

October 8, 2024 Updated: October 19, 2024

List of Actual Projects Nowhere to Be Found Reject “Prop. B” Bond Measure

**Laguna Honda Hospital Needs Massive Capital Project Repairs.
“Prop. B’s” Mailers Deceptively Claim LHH’s
HVAC Units and Power Transformer Repairs.
Supervisor Melgar Wants an LHH Aerial Gondola Added, Too!**

Editor’s Note: The *Westside Observer* does not endorse candidates or issues, opinions of its authors and reporters are their own, not the *Westside Observer*.

by Patrick Monette-Shaw

Update October 19:

Voters are being shamelessly deceived! SFGH’s CEO, Dr. Susan Ehrlich, didn’t help matters. In an October 17 *San Francisco Examiner* [article](#), its *lede* to grab reader’s attentions and sympathies claimed “*Proposition B is a \$390 million bond that would fund multimillion-dollar improvements at public-health facilities, including Zuckerberg San Francisco General and Laguna Honda hospitals.*” In the next sentence the *Examiner* added in passing that the Bond would also invest in housing and shelter for unhoused families, street-safety upgrades, and improvements to public parks.

But nowhere does the article mention that almost half of the Bond — \$185 million of the \$390 million Bond — is set aside for the non-public health projects, and indeed mentions nothing throughout the rest of the article about any of the non-public health allocation. Instead, the article tugs on voter’s heartstrings by asserting proponents of the bond to bolster public-health infrastructure say the 35th anniversary of the 1989 *Loma Prieta* earthquake is a reminder of the risks San Francisco will face in the event of another disaster. Implying, if the Bond doesn’t pass it will be the voters fault for not doing so.

The *Examiner* spoke with San Francisco General Hospital’s CEO, Dr. Susan Phillips, purportedly in Ehrlich’s role as a private citizen, not as a representative of the hospital or The City. [Ehrlich was paid \$529,408 in the fiscal year that ended June 30, 2024 (excluding fringe benefits).] Notably, responding to the *Examiner*’s pointed question about what seismic upgrades are needed at San Francisco’s medical facilities, Ehrlich shamelessly chose to claim, “*For Laguna Honda, there are infrastructure repairs, like a kitchen floor,*” as “*being directly related to [LHH’s] ability to remain certified for Medicare and Medicaid.*” Ehrlich seemed to have no idea what she was talking about.

When LHH was decertified in April 2022, Federal and State regulators identified the kitchen floor as a critical repair project to maintain LHH’s participation in the Medicare reimbursement program. Since then LHH’s kitchen floor has received \$1.6 million in funding in three phases of incremental repairs already, with an additional \$8.2 million still needed due to glass floor tiles used in the kitchen that broke from heavy food carts shortly after the replacement hospital opened in 2010 due to design defects.

Although San Francisco successfully sued the architectural firm and construction firm the lawsuit settlement wasn’t used to repair the kitchen floors. Instead, the settlement was deposited in the city’s General Fund!

The kitchen floor is located in LHH’s seismically safe replacement buildings, and has nothing to do with LHH’s seismic safety anyway, as Ehrlich implied.

Just like the “*Prop. B*” mailer shown above — featuring LHH nurse Abigail Williams — asserted LHH’s power transformer and HVAC systems might be repaired by the Bond, Ehrlich’s implication LHH’s kitchen floor might be repaired may also be pure propaganda. [See the new section added to this article below about LHH’s kitchen floor.] That’s because as Table 3 in this article shows, LHH’s \$8.5 million Kitchen Floor Replacement project (ID #1078) was not approved by the Capital Planning Committee in May 2024 for funding in FY 2024–2025 or in FY 2025–2026,

PROTECT LIFE-SAVING CARE FOR SAN FRANCISCO'S MOST VULNERABLE PATIENTS

“Laguna Honda is a lifeline for San Francisco's most vulnerable seniors and adults with complex medical needs. If we don't act now, the essential services this hospital provides could be at risk.”
— ABIGAIL WILLIAMS, RN | LAGUNA HONDA HOSPITAL*

Yes ON B

LIFE-SAVING CARE AT RISK
Laguna Honda provides care to 700 low-income residents, including seniors with Alzheimer's, patients living with HIV/AIDS, and those with complex chronic conditions. Without these repairs, their care could be jeopardized.

URGENT REPAIRS NEEDED NOW
Critical systems at Laguna Honda—like the HVAC units and power transformer—are failing. Without Prop. B, this aging infrastructure could collapse, putting residents' lives at risk. We can't afford to wait.

STRICT OVERSIGHT AND ACCOUNTABILITY
Every dollar from Prop. B will be carefully monitored, ensuring that funds go directly to critical repairs and federal compliance. Prop. B will maintain Laguna Honda's ability to serve those most in need without wasting taxpayer money.

PROP B WILL NOT INCREASE YOUR TAXES

*for informational purposes only

Paid for by Healthy, Vibrant SF. Yes on B. Committee major funding from:
1. San Francisco General Hospital Foundation (\$100,000)
2. Diane Wisley (\$50,000)
3. Sutter Health (\$50,000)
Financial disclosures are available at SFEthics.org

"It is not anticipated that the levy... for this measure approved by voters, would increase the property tax."
— FROM THE SF CONTROLLER'S IMPARTIAL ANALYSIS OF PROPB

Prop. B's Proponents — are allowing their advertising company to openly deceive voters in their campaign mailers. *The Capital Planning Committee didn't approve funding for LHH's HVAC and power transformer projects on May 6, 2024!*



either. LHH's Kitchen Floor Replacement project was likewise not mentioned in the initial July 10, 2024 "*Bond Report*" (see below) as being a potential Bond-funded project, either. And the Board of Supervisor's removed the kitchen floor replacement project as an "*emergency project*" in September 2023. Ehrlich doesn't seem to know she's barking up the wrong tree.

