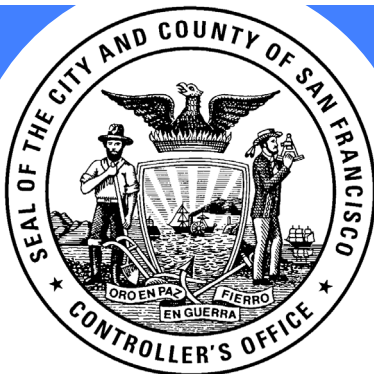


# Annual GO Bond Program Report: Interim Updates

July 2021 – June 2023



**CITY & COUNTY OF SAN FRANCISCO**

Office of the Controller  
City Performance Unit

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2.26.2024



## 1. Information Gathering

City Performance asked lead departments for scope, schedule, and budget data as of June 30, 2023



## 2. Interviews

City Performance interviewed bond program managers and key stakeholders

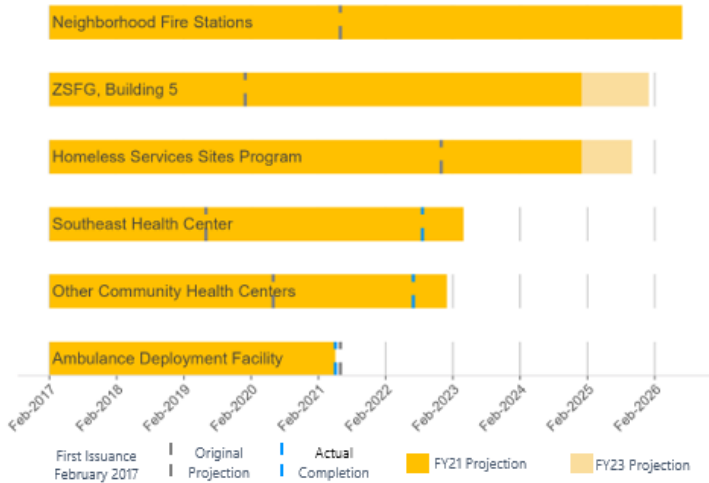


## 3. Analysis & Reporting

Report summarizes information from data and interviews, and compares with performance from last report

# Bond Chapter Visuals

Three of six components were completed in this reporting period.



2016 Public Health and Safety Bond

In June 2016 voters approved the \$350.2 million Public Health and Safety (PHS) Bond. San Francisco Public Works (Public Works) managed the bond, defining projects on behalf of the Department of Public Health (DPH), the San Francisco Fire Department (SFFD), and the Department of Homelessness and Supportive Housing (DHS).

**SCOPE**

- Zachry San Francisco General Hospital (ZSFG), Building 5** (\$125.8 million): This component funds ambulance entry and fire safety improvements, emergency call center (ECCC) improvements, and a centralized ambulatory care center at ZSFG Building 5, the former main hospital ward.
- Ambulance Deployment Facility** (\$47.3 million): This component funds the construction of a modern emergency medical services facility to ensure that ambulance dispatch functions remain operational after a major earthquake.
- Southeast Health Center** (\$19.3 million): This component funds a two-phase modernization of the Southeast Health Center, one of the SF Health Network's busiest clinics. The first phase expanded the general suite and lobby area to allow for expanded patient capacity and enhanced patient experience. The second phase will build a new two-story structure that will add a family-oriented primary care model with comprehensive behavioral health services on site.
- Other Community Health Centers** (\$19.3 million): This component funds seismic assessments, seismic retrofits, and renovations at SF Health Network community health centers, including the Castro-Alfonso Health Center and Mayme Hall Health Center. Christman Public Health Center was removed from the scope of the 2016 PHS bond.
- Homeless Services Sites Program** (\$17.7 million): This component funds three main areas: renovation of three City-owned shelters (at 1007 Park Street, 280 Golden Gate Avenue, and 325-5th Street); acquisition, construction, and occupation of a new centralized deployment facility and client access point for the SF Homeless Carewch Team (SHTC) at 1054-8th Mission Street. All projects are managed by Public Works, except for 1054-8th Mission Street project, which is managed directly by DHS.
- Neighborhood Fire Stations** (\$32.2 million): This component will fund seismic improvements to SFFD's neighborhood fire stations, building on the 2010 and 2014 EERC bond programs' seismic and other health and safety improvements.

