



SFDPH Facilities Master Plan 2015-2020

A 5-Year Road Map and Strategy for
SFDPH's Capital Infrastructure



November 3, 2015

History and Purpose

- The 2015 Plan is the 2nd update to the plan originally reviewed by the Health Commission in May 2011
- The **purpose** of this Facilities Master Plan is to provide a **five-year road map** for continued support, funding and improvements to the Department of Public Health's capital infrastructure.



Plan Overview

- **Part 1 – Background** discusses new areas of focus, new capital planning processes, a shift to integrated facilities management, overview of facilities, funding & constraints
- **Part 2 – Major Capital Projects** catalogues major projects & timelines
- **Part 3 – Emerging Needs & Next Steps** discusses major emerging capital needs, proposed financing to pay for them, outstanding real estate and seismic issues, shifting focus to ambulatory care
- **Part 4 – Appendices**



SFPDPH FACILITIES MASTER PLAN 2015-2020

What's New?

- Document reorganized to be more comprehensive, forward looking
- New section discussing financing of major projects, civic center real estate market pressures
- Historical information catalogued in Appendices
- Appendix C - leased sites

Facilities Integration

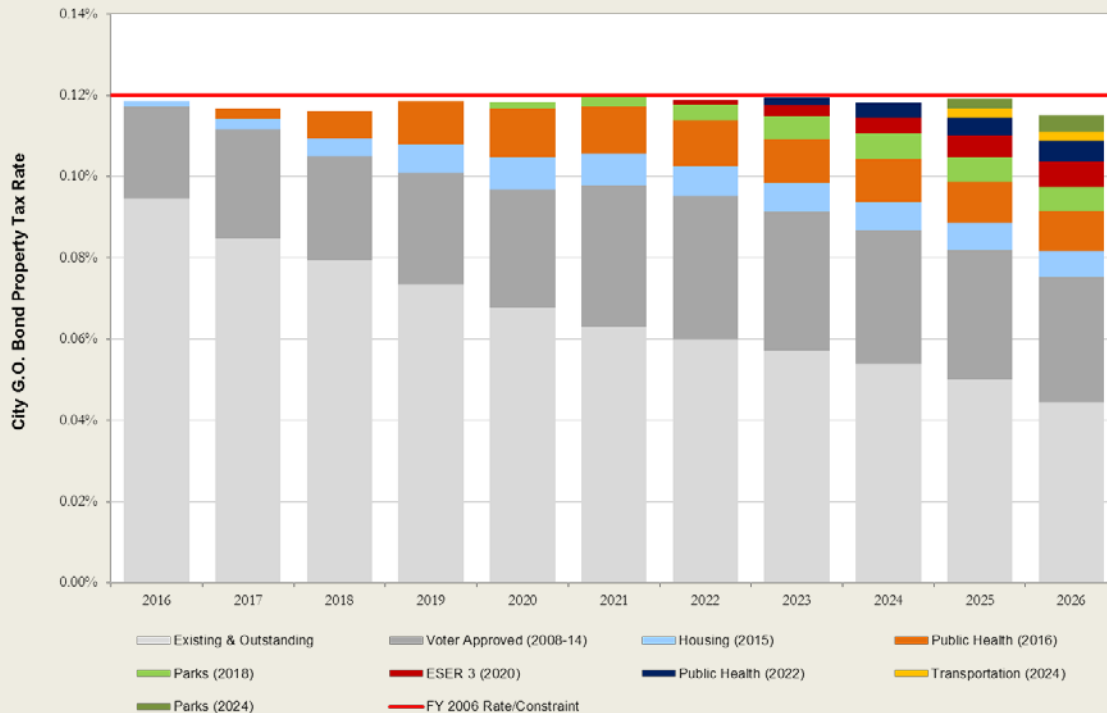
Implementation of the Affordable Care Act and DPH's SF Health Network demands greater collaboration and coordination:

- Establishment of Executive Facilities and Capital Planning Committee in 2015
- Senior leadership representing all of DPH's major divisions
- Meets twice a month
- Tasked with management, oversight & monitoring
- Recommends projects for inclusion in City's 10-Year Capital Plan, 2022 bond
- Retreat planned to coincide with 2016-17 budget cycle

Funding Constraints

- The City’s FY 2016-2025 Capital Plan is a financially constrained plan
- While the Plan identifies over \$32 billion in capital needs, the City’s General Fund only covers \$120 million in FY 15-16 and \$128 million in FY 16-17
- G.O. bond issuances are purposely limited to not raise the tax base
- Public Health G.O. bonds are proposed for June 2016 & Nov. 2022

Capital Plan Proposed G.O. Bond Program FY 2016 - 2026



2006 Rate Constraint

Key Financial Points

- June 2016 G.O. Bond currently under discussion, tentatively includes \$222 million for DPH:
 - SFGH Building 5 seismic retrofit and renovation - \$192 million
 - Southeast Health Center Phase 2 Expansion - \$30 million
- June 2016 G.O. Bond does not include \$150 million seismic retrofit of 101 Grove as previously proposed:
 - **Proposed Alternative:** Central office relocation to utilize \$59.5 million in COP financing in 2019
- June 2016 G.O. Bond does not include seismic retrofit and renovation of SFGH Buildings 80/90 as previously proposed:
 - **Proposed Alternative:** Finance with \$300 million as part of a November 2022 G.O. Bond, along with other health facility improvements

Real Estate Investment Issues

- *Engaging with Controller's Office to support real estate analysis*
- *DPH will house approximately 1,260 administrative & clinical staff in 7 buildings primarily in the Civic Center area in 2019*
- *DPH has tentative plans to vacate a number of Civic Center spaces by 2019 because of:*
 - *seismic vulnerabilities (101 Grove)*
 - *selling of city assets (30 Van Ness)*
 - *lease rate hike concerns (1390 Market)*
 - *selling of private assets (1360 Mission)*
 - ***If current plans to vacate are executed**, DPH will need to find suitable space to house approximately **815** staff plus clinical service space*
- *DPH is exploring options for new lease space and the renovation of vacant buildings at LHH and SFGH*
- *However, regardless of strategy, DPH will be required to obtain more space and pay more for it:*
 - ***If DPH were required to pay market rates on leases for all its 1,260 staff**, total annual costs are estimated at over **\$15 million** (currently approximately \$4+ million)*
 - *Cost estimates and financing strategy recommendations for seismic upgrade and renovations underway*

Next Steps and Challenges

- Completing seismic and renovation program to fully utilize existing, needed space at SFGH and LHH
- Planning for future DPH and Health Network System needs, with emphasis on:
 - Administrative office and clinical space needs resulting from displacement pressures at Civic Center
 - Ambulatory Care priorities
- Refinement of integrated facilities management structure
- Coordinating new UCSF Research Center and expanded garage at SFGH Campus
- Preparing for (\$300 million) 2022 G.O. Bond, including anticipated trade-offs

Questions and Comments?