Voters who have critical thinking skills must remain vigilant and not forget Voltaire's maxim that public officials who try to use their power to make you believe absurdities, have the power to lure voters into passing bond measures based on propaganda like the *Examiner's*, relying on Ehrlich's fast-and-loose "*opinions*."

A mailer recently sent by the "*Healthy, Vibrant SF, Yes on B Committee*" featuring registered nurse Abigail Williams, who works at Laguna Honda Hospital, is shamelessly deceiving voters to pass "*Prop. B*."

The mailer essentially is crying wolf that LHH's HVAC units, a power transformer project, and other of LHH's aging infrastructure could collapse, placing LHH patients' lives at risk. It's a cheap ploy to tug at voters' heartstrings to shame them into passing the \$390 million bond measure. The pitch isn't just ridiculous, it's also insulting. It may also be an outright lie, because the Capital Planning Committee didn't even approve funding for LHH's HVAC and power transformer projects on May 6, 2024 that LHH had estimated before May 2024 would cost up to \$12.5 million.

It's not known if Ms. Williams knew the mailer would deceive voters. That's because although the mailer implies an LHH "*power transformer*" project might be funded from Bond spending, a separate "*Emergency Power*" project at LHH was identified to be funded using the "*Certificates of Participation*" financing scheme, not via general obligation Bond funding.

Neither Williams nor the mailer mentioned that in September 2024 LHH reported to San Francisco's Health Commission that LHH had filed two so-called "*Facility Reported Incident*" reports with the California Department of Public Health (CDPH) involving "*power outages*" that had occurred at LHH during August 2024. It's not known yet whether CDPH issued citations and/or penalties against LHH for having had power failures affecting LHH patients' well-being.

The failure of the City to have prevented power outages at LHH and allocated money to fix the emergency power problems at LHH is shocking! Shocking, in part, because San Francisco's Board of Supervisors had approved in September 2023 \$28.4 million in emergency repairs for LHH to help it become recertified, including \$8.2 million earmarked for repairs named LHH's "*Emergency Power Replacement*." It's unclear if the Board of Supervisors Ordinance approving the emergency repairs was simply performative and toothless, without actual funding attached and supplied. Almost a year later, LHH reported having "*power outages*." LHH's emergency power problems were identified way back in 2010 shortly after its replacement hospital opened for business.

Some observers have noted the mailer is a pathetic ploy to, once again, use LHH to get more money from taxpayers who have been bamboozled into funding a hospital that was rendered unsafe and inaccessible, and faced potential closure due to its Federal decertification in April 2022. Others believe it is shameful B.S. from Mayor Breed to use LHH like this, when so much has already been spent and is still required to be spent to gain LHH's recertification.

Unfortunately how much of the \$390 million bond will actually be used to fund critical infrastructure at LHH is completely unknown. And deliberately kept hidden from voters before they cast their ballots on November 5. I'm not surprised.

A pre-election "*Prop. B*" marketing [Bond Report](#) for the "*2024 Healthy Safe and Vibrant SF Bond*" presented to the Board of Supervisors on July 10, 2024 engaged in semantic backflips using vague language that Bond funds for SFGH and LHH "*could allow*" funding projects at LHH like LHH's rooftop HVAC units, "*could fund*" replacement of LHH's power transformer, and "*could allow*" funding of LHH's emergency wastewater holding system. That system was estimated to cost \$5.6 million, but the CPC approved just \$3.2 million for the project, leaving \$2.4 million in funding support not approved.

That's a lot of "*could-a's*" and "*might-a's*"

More unfortunately, there's no actual list in the "*Bond Report*" of which projects will **actually** be funded, and perhaps none of those projects will actually receive any of the bond funds. Worse, "*Prop. B's*" [legal text](#) posted on the Department of Elections web site also does **not** contain any lists of, or names of, which specific repair projects at either SFGH or LHH will actually be funded from the \$66 million being set aside in the \$390 million bond for our two City hospitals.

It's all vague mumbo-jumbo nonsense, lacking specific guarantees about which projects will actually receive bond funding.

During a July 10, 2024 Board of Supervisors Budget and Finance hearing, only seven of the 11 District Supervisors had signed on as sponsors of the proposed Bond measure, with Supervisors Connie Chan, Dean Preston, Ahsha Safai, and Shamann Walton not initially supporting the Bond.

“Prop. B” was eventually placed on the ballot unanimously by all 11 members of the Board of Supervisors on July 23. After they had done so, Mayor Breed jumped in as an official proponent of the ballot measure in the November Voter Guide.

What “Prop. B” Will Fund

The Bond was larded up with “extra ’s” by Mayor Breed and the Board of Supervisors to sweeten the pot to sway potential voters into passage of the Bond. They are counting on voters who support parks and recreation centers to help pass “Prop. B.”

Unfortunately, the \$390 million “Prop. B” bond measure on the November 5 ballot allocates just \$66 million — only 32% of the Bond — of the two-years of capital improvement requests requested by our two hospitals. The rest of the \$390 million (\$324 million) are for other totally unrelated projects. Almost half — 47.4% — of spending is earmarked for largely frivolous projects that have nothing to do with public health, despite “Prop. B’s” misnamed title as being for “Community Health and Medical Facilities,” as shown in [Table 1](#), below.