**Southwest Health Center**

**Public Works** is not expected to be completed by December 2024, an approximately 30-month delay from the previous projected end date reported in 2018. The SFFD by delivered project. Public Works announced the following conditions that mandated construction suspension, duration necessary to complete plan review, and design review. The scope of the COVID-19 pandemic also Building 5, such as lack of subcontractor interest in higher cost expected bid prices, release cost-based new work guidelines for contractors in an active COVID-19 response phase, and subcontractors related to one reporting expense, additionally, public works' lack of budget control, the modified the Office of Statewide Public Reporting (OSR) the distribution of the resources at all large scales the Building 5/10 Specialty Services (B5/10) management. Considerable time spent on bid control, change in programmatic needs, and the need to reassign staff to higher-priority bond.

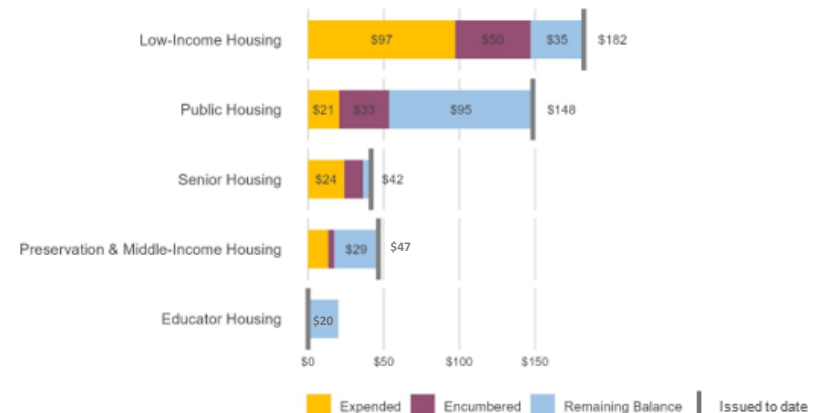
Project end date was pushed from November 2021 to June 2024 a delay of approximately 31 months. The remaining five Tower Renewal at the Station 19 experienced additional design time and is expected to complete in fall of 2024. The budget for three generator replacements at Fire Station 10, 37, and 44 added to the scope in 2017 are being re-evaluated and are contingent on funds remaining after the tower tower renewal. Public Works must anticipate the possibility of not having enough funds to complete the generator replacement at Fire Station 10.

Annual General Obligation Bond Program Report, Fiscal Year 2021-22



## Bond Expenditures and Encumbrances

39% of funding is remaining across all components.

