

File No. 250679

Committee Item No. 12

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 9, 2025

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| | | • Controller's Office of Public Finance Memo 7/9/2025 |
| | | • MYR Cover Letter 6/17/2025 |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OPF Presentation 7/9/2025</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Brent Jalipa Date July 2, 2025

Completed by: Brent Jalipa Date _____

[De-Appropriation - General Obligation Bond Proceeds - \$160,467,200 - 2020 Health and Recovery, Series 2021D - DPH, HOM - FY2025-2026]

Ordinance de-appropriating \$160,467,200 General Obligation (GO) Bond proceeds from 2020 Health and Recovery GO Bonds, Series 2021D from the Department of Public Health (DPH) and the Department of Homelessness and Supportive Housing (HOM) in Fiscal Year (FY) 2025-2026.

Note: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The sources of funding outlined below are herein de-appropriated from the Department of Public Health and Department of Homelessness and Supportive Housing for Fiscal Year 2025-2026.

SOURCES De-appropriation

| Fund / Department ID | Project & Activity / Authority | Account | Description | Amount |
|---------------------------------------|-----------------------------------|-----------------|--------------------|------------------------|
| 15513 CPXCF 20 | 10037530-0001 HB | 480111 GO Bonds | Reserve for Market | (\$43,567,200) |
| HEALTH&RECOV | MH Meds and | – Series 2021D | Uncertainty | |
| S2021D / 240645 | Facilities / 21712 | Proceeds | | |
| HBH Mental Health | HB MH Meds and | | | |
| Residential | Facilities | | | |
| DPH Total Sources | | | | (\$43,567,200) |
| 15513 CPXCF 20 | 10037564-0020 | 480111 GO Bonds | Reserve for Market | (\$116,900,000) |
| HEALTH&RECOV | HOM Housing | – Series 2021D | Uncertainty | |
| S2021D / 203646 | Acquisition / 21707 | Proceeds | | |
| HOM Programs | 2020 Health and | | | |
| | Recovery bond | | | |
| HOM Total Sources | | | | (\$116,900,000) |
| Total SOURCES De-appropriation | | | | (\$160,467,200) |

Section 2. The uses of funding outlined below are herein de-appropriated from the Department of Public Health and Department of Homelessness and Supportive Housing for Fiscal Year 2025-2026.

USES De-appropriation

| Fund / Department ID | Project & Activity / Authority | Account | Description | Amount |
|---|---|---|-----------------------------------|-----------------------|
| 15513 CPXCF 20 HEALTH&RECOV S2021D / 240645 HBH Mental Health Residential | 10037530-0001 HB MH Meds and Facilities / 21712 HB MH Meds and Facilities | 567000 Bldgs,Struct&Imprv Proj-Budget | Reserve for Market Uncertainty | (\$43,480,240) |
| 15513 CPXCF 20 HEALTH&RECOV S2021D / 240645 HBH Mental Health Residential | 10037530-0001 HB MH Meds and Facilities / 21712 HB MH Meds and Facilities | 581130 GF-Con- Internal Audits | Reserve for Market Uncertainty | (\$86,960) |
| DPH Total Uses | | | | (\$43,567,200) |

| | Fund / Department ID | Project & Activity / Authority | Account | Description | Amount |
|--|------------------------------------|-----------------------------------|-----------------|--------------------|------------------------|
| | 15513 CPXCF 20 | 10037564-0020 | 506070 | Reserve for Market | (\$116,606,587) |
| | HEALTH&RECOV | HOM Housing | Programmatic | Uncertainty | |
| | S2021D / 203646 | Acquisition / 21707 | Projects-Budget | | |
| | HOM Programs | 2020 Health and | | | |
| | | Recovery bond | | | |
| | 15513 CPXCF 20 | 10037564-0020 | 581130 GF-Con- | Reserve for Market | (\$293,413) |
| | HEALTH&RECOV | HOM Housing | Internal Audits | Uncertainty | |
| | S2021D / 203646 | Acquisition / 21707 | | | |
| | HOM Programs | 2020 Health and | | | |
| | | Recovery bond | | | |
| | HOM Total Uses | | | | (\$116,900,000) |
| | Total USES De-appropriation | | | | (\$160,467,200) |

Section 3: The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform to Generally Accepted Accounting Principles and other laws.