Table 1: “Prop. B” Spending Allocations

(Amount in Millions)	% of Bond	Facility or Project
City’s Two Hospitals		
\$ 66	16.9%	Repair and renovate Zuckerberg San Francisco General Hospital and Trauma Center (General Hospital) and Laguna Honda Hospital and Rehabilitation Center
\$ 40	10.3%	Seismically Retrofit General Hospital Campus (portion of old buildings)
\$ 106.0	27.2%	
Health Centers or Clinics		
\$ 71	18.2%	Seismically retrofit and renovate the Chinatown Public Health Center
\$ 28	7.2%	Relocate the City Clinic
\$ 99.1	25.4%	
“Sweetener” Projects		
\$ 63.9	16.4%	Street and sidewalk safety projects
\$ 41	10.5%	Improve and modernize public spaces in downtown San Francisco
\$ 25	6.4%	Harvey Milk Plaza
\$ 5	1.3%	Parks and recreation centers
\$ 50	12.8%	Shelter or interim housing sites to reduce family homelessness
\$ 184.9	47.4%	
\$ 390		

Source: “Prop. B” Legal Text in Voter Guide

This isn’t the first time, or probably the last time, street and sidewalk improvements and park and recreation facilities have been piggy-backed onto critical Bond funding initially identified as public health-related Bond measures.

On June 7, 2024 Supervisor Connie Chan was vehemently opposed to larding up nearly 50% of this Bond measure with non-public health projects, discussed below.

And as for the \$50 million set-aside in this Bond earmarked for “interim” homeless housing sites, there’s no explanation of why the “Proposition C” passed in 2018 to fund homelessness projects using a dedicated gross receipts tax funded account isn’t already enough. That’s the same account Mayor Breed has tried to raid from providing homelessness solutions. Now she wants to raid another \$50 million of this \$390 million to fund programs that should have been funded by “Prop. C”?

Capital Infrastructure Backlog at SFGH and LHH

On May 6, 2024 the City’s 11-member Capital Planning Committee (CPC) — made up of City departments heads and the president of San Francisco’s Board of Supervisors — released its 15-page [list](#) of Capital Improvement projects requested by only 18 of the City Departments for the next two fiscal years FY 24–25 (that we’re now in) and FY 25–26. The list contains database ID numbers for each project City departments requested capital funding for.

For the two-year period, the 18 City Departments requested funding totalling \$868 million for capital infrastructure needs — much of which is deferred maintenance that City Departments have neglected to keep up with annually.

After the CPC met and deliberated on May 6, it submitted a [memo](#) to the Board of Supervisors announcing which capital improvement projects requested had received funding approval.

The CPC’s list of approved funding requests was required before the “*Prop. B*” bond measure could be developed and then placed on the November ballot.

The CPC’s list of approved funding reveals there was \$203.2 million in combined capital repair projects that SFGH and LHH had requested for Fiscal Years 2024–2025 and 2025–2026, shown in [Table 2](#). The CPC memo approved just \$11 million in projects across the two hospitals.

Table 2: Capital Improvement Projects Two Hospitals

Project Name	FY 25 + FY 26 Two-Year GF Request	Total Funding Approved	Shortfall (Funding Not Approved)	Recommended Funding Source
LHH Campus Capital Improvement Projects	\$ 68,470,000	\$11,000,000	(\$57,470,000)	
SFGH Campus Capital Improvement Projects	\$134,700,000		(\$134,700,000)	
Total Projects Two Hospitals	\$203,170,000	\$11,000,000	(\$192,170,000)	

Source: Capital Planning Committee, List of Capital Projects Requested and Approved, May 6, 2024.

Shamefully, the \$11 million the Capital Planning Committee did approve for SFGH and LHH represents just 5.4% of the combined \$203.2 million the two hospitals had requested. The \$192.2 million that was **not** approved represents 94.6% of the funding LHH and SFGH had requested. At this miserly approval rate, it might easily take two **decades** for the CPC to get around to approving the full funding request — which by then will have mushroomed due to inflation and construction costs “*creep*”! And that’s ignoring future funding requests waiting in the wings to be introduced in future fiscal years.

Separately, the Capital Planning Committee approved \$7.5 million (in addition to the \$11 million for capital repair projects) for annual facilities maintenance for LHH and SFGH combined across the two Fiscal Years, which could be used for some of their capital repair projects.

There were 24 projects on LHH’s two-year list totalling \$68.5 million, and another 25 projects on SFGH’s one-year list (FY 24–25 only), totalling \$134.7 million, for a combined total of \$203.2 million.

LHH’s list of 24 requested projects shown in [Table 3](#) to receive Capital Planning Committee approval is worrisome, in part because the Committee approved only \$11 million of the requested \$68.5 million for all projects LHH had requested, and in part because only six of the LHH’s 24 backlogged repair projects were approved.

