction (\$149 million); streetscape, bike and pedestrian safety (\$50 million); traffic signal and street improvements (\$20 million); sidewalk accessibility improvements in curb ramps (\$14 million) and sidewalks (\$8 million); and street structures (\$7 million).

For the street repaving and reconstruction program, the original plan was to pave 1,275 blocks and ended up accomplishing 1,423, completed at the end of 2019. For the streetscape, bike and pedestrian safety program, had approximately 65 projects, of which 24 completed were streetscape projects and 41 smaller scope projects. The curb ramp program had a goal of 1,350 projects and completed 1,563. The sidewalk program had two components: sidewalks inspection and repair completed 646 locations, above the goal of 600, and the accelerated sidewalk abatement program which completed 155,544 square feet. The roadway structure program completed 39 roadway structure projects. The traffic signals programs included 440 planned and completed intersections of traffic signal priorities, new traffic signals in 10 intersections, and traffic signal infrastructure upgrades completed 6 (original goal was 4).

The program has expended 98.8% of bond funds.

Member Sanderlin asked about how the program was able to exceed original expectations for the programs. Edmund Lee responded that in the low bid system our estimates can sometimes be lower, and fluctuates to market conditions. This bond from 2011 to 2019 there were many opportunities for cost savings, though we did have some overruns and change orders.

Chair Mathews thanked the department and looks forward to closing out the bond program.

Member Larkin asked about the remaining 1.2% funds. Edmund Lee responded that they are projecting to have some of the bond funds left over but currently are unable to move forward to utilize them while the programs are being closed out. Each of the programs have multiple funding sources which need to be reconciled to find the true balance of the bond funds.

There was no public comment.

5) Presentation on the 2014 Transportation and Road Safety GO Bond Program and possible action by the Committee in response to such presentation.

Joel Goldberg, Manager of Programming and Grants at the SFMTA, presented the

update on the bond program. This program was passed by voters in 2014 to make critical investments in the City's transportation system. The \$501.7 million was intended to make Muni less crowded and more reliable and improve safety. The bond was the first component of a long-term plan developed by the mayor's transportation task force in 2013, ten years ago, to raise up to \$3 billion by 2030 to improve and enhance the city's existing transportation system and expand it for the future.

Joel Goldberg provided an overview of funding by program, with the largest being the Muni Forward program of \$175 million, of which almost 61% has been expended. The largest remaining balances are for the Van Ness corridor project, 22 Fillmore extension, Taylor Street, and Better Market Street. The most recent issuance has 3.2% expended. COVID impacted project delivery for the remaining projects. The SFMTA is aware of the need to complete these projects. The largest balances are with the BART canopy which the City is funding with \$44 million, as well as the Geary phase 2 which has \$13.2 million left to spend.

Member Larkin shared that in a previous discussion with the SFMTA was a comment on how the unspent funds can accumulate and that Board of Supervisors need to approve reallocating some funds. Member Larkin suggested that the amount of funding was below a certain percent, there doesn't need to be a legislative approval. Another approach could be to report these changes to CGOBOC instead of the Board of Supervisors, or just as a consent item for the Board of Supervisors. Joel Goldberg clarified that the SFMTA works within the program to reallocate. A next possible option is whether funds can be moved within issuances, for example moving from a 2015 to a 2018 issuance. Then a scenario where funds need to move from one program to another. He would like to research to find some way to empower CGOBOC in these cases for efficiencies. He doesn't know if this has been done but is also interested in streamlining. Member Larkin agrees that staff time shouldn't be overburdened with administrative time and offered helping with potential solutions. Member Larkin has some questions about the projects that he will follow up and share the results with the rest of the committee.

Member Crawford asked about the letter designations at the end of the issuances. Joel Goldberg responded that when the Controller's Office issues debt, they label each one within a year.

Member Crawford asked for an update on the Better Market Street project. Joel Goldberg didn't want to put his Public Works colleagues on the spot, but would find an update to provide.

Member Pantoja asked is there are any statistical improvements on these projects. We are pleased but cannot provide the update now and will follow up.

Member Tung remarked that he appreciated that bond funds are being leveraged to receive other funds and coordinating with other agencies to maximize benefit. He agreed with Member Larkin about helping to streamline the administrative process about remaining bond funds and to accelerate bond spending to keep closer to the three years that the IRS regulations point to. The City is incurring costs as we're borrowing so the sooner we can spend bond proceeds to put those assets into

service to benefit the community, the better off we are.

There was no public comment.

