

Currently, the City plans, develops, and implements its capital projects, including municipal facilities, parks, sewage and clean water projects, and street infrastructure, through the Capital and Technology Improvement Expenditure Program, which is approved through the City's annual budget process. Critics of the City's current process have raised issues with how the City's current selection of capital projects lacks transparency, does not take into consideration long-term goals and needs of the City, and does not contemplate maintenance needs to keep the capital projects the City delivers in good condition to extend their usable life cycles.

As part of Executive Directive 9 (ED9), the Mayor brought together City departments to address concerns with the City's capital planning process; and also with the stated goal of streamlining coordination between the departments that deliver capital projects and ensuring that the City makes its capital investments equitably and based on actual need. This kind of proactive, citywide leadership is precisely what is needed to modernize a capital planning system that has gone without meaningful reform for too long. Per the directive, instructions were provided that *"The City Administrative Officer shall, as part of the Committee and upon agreement with it, publish a Capital Infrastructure Plan (CIP), which will replace the Physical Plant Projects (other than Clean Water) portion of the Five-Year Capital and Technology Improvement Plan (CTIP)."*

In response to Executive Directive 9, the Bureau of Engineering is now proposing a new Capital Infrastructure Plan that, if adopted, would replace the Capital and Technology Improvement Expenditure Program and the process by which the City plans and implements capital projects (C.F. 25-0752 and C.F. 26-0758). Despite the clear aforementioned language in the directive, the report states that it will *"decommission the existing CAO-led Annual Capital and Technology Improvement Expenditure Program (CTIEP), which lacks the policy focus, long-term orientation, and technical rigor of the proposed 5-year CIP."*

As part of these proposed reforms, the Bureau of Engineering has proposed a new process for the selection and prioritization of capital projects where departments would submit potential projects to the Bureau for consideration (C.F. 25-0752). Unlike the Mayor's broader initiative, the Bureau's proposed intake process is unclear on what criteria the Bureau would use to prioritize projects, what role elected representatives would play in that prioritization, and how the Bureau would be held accountable to the communities that depend on these investments.

The Council currently has the ability to add and remove projects from the Capital and Technology Improvement Expenditure Program to meet its priorities. This is a critical tool the Council uses to address constituents' concerns. In order to ensure that the Council, who is elected to represent its districts' needs, maintains a prevalent role in the capital planning process going forward, the Council should fully understand how the Bureau of Engineering's proposed capital project intake process would impact the Council's ability to initiate and prioritize capital projects.

I THEREFORE MOVE that the Chief Legislative Analyst be instructed to report on the impacts of the Mayor's proposed Capital Infrastructure Plan (C.F. 26-0758) and the Bureau of Engineering's proposed capital project intake process (C.F. 25-0752), including the Plan's potential impacts on the Council's ability to initiate, prioritize, and fund capital projects.

I FURTHER MOVE that the City Administrative Officer, and other departments as necessary, be instructed to report on the how the proposed Capital Infrastructure Plan and capital project intake process would impact the City's budget process, including impacts to the annual Capital and Technology Improvement Expenditure Plan, funding sources that support capital projects, as well as how the proposed Plan would impact the management and oversight of capital projects and city facility maintenance, including potential delays to or elimination of current and pending projects and annual work programs.

PRESENTED BY:



IMELDA PADILLA
Councilmember, 6th District

SECONDED BY:



AUG 21 2026

ORIGINAL