Table 3: LHH Campus Capital Improvement Projects

D-base ID #	Project Name	FY 25 + FY 26 Two-Year GF Request	Total Funding Approved	Shortfall (Funding Not Approved)	Recommended Funding Source
1 1052	Rehab Dept Gate Replacement	\$ 450,000		(\$450,000)	
2 1054	Electric Vehicle Chargers	\$ 1,000,000		(\$1,000,000)	
3 1055	Emergency Power (Gap Funding)	\$ 4,500,000	\$ 4,500,000	\$0	Certificates of Participation
4 1056	Hospital Kitchen Coil Re-design Project	\$ 3,250,000	\$ 600,000	(\$2,650,000)	
5 1057	NPC Sewage Emergency Containment	\$ 5,600,000	\$ 3,200,000	(\$2,400,000)	
6 1058	Parking	\$ 500,000		(\$500,000)	
7 1059	Pharmacy Regulatory Upgrade (Gap Funding)	\$ 500,000		(\$500,000)	
8 1060	Power Transformers at Admin Campus	\$ 2,500,000		(\$2,500,000)	
9 1061	Simon Cooling Center	\$ 3,500,000		(\$3,500,000)	
10 1062	Simon Theatre & Chapel A/V	\$ 2,650,000		(\$2,650,000)	
11 1073	Elevator Modernization at Admin Campus	\$ 2,150,000		(\$2,150,000)	
12 1074	Fuel Line Replacement (Gap Funding)	\$ 2,000,000		(\$2,000,000)	
13 1075	HVAC Unit Replacement	\$ 10,600,000		(\$10,600,000)	
14 1076	IT Upgrades	\$ 2,500,000		(\$2,500,000)	
15 1077	Kitchen Dishwasher Replacement	\$ 2,720,000		(\$2,720,000)	
16 1078	Kitchen Floor Replacement (Gap Funding)	\$ 8,500,000		(\$8,500,000)	
17 1079	Kitchen Pot Wash Machine Replacement	\$ 2,700,000		(\$2,700,000)	
18 1080	Multi-year Project to Replace Roofs on Old Duplicate (Rehabilitation Gait Replacement)	\$ 200,000	\$ 200,000	\$0	
19 1081					
20 1082	Security Camera Upgrades	\$ 500,000		(\$500,000)	
21 1083	Security Upgrades Card Readers	\$ 500,000		(\$500,000)	
22 1084	Stationary XRay Replacement (Gap Funding)	\$ 1,500,000	\$ 1,000,000	(\$500,000)	
23 1085	Water Tank Replacement (Gap funding)	\$ 7,650,000		(\$7,650,000)	
24 1086	Water Tank Replacement (Gap funding)	\$ 1,500,000	\$ 1,500,000	\$0	
25 1087	Window Replacement (Admin Campus)	\$ 1,000,000		(\$1,000,000)	
Total LHH Projects		\$ 68,470,000	\$11,000,000	(\$57,470,000)	

Source: Capital Planning Committee, List of Capital Projects Requested and Approved, May 6, 2024.

LHH’s six projects that **did** receive approval had requested a total of \$16.5 million be approved, but were approved for just \$11 million — leaving \$5.5 million of those six projects not fully approved that will have to wait for another funding approval cycle.

Deceptively, the “*Prop. B*” mailer didn’t mention that project ID #1060 “*Power Transformers*” project is for the old LHH hospital used for administrative offices, not for patient care areas in the replacement facility that opened in 2010.

Of note, of the \$11 million approved for LHH’s six projects the Planning Committee recommended that LHH’s “*Emergency Power*” project (project ID #1055) be funded by issuing \$4.5 million in “*Certificates of Participation*” (COP’s) — not bond financing. Elsewhere, the “*Emergency Power*” replacement project has been estimated to cost fully \$8.2 million — so the \$4.5 million in COP’s may fund only half of that project. It’s not known why the \$4.5 million listed for this project shown above was all that SFDPH requested for FY 2025–2026 when the project may cost almost double that.

The “*Emergency Power*” project had also been predicted would be necessary, even before the replacement hospital opened, due to reductions in project scope for the rebuild project, due to massive budget cost overruns in 2008 and 2009.

And of interest, on September 12, 2023 the Board of Supervisors passed [Resolution #422-23](#), an Emergency Declaration to approve \$28.4 million in emergency repairs at LHH on a not-to-exceed basis for eight specifically-named repair projects. Mayor Breed approved the Resolution on September 29, 2023. Unfortunately, the BLA had previously noted the eight repair projects might range up to \$40.5 million. A separate reconciliation showed the \$28.4 million in emergency repairs at LHH for the eight projects the Board of Supervisors approved would actually cost \$31.2 million.

It is thought the Board’s Resolution was simply a performative action, and didn’t actually allocate funds to kick start beginning the repair projects. It may have just been a “*promise*” that eventually the funding would somehow be magically secured at some point in the future. It amounted to essentially an “*IOU*” promissory approval that funds would eventually be found. The Resolution was mainly passed to demonstrate to the Centers for Medicare and Medicaid Services (CMS) that San Francisco would fund LHH’s repairs in order to get LHH recertified and prevent it from being closed down.

The \$11 million that the Capital Planning Committee approved on May 6 for Laguna Honda Hospital may be just the down payment on the \$31.2 million for the eight projects the Board of Supervisors and Mayor approved in September 2023.

And as noted, the \$2.5 million for LHH's "Power Transformers" project #1060 (apparently for LHH's old main hospital building now used for administrative offices, not as a building housing patients) and the \$10.6 million HVAC replacement project (#1075) mentioned in the campaign mailer, weren't even approved by the CPC. Obviously, that \$13.1 million **not** approved exceeds the \$11 million the Capital Planning Committee **did** approve. Disturbingly, there's no mention why LHH's HVAC system installed just 14 years ago when LHH's replacement facility opened to great fanfare in 2010 needs urgent replacement so suddenly.