FUNDS AVAILABLE
GREG WAGNER, Controller

By: /s/
CHIAYU MA
Deputy Controller

| | |
|--|--|
| Items 10, 11, & 12 Files 25-0677, 25-0678, 25-0679 | Departments: Office of Public Finance (OPF), Public Health (DPH), Homelessness & Supportive Housing (HSH), Mayor’s Office of Housing & Community Development (MOHCD) |
| EXECUTIVE SUMMARY | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed ordinances and resolutions provide for a new sale of 2020 Health & Recovery General Obligation Bonds. File 25-0677 is a resolution authorizing the sale of \$150 million in Series 2025G bonds. File 25-0679 is an ordinance that de-appropriates \$160,467,200 in Series 2021D Health & Recovery bond proceeds. File 25-0678 is an ordinance that appropriates the \$150 million in Series 2025G Health & Recovery bond proceeds and places these funds on Controller’s Reserve pending receipt of bond funds. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> Voters approved \$487.5 million in Health and Recovery General Obligation Bonds in November 2020 (Proposition A). The Board of Supervisors approved issuance of \$425 million in Series 2021D Health and Recovery Bonds in May 2021 and a \$30 million issuance of Series 2023A of such bonds in February 2023. Of this \$455 million in bond sales authorized by the Board of Supervisors, only \$287.3 million has been sold. The Administration is proposing to de-appropriate \$160.5 million from the 2021 bond appropriation that was never sold and appropriate \$150 million for the following DPH capital projects: (a) Treasure Island Behavioral Health Center, (b) Health, Recovery and Connection Center (fka Mental Health Services Center), and HSH housing projects: (c) 835 Turk, (d) 685 Ellis, (e) 1633 Valencia, and (f) 1035 Van Ness. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> The Office of Public Finance estimates that the proposed \$150 million bond sale will result in \$246 million in debt service, paid for by special property taxes. The transaction is consistent with the City’s debt policies. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> The Health and Recovery bonds were marketed as a stimulus to help overcome COVID disruptions to local economy and were intended to fund 250 new permanent supportive housing units and 175 new mental health beds by 2023. With more than \$160 million authorized in 2021 but unspent, the City did not stimulate the local economy as it intended and will now pay more for the same projects due to increases in financing costs and inflation. We caution the Board of Supervisors against authorizing bond proposals to voters and bond sales for unspecified projects that have no clear plans or procurement timelines associated with them. Doing so encumbers scarce bond authority and limits local economic activity. The Board should only approve debt for projects with imminent start dates. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution and the proposed ordinances. | |

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors is authorized to provide for the issuance of general obligation bonds in accordance with the Constitution of the State of California. General obligation bonds may be issued and sold in accordance with state law or any local procedure adopted by ordinance. There shall be a limit on outstanding general obligation bond indebtedness of three percent of the assessed value of all taxable real and personal property, located within the City and County.

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

BACKGROUND

Health and Recovery General Obligation Bond

San Francisco voters approved \$487.5 million in Health and Recovery General Obligation Bonds in November 2020 (Proposition A) to fund investments in supportive housing facilities, shelters, and facilities that provide services to people experiencing mental health and substance use disorders, and/or homelessness; improve accessibility and quality of parks, open spaces, and recreational facilities in the City; and, improve the accessibility, safety and conditions of the City's streets. Proceeds from these bonds were intended to help stimulate the local economy and aid in recovery following the economic downturn as a result of the COVID-19 public health emergency.