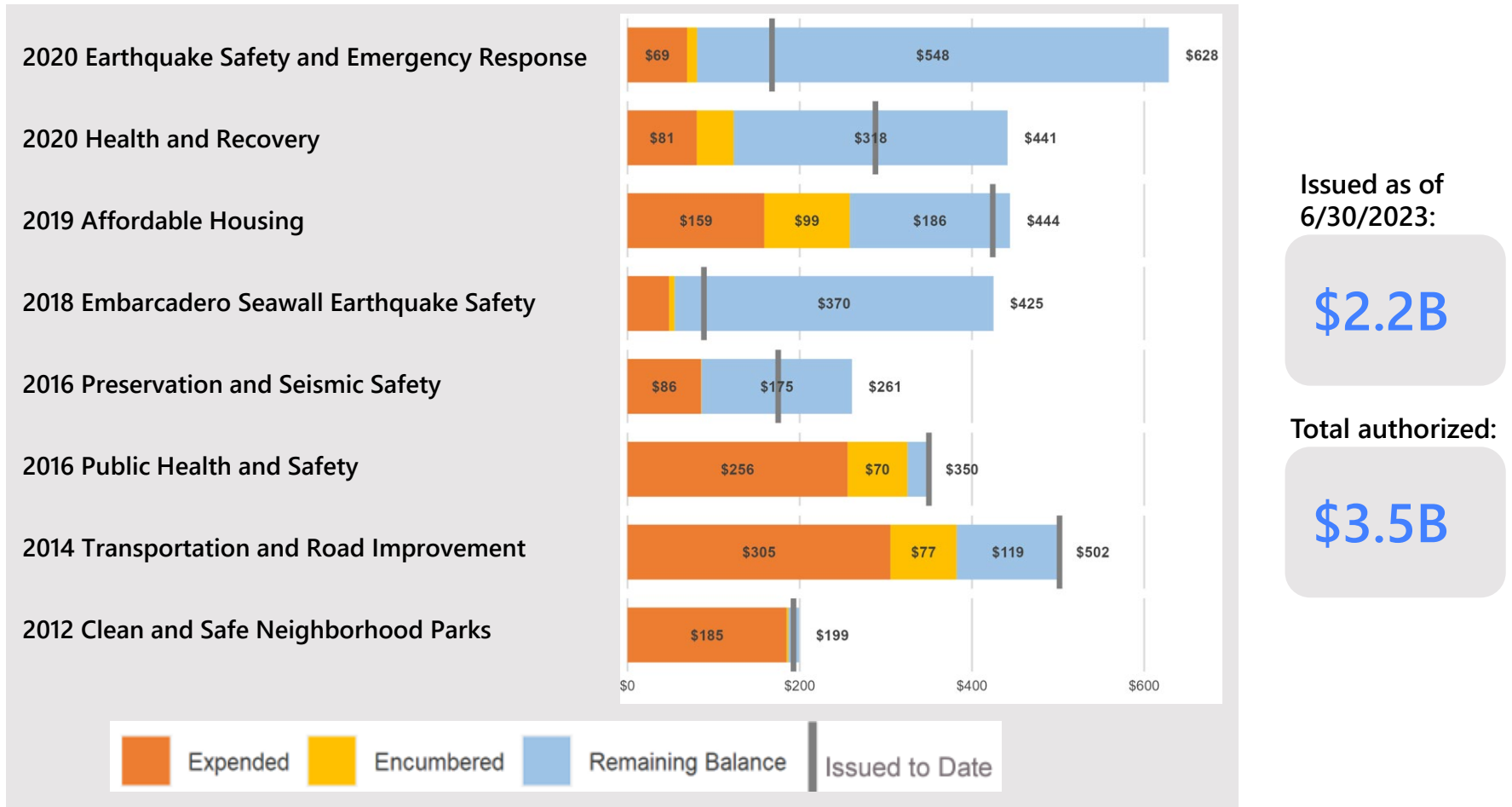


# GO Bond Financial Summary

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## General Obligation Bond Program Status

(as of June 30, 2023)\*



\* Total bond amounts in the chart above may differ from voter authorized amounts due to exclusion of cost issuance or appropriation of interest earned.

## Two Parks, Health and Recovery GO Bonds

City Has **\$376.5 Million** in GO Bond Funds Remaining for Parks, Health, and Recovery Projects

*(In Millions)*

Bond Program	Budget	Issued	Expended	Encumbered	Amount Remaining
2020 Health and Recovery	\$487.5 <sup>1</sup>	\$287.9	\$80.6	\$42.8	\$364.1
2012 Clean and Safe Neighborhood Parks	\$199.2 <sup>2</sup>	\$192.8	\$184.7	\$2.1	\$12.4
<b>Total</b>	<b>\$686.7</b>	<b>\$480.7</b>	<b>\$265.3</b>	<b>\$44.9</b>	<b>\$376.5</b>

<sup>1</sup> Reflects the total amount authorized by voters for the 2020 Health and Recovery Bond. To date, departments have only budgeted for \$441.3 million.