Update October 19 LHH Kitchen Floor Replacement Project

As I have long reported, LHH's "Kitchen Floor Replacement" project has a long, ugly saga.

It had been identified as a critical project shortly after the LHH replacement hospital opened in 2010 after severe mold soon appeared in LHH's brand-new kitchen, as a result of poor architectural design of the kitchen floor using glass in the floor tiles. After the replacement hospital opened and the kitchen began regular operations, very heavy food carts broke the glass in the floor tiles, leading to water damage causing the mold problem. The glass tiles were quickly replaced, but it has taken over a dozen years to begin full replacement of LHH's kitchen floor after it was identified as a problem as early as 2011.

A year-and-a-half after LHH opened in June 2010, San Francisco sued Anshen + Allen and Stantec Architecture as architectural partners on December 12, 2011 for \$70 million in design and construction errors of the LHH replacement hospital project, including LHH's kitchen floor defects. After two years of litigation in Alameda Superior Court, on November 26, 2013 San Francisco's Board of Supervisors passed an [Ordinance](#) (#276-13) containing an "Offer to Compromise" for just \$19 million — 27.1% — of the \$70 million in design defects. It took another seven months of haggling in court over lawsuit settlement negotiations before the Board of Supervisors passed another [Ordinance](#) (#93-14) on June 10, 2014 approving settling the case for just \$15.3 million — just 21.9% — of the \$70 million in alleged defects. The City barely received pennies on the dollar.

The pathetically low \$15.3 million the City recovered as a settlement of the rebuild lawsuit was deposited into the City's General fund, but was **not** used to repair LHH's kitchen floor immediately, even though the defective kitchen floor had been a prominent complaint named in the lawsuit.

Now a decade after receiving the \$15.3 million settlement, work to **fully** replace LHH's kitchen floor hasn't begun, even though the mold problem was quickly abated.

As I previously [reported](#), on September 1, 2023 the Board of Supervisors Budget and Legislative Analyst had recommended that \$8 million be included to repair LHH's kitchen floor among the \$28.6 million in repairs for eight "emergency repair" projects the Board of Supervisors were considering for approval to help get LHH recertified in the Medicare program. But in the Board of Supervisor's infinite wisdom, they removed the kitchen floor project from the list of urgent emergency repairs needed, and replaced that project with a "Fire Alarm Separation Project" and a "Pharmacy Compounding Room Repairs" project, apparently believing repair of the kitchen floor could wait.

What's more, as noted above, when the City's Capital Planning Committee met on May 6, 2024, it **did not** approve funding for LHH's "Kitchen Floor Replacement" project (Capital ID #1078) as shown in Table 3 above. [Strangely, the Director of Public Health that LHH falls under is **not** a member of the CPC to advocate for the hospital's capital infrastructure needs.] So lacking CPC approval, it's doubtful Dr. Ehrlich's claim the "Prop. B" bond will address repair of LHH's kitchen floors is without merit, and bogus.

The failure to prevail in winning the \$70 million fraudulent LHH construction costs lawsuit rests on the shoulders of then-City Attorney Dennis Herrera. The \$15.3 million lawsuit settlement deposited into the City's General Fund to rescue the City's then budget shortfalls rests on the shoulders of now-deceased Mayor Ed Lee, who grabbed the settlement funds to balance his City budget deficit, with the Board of Supervisors concurrence.

Had the City recovered the full \$70 million in damages it had sought in the 2011 lawsuit it could have fully funded **all** of LHH's \$68.5 million in backlogged capital repairs. Dr. Ehrlich chose to ignore all of this.

Update October 19 LHH's HVAC Replacement Project

We belatedly learned from a [presentation](#) made to the Health Commission's LHH-JCC on August 10, 2021 — a decade after LHH opened and fully seven years after the Board of Supervisors approved the lawsuit settlement in 2014— that LHH's HVAC problems had affected patient care areas, and the hospital had had to install portable air conditioning units in the great rooms connected into the building exhaust to provide a cooling area on each of the patient floors in LHH's two new patient care Towers.

LHH's HVAC system initial design in 2010 was not developed specifically for LHH's location. The HVAC system had been improperly "*value engineered*" for budget reasons and ended up being value-engineered deficient, including using non-marine grade HVAC equipment and under-sized chillers and air handlers.

After the HVAC system was put into commission when LHH's replacement hospital opened in 2010, LHH belatedly discovered there wasn't enough air flow in the building to perform proper air balance tests. The City eventually determined there was a design flaw in LHH's entire HVAC system. Although the lawsuit initiated resulted in the measly settlement for the City, settlement funds went into the General Fund in lieu of making corrections to LHH's HVAC system. The \$15 million settlement the Board of Supervisors copped for didn't cover either LHH's kitchen floor replacement project, let alone LHH's HVAC replacement project!

LHH had to replace roof top HVAC equipment that had pre-maturely reached its end of life — and drove LHH neighborhood homeowners crazy with ear-splitting noise decibels 24/7. It had to replace the chillers on both LHH's North and South towers due to corrosion, and the Pavilion building chiller was then at that point in August 2021 was also needing to be replaced pre-maturely due to corrosion.

The presentation noted that the first step was to get capital funding to address the problems. LHH decided the project needed to be broken up into several stages to assess and make corrections of the deficiencies. Phases 1 – 3 included removing the custom programming and upgrading 400 controllers and performing air balance testing to address where the system was lacking air flow. LHH had completed Phases 1 and 2 by August 2021, and were in Part 2 of Phase 3, a large phase with a lot of moving parts.