The Board of Supervisors approved issuance of \$425 million in Series 2021D Health and Recovery Bonds in May 2021 (File 21-0388) and a \$30 million issuance of Series 2023A of such bonds in February 2023 (File 22-1265). As shown below, of this \$455 million in bond sales authorized by the Board of Supervisors, only \$287.3 million has been sold.

Exhibit 1: Bond Authorizations and Sales: 2020 Health & Recovery Bonds

| Voter Authorized Bonds | Board Authorized Bond Sales | Bonds Sold | Board Authorized & Unissued Bonds | Voter Authorized & Unissued Bonds |
|------------------------------|-----------------------------------|---------------|--|--|
| \$487,500,000 | \$455,000,000 | \$287,290,000 | \$167,710,000 | \$200,210,000 |

Source: Office of Public Finance

The 2021 bond sale authorization and related appropriation included \$116.6 million for unspecified HSH housing projects, none of which has been sold, and \$48.5 million for unspecified DPH mental health facilities, of which approximately \$5 million was sold and spent on DPH's Psychiatric Emergency Services project. The Administration is proposing to de-appropriate \$160.5 million from the 2021 bond appropriation and appropriate \$150 million for DPH and HSH

capital projects, described below. Because it has been nearly four years since the Board of Supervisors authorized the 2021 bond sale, the Administration is seeking a new bond sale authorization for \$150 million of 2020 Health & Recovery bonds essentially for the same purposes as in 2021: DPH and HSH facilities. Unlike 2021, the projects have been revealed by the Administration and included in the proposed appropriation.

Status of Previously DPH and HSH Funded Projects

The 2021 bond sale funded two named projects: (1) DPH's expansion of Psychiatric Emergency Services (PES) at General Hospital and (2) acquisition and rehabilitation of 888 Post Street, which is now used as an HSH youth navigation center with 75 beds.

According to DPH, construction to expand PES is ongoing and is expected to finish in June 2026. Licensing and staffing the site will take additional 3-6 months, or by December 2026. This project will increase PES capacity from 22 to 38 beds.

DETAILS OF PROPOSED LEGISLATION

File 25-0677: The proposed resolution would authorize the third sale of the 2020 Health and Recovery Bond with a not-to-exceed amount of \$150,000,000, Series 2025G. If the Board of Supervisors approves the sale of \$150,000,000, the sale of the balance of \$50,210,000 in remaining bond authority would be subject to future Board of Supervisors approval.

The resolution also:

- Prescribes the form and terms of the bonds;
- Provides for the appointment of depositories and other agents for the bonds;
- Provides for the establishment of accounts related to the bonds;
- Provides for the manner of sale of the bonds by competitive or negotiated sale;
- Approves the forms of Official Notice of Sale and Intention to Sell Bonds;
- Directs the publication of the Notice of Intention to Sell Bonds;
- Approves the form of the Bond Purchase Contract;
- Approves the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the bonds;
- Approves the form of the Continuing Disclosure Certificate;
- Authorizes and approves modifications to documents;
- Ratifies certain actions previously taken; and
- Grants authority to City officials to take necessary actions for the authorization, issuance, sale, and delivery of the bonds.

Bond Appropriation Ordinances

File 25-0679: The proposed ordinance de-appropriates the \$160,467,200 in Series 2021D Health & Recovery bond proceeds. These bonds were never sold and the associated project and transaction funding is being de-appropriated.

File 25-0678: The proposed ordinance appropriates the \$150 million in Series 2025G Health & Recovery bond proceeds and places these funds on Controller's Reserve pending receipt of bond funds.

Bond Characteristics

Amount: up to \$150 million.

Term: The anticipated term of the proposed bonds is twenty years; however the Office of Public Finance will include call options in the bond structure, allowing the City to refund and refinance the bonds at a later date. The proposed resolution allows for the bonds to have up to a thirty-year term.

Taxable: The Office of Public Finance expected that the Series 2025G bonds will be structured as tax-exempt bonds, based on the projects being funded. However, proposed resolution authorizing the bond sale allows for the bonds to be taxable or tax-exempt.