<sup>2</sup> Reflects the revised budget which is greater than the authorized bond amount of \$195 million because it includes accumulated interest.

## Two Affordable Housing GO Bonds

**City Has \$520.1 Million** in GO Bond Funds Remaining for Affordable Housing Projects

*(In Millions)*

<b>Bond Program</b>	<b>Budget</b>	<b>Issued</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Amount Remaining</b>
2019 Affordable Housing	\$600.0 <sup>2</sup>	\$424.1	\$159.0	\$99.2	\$341.8
2016 Preservation and Seismic Safety	\$260.7	\$175.0	\$85.5	\$5.0	\$174.7
<i>2015 Affordable Housing</i>	<i>\$310.0</i>	<i>\$310.0</i>	<i>\$287.1</i>	<i>\$19.3</i>	<i>\$3.6</i>
<b>Total</b>	<b>\$860.7</b>	<b>\$599.1</b>	<b>\$244.5</b>	<b>\$119.0</b>	<b>\$520.1</b>

<sup>2</sup> Reflects the total amount authorized by voters for the 2019 Affordable Housing Bond. To date, MOHCD has only budgeted for \$444.1 million.

## Three Public Health and Safety GO Bonds

City Has **\$957.5** in GO Bond Funds Remaining for Public Health and Safety Bonds<sup>2</sup>

*(In Millions, bond programs in italics are functionally complete)*

Bond Program	Budget	Issued	Expended	Encumbered	Amount Remaining
2020 Earthquake Safety and Emergency Response	\$628.5	\$167.8	\$69.2	\$11.6	\$547.7
2018 Embarcadero Seawall Earthquake Safety	\$425.0	\$88.8	\$48.4	\$6.4	\$370.2
2016 Public Health and Safety	\$350.0	\$350.0	\$255.7	\$69.5	\$24.8
<i>2014 Earthquake Safety and Emergency Response<sup>3</sup></i>	<i>\$400.0</i>	<i>\$400.0</i>	<i>\$382.8</i>	<i>\$2.4</i>	<i>\$14.8</i>
<b>Total</b>	<b>\$1,803.5</b>	<b>\$1,006.6</b>	<b>\$756.1</b>	<b>\$89.9</b>	<b>\$957.5</b>

<sup>2</sup> As of June 30, 2023. All amounts included costs related to Oversight, Accountability, and Cost of Issuance.

<sup>3</sup> Includes program reserves.

## One Transportation GO Bond










City Has **\$119.4 Million** in GO Bond Funds Remaining for Transportation Projects

*(In Millions, bond programs in italics are functionally complete)*

<b>Bond Program</b>	<b>Budget</b>	<b>Issued</b>	<b>Expended</b>	<b>Encumbered</b>	<b>Amount Remaining</b>
2014 Transportation and Road Improvement	\$501.7	\$501.7	\$305.4	\$76.9	\$119.4
<b>Total</b>	<b>\$501.7</b>	<b>\$501.7</b>	<b>\$305.4</b>	<b>\$76.9</b>	<b>\$119.4</b>



## Affordable Housing and Parks, Health and Recovery

Bond	Component	Schedule Status	Delay Since 2021 Report (months)	Total Delay
2012 Clean and Safe Neighborhood Parks	Neighborhood Parks		25	61
	Waterfront Parks		36	100
2016 Preservation and Seismic Safety	Market Rate, Below Market Rate and Deferred Loans		64	76
2019 Affordable Housing	Public Housing		36	0
	Low-Income Housing		48	0
	Preservation & Middle-Income Housing		24	0
	Senior Housing		36	0
2020 Health and Recovery Bond	Neighborhood Parks		--	36
	Street Structures and Plazas		--	15