6) Liaison Report on the 2018 Embarcadero Seawall Earthquake Safety GO Bond Program.

Member Pantoja started by thanking the Port of San Francisco for hosting a visit to their offices, touring the living seawall testing. There are 11 targeted that are in the design phase. The Port is tracking to have projects from this list out to bid in Q3 2024. The appropriations of \$49,675,000 will be expended by the end of this year. The total bond value is \$425 million.

The pier will need a truly resilient shore for future developments and to have a shore for the future. One of the projects at the top of this list to begin soon is the Wharf J9 replacement. This project is tracking to begin the bidding process by the end of this year. Should bring commerce to the wharf.

The “big fish”, puns intended, is the work being done on the draft to propose shoreline enhancements by the Army Corps of Engineers. The success of the study and presentation needed from a Federal perspective to protect this shoreline from earthquake, flooding and sea rise is the key to the funding needed to get the big work done. The Port has given presentations on the massive and complex undertaking it will be to retrofit, build or rebuild structures below the water line and above along the seven miles of waterfront.

The work that the Port is doing, including planning and coordination to achieve short-term and long-term goals, is evident. The Port is responsible and accountable for the use of the bond money.

There was no public comment.

7) Opportunity for Committee members to comment or take action on any matters within the Committee’s jurisdiction.

A. Audits Unit – Public Integrity Reviews

Natasha Mihal provided the update for Mark de la Rosa, Audits Director. Since the last CGOBOC Meeting in August 2023, CSA Audits issued 1 additional Public Integrity Review related to the City Administrator’s Community Challenge Grant Program’s 2023 Solicitation (Issued 10/17/23). This assessment found that:

- The Program’s 2023 solicitation process cannot be relied upon because the former program director (Lanita Henriquez) misrepresented key aspects of the process, which also lacked adequate controls and proper documentation.

- CSA Audits recommended that the Office of the City Administrator should reevaluate the applications received for the 2023 grant cycle to ensure that all applicants receive a fair opportunity to receive a grant.

CSA Audits continues its risk-based Public Integrity work on city contracting, procurement, and internal controls, as well as our follow-up on the status of Public Integrity recommendations issued to date.

B. CSA Division – Updates and Workplan

Natasha Mihal share Mark de la Rosa's Audits Division update:

As presented during your August CGOBOC meeting, CSA Audits continues to juggle multiple key priorities this fiscal year FY23-24, including:

- Audits and assessments related to nonprofits, contracting, construction, cybersecurity, mandates, public integrity, and key business process citywide;
- Whistleblower Program Administration;
- COVID-19 and Winter Storms disaster cost recovery;
- Compliance with generally accepted government audit standards, with our Yellow Book-required Triennial Peer Review happening in 2024.

Natasha Mihal shared that the City Performance division is working on finalizing five annual reports to be issued over the next two months. The first set of reports are on the performance of government, including performance measures for all City departments and the updates on the park standards and street standards programs. The Performance Scorecards have recently been updated, as well as developing new measures for homelessness and behavioral health. The other reports cover the Nonprofit Fiscal and Compliance Monitoring program and the Our City Our Home (OCOH) Committee spending and outcomes.

Member Tung remarked that there are standards for financial audits that CBOs should meet.

Member Larkin asked if there is a review of the coordination and overlap of CBOs providing services and whether they are effective. Natasha Mihal replied that she's not aware of a current audit on this topic. To the question on the effectiveness of nonprofits, City Performance is in the process of developing a new program to provide standards to departments on how they should be monitoring the contracts performance, including types of performance measures and processes to monitor. Member Larkin remarked that many of the

homelessness services are being provided by CBOs. Natasha Mihal responded that the OCOH annual report will get to some of these metrics.

C. Public Finance – Upcoming Bond Issuances

Vishal Trivedi, of the Office of Public Finance, responded to an earlier question about the lettering convention on bond issuances, that they add letters for each issuance the office completes.

Vishal Trivedi reported that they have completed three issuances this year with one more potential coming. They have been working with the Mayor's Office of Community Development to issue a portion or balance of their bond program. The Office of Public Finance is continuing to monitor the market for refunding opportunities but interest rates have been relatively high lately.

D. CGOBOC – FY2022-23 Workplan, Liaison, and Meeting Dates

Natasha Mihal reviewed the calendar of upcoming meetings.

Chair Mathews reported that the committee will be working on their annual report in the coming months, with a target of February completion.

There was no public comment.

The meeting was adjourned by Chair Mathews at 10:29 am.