Phase 4, the final phase, was to be informed by the results of Phases 1 – 3. Phase 4 was reportedly to be a planned construction effort to correct air ducts, and/or to add HVAC equipment to produce adequate air flows and cooling.

According to Table 3 above, the \$10.5 million LHH "*HVAC Unit Replacement*" project (ID #1075) also did not receive Capital Planning Committee approval, so it will likely **not** be funded by the "*Prop. B*" \$390 million bond. It's yet unclear whether that \$10.5 million HVAC replacement project is the Phase 4 referenced in the August 2021 presentation.

You can almost bet that voters will be asked at some point in the future to fund yet another LHH bond to cover the combined \$19.1 million needed to repair LHH's HVAC system and LHH's kitchen floor. Of course, Dr. Ehrlich didn't mention to the *Examiner* another LHH bond measure may be waiting in the wings (and again larded up with more non-public health facilities and street repair projects to hoodwink voters into passing it). Unless both projects get funded by using the City's "*Certificates of Participation*" (CoP) funding scheme that doesn't require voter approval! Like LHH's \$4.5 million "*Emergency Power*" project (ID #1055) that will purportedly use CoP funding. *CoP's* only require the Board of Supervisors and (perhaps) the Mayor's approval to quietly issue.

SFGH Project Backlog

Table 4: SFGH Campus Capital Improvement Projects

D-base ID #	Project Name	FY 25 One-Year GF Request	Total Funding Approved	Shortfall (Funding Not Approved)	Recommended Funding Source
1 1063	Bldg. 5 2M Mechanical Project	\$ 2,500,000		(\$2,500,000)	
2 1064	Brick Building Office Refurbishment	\$ 2,000,000		(\$2,000,000)	
3 1065	Dietician Workroom	\$ 800,000		(\$800,000)	
4 1066	OHS Clinic Relocation and Expansion	\$ 750,000		(\$750,000)	
5 1067	Radiology 1x53 Angio/Flouro Replacement	\$ 3,000,000		(\$3,000,000)	
6 1068	PES Expansion Funding Gap	\$ 9,000,000		(\$9,000,000)	
7 1069	1x65 Radiology X-ray	\$ 2,000,000		(\$2,000,000)	
8 1070	B25 MRI Replacement	\$ 6,000,000		(\$6,000,000)	
9 1090	1x27 Imaging CT Replacement	\$ 700,000		(\$700,000)	
10 1091	2nd DHW Tank Replacement and Pump Skid	\$ 500,000		(\$500,000)	
11 1092	B5 HVAC Upgrades Design	\$ 2,000,000		(\$2,000,000)	
12 1093	BHC Air Handler Unit Replacements	\$ 3,000,000		(\$3,000,000)	
13 1094	Bldg 5 Medical and Control Air Separation	\$ 700,000		(\$700,000)	
14 1095	Building 5 Fire Alarm Upgrade Phase 3	\$ 8,000,000		(\$8,000,000)	
15 1096	Campus-wide Fire Alarm System Replacement	\$ 45,000,000		(\$45,000,000)	
16 1097	Colonnade Repairs	\$ 10,000,000		(\$10,000,000)	
17 1098	Diesel Tank 3 Decommissioning	\$ 250,000		(\$250,000)	
18 1099	Fire Alarm Upgrade - B25 Panels and Head End	\$ 2,500,000		(\$2,500,000)	
19 1100	Freight Elevator Modernization	\$ 1,500,000		(\$1,500,000)	
20 1101	Inpatient Pharmacy Carousel Replacement	\$ 3,000,000		(\$3,000,000)	
21 1102	Materials Management Waste Lines Repair	\$ 250,000		(\$250,000)	
22 1103	Multi-year window repair & replacement project for red brick buildings	\$ 2,500,000		(\$2,500,000)	
23 1104	B5 Kitchen Trough	\$ 250,000		(\$250,000)	
24 1105	Childcare Center	\$ 18,500,000		(\$18,500,000)	
25 1106	Chiller/Cooling Tower Gap	\$ 10,000,000		(\$10,000,000)	
Total SFGH Projects		\$134,700,000		(\$134,700,000)	

Source: Capital Planning Committee, List of Capital Projects Requested and Approved, May 6, 2024.

All of the SFGH list of projects costing \$134.7 million shown in [Table 4](#) were for its main campus, not other health centers in the city. Unfortunately, the Capital Planning Committee didn't approve any of SFGH's requested 25 projects.

That none of those 25 projects for SFGH received Capital Planning Committee approval on May 6 suggests that kicking those projects down the road will only increase their costs in future years, due to inflation and construction costs "creep." Voters have no idea of what other backlogged capital improvement projects are waiting in the wings beyond June 30, 2026 to be added to future capital funding requests for SFGH and LHH.

"Prop. B": A Misguided Boondoggle

Supervisor Connie Chan, in her role as Chairperson of the Board of Supervisors Budget and Finance Committee, wrote to Mayor Breed in a June 7, 2024 [letter](#):

"We know based on the 2023 proposed and approved capital plan [there are several named projects that] should be high-priority public health bond projects in 2024. ... These are all essential public health infrastructures that deliver vital health care to San Francisco residents. ... I ask that you prioritize the City's bond dollars and capital investments in public health projects."