Component delayed 1 year+ since last report













Component delayed 2 years+ since last report



New bond with significantly delayed component since issuance

## Public Health & Safety and Transportation

Bond	Component	Schedule Status	Delay Since 2021 Report (months)	Total Delay
2014 Transportation and Road Improvement	Accessibility Improvements		41	107
	Caltrain Upgrades		38	48
	Complete Streets Improvements		25	47
	Muni Facility Upgrades		33	39
	Muni Forward Rapid Network Improvements		56	77
	Pedestrian Safety Improvements		23	44
2016 Public Health and Safety	ZSFG, Building 5		12	72
2020 Earthquake Safety and Emergency Response	Emergency Firefighting Water Systems		25	25
	Neighborhood Fire Stations & Support Facilities		14	26
	Disaster Response Facilities		26	26



Component delayed 1 year+ since last report



Component delayed 2 years+ since last report



New bond with significantly delayed component since issuance

## Citywide Capital Development Challenges

Most Citywide issues identified in the last report have **remained the same or gotten worse**.

Subject Area	Issue
City regulations	Certain contracting policies may disadvantage the City in an already tight construction contracting market.
	Low-cost bid selection can result in unrealistic or weaker bids.
Internal permitting and approvals	The prioritization of permitting City projects falls short of a citywide mandate, and the permitting process can be lengthy.
	Departments must seek approval from multiple agencies and commissions.
External agency approvals	Receiving approvals from external agencies contributes to increased project timelines and costs.

## Citywide Capital Development Challenges

Most Citywide issues identified in the last report have **remained the same or gotten worse**.

Subject Area	Issue
Bond planning	Pre-bond funding is beneficial for project teams to scope out and could be more extensively utilized.
	Project cost estimation vary across departments and can yield differences in costs.
Capital administration	Departments track expenditure and asset maintenance data using a variety of decentralized tools.
	The City's contractor evaluation system could be more extensively utilized, allowing for data to inform contracting processes.
Deferred maintenance	The City currently has a backlog of capital maintenance projects that may unnecessarily increase the need for additional GO bond funding.
	The City's varying maintenance models may result in inconsistent upkeep across the City.

## Controller's Office Benchmarking



The City and County of San Francisco Charter requires the Controller's Office to benchmark CCSF services against peer jurisdictions. To satisfy this charter mandate and to build on the citywide issues section of the Capital Report, the Controller's Office undertook a Capital Planning and Project Delivery Benchmarking project with the goal of **assessing how CCSF compares to its peers.**

### Methodology

Through **background research** and a **series of interviews**, the Controller's Office explored the following key topic areas with a select set of peer jurisdictions:

- ✓ Background & Governance Structure
- ✓ Capital Project Planning
- ✓ Cost Estimation
- ✓ Contracting Methods
- ✓ Performance Management
- ✓ Improvement Efforts

### Peer Jurisdictions

Los Angeles, CA

San Jose, CA

Austin, TX

Charlotte, NC

Boston, MA

New York City, NY

## Key Themes from CON's Benchmarking Interviews



**One central capital construction project management agency** tasked with executing and managing the design, procurement and construction processes for vertical construction capital projects on behalf of city departments.

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**Governed by local and state regulations** that impact delivery method and contractor selection. Variable application of project delivery and bid methods.

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**Challenges with planning for capital projects**, ranging from unrealistic cost estimates/scope to lack of investment in maintenance.

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Cost estimates are put together by **in-house staff** during budget cycle using past project bids and market indices. Once a project is formalized, **consultants** put together cost estimates.

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**On-budget and on-schedule** as citywide capital program performance measures. Additional project KPIs and targets were also identified. Very few had processes for evaluating contractor performance.

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Improvement efforts identified around **Capital Planning, Cost Estimation, and Capital Delivery Staff Development.**

**Thank you.**

**Any questions?**

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