Of note, funding for renovation of the Silver Avenue Family Health Center never made it into the final Bond. Chan's letter to Breed indicated Chan was concerned elements of the Bond proposal were a departure from the "City's Ten-Year Capital Expenditure Plan" approved by the Budget and Appropriations Committee on May 3, adopted by the Board of Supervisors on May 9, and signed by Mayor Breed on May 19, 2023. Why was the Silver Avenue Health Center completely excluded?

Chan's letter went further, essentially criticizing the larded-up projects included in the Bond that have nothing to do with public health projects.

Chan informed Breed that including of \$68.9 million for street improvements in the proposed \$390 million Bond, plus \$30 million for public plaza and parks improvements might reflect important infrastructure needs, but were obviously *not* critical public health safety needs. The projects Chan mentioned totaled about \$98.9 million.

A separate Budget and Legislative Analyst (BLA) [report](#) also presented on July 10, 2024 indicated street improvement projects and public plaza and parks improvements in the proposed Bond totaled \$134.9 million, not \$98 million.

But as Table 1 above shows, those non-public health “sweetener” projects total \$184.9 million, 47.4% of the total Bond. They’re all totally unrelated to critical public health projects! Pure lard.

In her letter to the Mayor, Chan rightfully noted there are alternative funding sources for those non-public health projects that should be explored. Chan enumerated a list of alternative funding sources. She seemed adamant they should **not** be included in November’s “Prop. B” Bond.

Quite clearly, had the \$184.9 million shown in Table 1 for the non-public health “sweetener projects” been used for LHH and SFGH instead, that \$184.9 million could have funded nearly all of the \$192.7 million shortfall the two hospitals Had requested shown in Table 2.

But Breed wouldn’t budge, and Supervisor Chan’s advocacy to focus on critical public health projects lost out! So much for Breed’s fake concern about public health and preserving LHH for San Francisco’s most vulnerable citizens.

The BLA report also noted this Bond is estimated to have total debt service payments of \$737 million, including approximately \$347 million interest on the Bond and the \$390 million in principal. The interest is almost equal to the principal, suggesting alternate sources of financing should be pursued, including using annual Facilities Maintenance funds awarded through the City’s annual Departmental budget awards.

Like Supervisor Chan, the BLA also noted this proposed Bond is different in amount and scope from the ten-year “Capital Plan” the Board of Supervisors approved in May 2023. That capital plan does not include increased operating costs resulting from capital spending projects. The BLA recommended in his July 10 report the Board of Supervisors should request City Departments include reporting of operating cost impacts of capital projects when requesting Board approval, but no such documentation was provided for this “Prop. B” Bond measure.

And in a departure from typical reassurances, City Controller Greg Wagner’s “[Controller’s Statement](#)” for the 2024 Voter Guide states:

*“It is not **anticipated** that the levy of the City’s GO bond property taxes for this measure, if approved by the voters, would increase the property tax rate for City GO bonds above the 2006 fiscal year level. ... These estimates are based on projections only, which are not **binding** upon the City. Projections and estimates may vary ... Hence, **the actual tax rate ... may vary** from those estimated above.”*

For most Bond measures, the City Controller states unequivocally that property tax rates will not increase. **Warning:** Homeowners and building owners should not be surprised if their property taxes go up if “Prop. B” passes.

List of Bond Projects Not Finalized

Shockingly, the BLA noted a list of projects was not fully known on July 10, 2024 but includes work to address life safety projects at the two hospitals and *less urgent* work to beautify public spaces. He was referring to the “larded up” projects.

The BLA indicated the full list of projects to be funded by this Bond will only become known, enumerated, and explicitly named at the point City Departments return to the Board of Supervisors seeking approval to actually sell the Bonds, if then.

That is far too late in the process to inform voters about which specific projects they are being asked to vote on and approve — **before** they cast their ballots!

The BLA also requested City Departments report to the Board of Supervisors the criteria that will be used to prioritize projects that receive the funding, either at the June 26, 2024 Budget and Finance meeting or in a letter to be included in the

legislative files for these items. But as of July 10, 2024 there were **no** letters in the background materials from any City Department, and not in either of the June 26 or July 10 “*Committee Packets*,” including a response to the BLA or to the Board of Supervisors on how projects will be prioritized for Bond spending should “*Prop. B*” be approved by the voters.

San Francisco’s Director of Public Health, Grant Colfax, falsely asserted during public meetings of the Health Commission that “*Prop. B*” will “*fully fund needed capital repairs for SFGH and LHH.*” It’s clear Colfax was engaging in semantic backflips, without parsing context. In other words, he wasn’t telling the truth.

Although this proposed Bond increased funds for SFGH/LHH capital projects by \$10 million — from \$56 million initially announced to the final \$66 million — this bond won’t “*fully fund*” either of the SFGH and LHH facilities’ capital projects. As noted, the \$66 million earmarked for SFGH’s and LHH’s campuses will fund just 32.4% of the \$203.2 of the two hospital’s Capital Improvement requests for FY 2024–2025 and 2025–2026. And voters have no idea of how much in additional capital infrastructure repair projects SFDPH will request in future Fiscal Years.

Finally, voters should take note that of the \$66 million allocated for SFGH and LHH in the “*Prop. B*” Bond, only \$11 million of the projects received approval from the Capital Planning Committee in May 2024. That suggests that perhaps \$55 million of the \$66 million may have been approved by the Capital Planning Committee in **previous** years, but the City is only now getting around to obtaining funding for long-stalled repairs.

And there’s no list of which previously approved projects for SFGH and LHH not listed in Tables 3 and 4 were approved in prior years may receive the \$55 million in funding from the Bond. Voters have no idea which projects will receive the Bond funding. All of this is shameful!

Vanity Project “Gondola to the Stars”

On October 9, the *SF Fist* media web site [published](#) an article reporting D-7 Supervisor Myrna Melgar has requested that the San Francisco Transportation Authority (SFCTA) — which is separate from the SF Municipal Transportation Authority (SFMTA) — spend \$175,000 on a feasibility study examining whether to build an aerial gondola lift between the Forest Hill MUNI Station up to the Laguna Honda Hospital campus near Sutro Tower. It would be a gondola to “*God’s Hotel*” (the nickname for Laguna Honda Hospital from a book written by a former LHH physician).

It’s an inappropriate proposal, given LHH’s massive backlog in urgently needed capital repairs to critical infrastructure. What is Melgar thinking? It’s yet another reason District 7 voters should **not** cast any ranked-choice vote to re-elect Melgar on November 5!

It’s a vanity project, pure and simple. And it could pose hazards to the health and safety of LHH’s patients.

“*It has been a constant challenge to get folks that last quarter mile up the hill*” to the hospital, SFCTA Vice-Chair and D-7 Supervisor Melgar said at the SFCTA’s October 8 meeting. She’s concerned about polluting buses and private cars.

SF Fist said it would be a “*Prop. L*” request. It’s more than likely the November 2022 “*Prop. L*” half-cent sales tax on transportation that yields the City \$100 million annually to fund public transportation capital improvement projects.

The feasibility study Melgar requested is to develop an alternative solution to the shuttle service for connectivity between the Forest Hill MUNI station up to LHH. There has been a shuttle system for over 25 years Melgar proposes be replaced with a gondola.

MUNI isn’t capable or qualified to operate gondolas. It’s time for Melgar to go, before \$20 million or more is diverted to funding gondola construction in an earthquake zone for a very limited number of Muni riders. This is complete nonsense, when not merely offensive!

The gondola would just become another San Francisco tourist-trap attraction, and LHH residents with wheelchairs will take a back seat to tourists wanting an aerial view of the City. Which other San Francisco neighborhoods might demand gaining a tourist-inducing gondola in their neighborhoods, too, as a neighborhood equity matter?

Remember the LHH employee who took a patient on a bus trip outing a couple of years back and forgot to lock the patient's wheelchair on a sloped sidewalk? A couple of days later, the patient was dead from head trauma after falling out of his unbraked wheelchair.

I wonder how long it might take for an LHH patient with a traumatic brain injury who forgets to tell the Gondola operator to lock their bariatric-size electric wheelchair's brakes, and the entire wheelchair rolls out of the gondola suspended 20 to 40 feet in the air, inadvertently killing the patient who rolls out of the Gondola mid-air, mid-trip. Assuming there is even a gondola operator, and the gondola isn't an "*autonomous vehicle*" sans an onboard operator.

The feasibility study will be presented to the Board of Supervisors in 2025. There's no price tag for it yet. I can't imagine the cost to construct the tram system being less than at least \$20 million, never mind the annual operating costs and periodic maintenance expenses. That assumes there won't be any cost overruns sure to arise, given unexpected "*site conditions*" on the steep hills on LHH's campus. It's not known if there will be a redundancy mechanism to ensure the gondola doesn't slip off of its overhead trusses.

I had a good laugh over some of the comments posted on *SF Fist*. Will the construction plans include a safety net for LHH's behavioral health patients experiencing suicide ideation? Will the project budget even include a suicide prevention safety-net like the one installed retroactively under the Golden Gate Bridge? Or will the suicide jumpers just not be LHH patients?

The "*gondola*" project is **not** public transportation. It would amount to a vanity project to entice "*market-rate*" renters to the Mercy Housing project proposed for LHH's campus. Will this be Melgar's "*legacy*" project?

Given the backlog in LHH's capital repair projects, this is the last thing Melgar should be spending her time dreaming up. Mercy Housing, awarded the City contract to build the cramped tiny studio apartments on LHH's campus, might be thrilled getting a gondola built to hasten marketing of the market-rate units planned for their project to offset operating rental subsidies.

Voters should not forget that if the "*Prop. D*" commission reform ballot measure passes on November 5 and San Francisco's Health Commission is eliminated as proposed, there will be no Health Commission oversight of how the \$390 million "*Prop. B*" Bond measure will be spent. For all we know, the \$66 million set aside in the Bond earmarked for SFGH and LHH critical infrastructure repairs might get replaced with the \$18.5 million "*Childcare Center*" (project #1105 in Table 4) on SFGH's campus. Or spent on the LHH "*gondola*" scheme Supervisor Melgar wants "*studied*."

Given concerns in this article — principally that a full list of projects to be funded by this Bond will only become known and explicitly named at the point City Departments return to the Board of Supervisors seeking approval to sell the Bonds years later, if this Bond gets passed by voters — **I'm voting "No" on "Prop. B"**.

Readers and voters should too, until San Francisco reforms how the project identification process is finalized **prior** to placing Bond measures on the ballot, and then resorting to begging — and misleading — voters to get Bonds passed!

Monette-Shaw is a columnist for San Francisco's Westside Observer newspaper, and a member of the California First Amendment Coalition (FAC) and the ACLU. He is a Childless (and catless) Cat Daddy, and voter for 50 years. He operates stopLHHdownsize.com. Contact him at monette-shaw@westsideobserver.com.