Competitive Sale: The Office of Public Finance intends to pursue a competitive sale of the 2025G bonds. However, the proposed resolution allows for competitive or a negotiated sale if the bond structure or market conditions make a negotiated sale preferable.

Proposed Uses of Bond Funds

Exhibit 2 below summarizes the proposed uses of the Series 2025G bond proceeds. The original figures are based on the appropriation ordinance (File 25-0678) and the revised figures are based on an amendment that the Departments will propose at the Budget & Finance Committee.

Exhibit 2: Series 2025G Health & Recovery Bond Appropriation

| Sources | Original | Revised |
|------------------------------------|----------------------|----------------------|
| Par Amount | \$144,730,000 | \$144,845,000 |
| Reserve for Market Uncertainty | \$5,270,000 | \$5,155,000 |
| Total Sources | \$150,000,000 | \$150,000,000 |
| Uses | | |
| <u>Public Health</u> | | |
| Treasure Island Behavioral Health | \$42,082,246 | \$42,082,444 |
| Mental Health Services Center | \$1,000,086 | \$1,000,086 |
| Subtotal, Public Health | \$43,082,332 | \$43,082,530 |
| <u>Housing</u> | | |
| 835 Turk | \$23,000,000 | \$23,000,000 |
| 685 Ellis | \$30,000,000 | \$30,000,000 |
| 1633 Valencia | \$41,036,048 | \$41,036,048 |
| 1035 Van Ness | \$5,800,000 | \$5,912,794 |
| Subtotal, Housing | \$99,836,048 | \$99,948,842 |
| Subtotal, Project Funding | \$142,918,380 | \$143,031,372 |
| City Services Auditor | \$285,837 | \$286,063 |
| G.O. Bond Oversight Committee | \$144,730 | \$144,845 |
| Costs of Issuance | \$831,423 | \$832,515 |
| Underwriters Discount | \$549,630 | \$550,205 |
| Subtotal, Transaction Costs | \$1,811,620 | \$1,813,628 |
| Reserve for Market Uncertainty | \$5,270,000 | \$5,155,000 |
| Total | \$150,000,000 | \$150,000,000 |

Source: Appropriation Ordinance (File 25-0678) and an amendment that the Departments will propose at the Budget & Finance Committee.

Costs of issuance include bond counsel, auditor, regulator, and other costs.

Underwriters discount is the difference in the price paid to the issuer and the prices at which the bonds are initially offered to investors.

The bond-funded projects are summarized below in Appendix 1 at the end of this report.

Bond Accountability Report Waived

The proposed bond sale resolution waives the deadline for submission of the Bond Accountability reports under Admin Code Section 2.71(a) and 2.71(b). These sections of the Administrative Code require that the governmental entity that is requesting the appropriation of bond proceeds submit a Bond Accountability Report 60 days prior to the approval of the appropriation and/or sale, which include details on the spending of previously approved bond sales and details on the projects proposed to be funded with new bond sales. The Departments of Public Health,

Homelessness & Supportive Housing, and Mayor's Office of Housing & Community Development have not completed their bond accountability reports as of this writing.

FISCAL IMPACT

Annual Debt Service

The Office of Public Finance estimates that the bonds will have a 5.89 percent interest rate, resulting in an average annual debt service cost of approximately \$12,300,000. Over the anticipated 20-year life of the bonds, the total debt service is estimated at \$246,000,000. Debt service is paid for by special property taxes.

Debt Limit

The proposed bond sale complies with the City's debt limit policy. Section 9.106 of the City Charter limits the amount of GO bonds the City can have outstanding at any given time to three percent of the total assessed value of property in San Francisco. The City's general obligation debt limit for FY 2024-25 is approximately \$10.54 billion, based on a total assessed valuation of approximately \$351.3 billion.

According to the Controller's Office of Public Finance, as of June 1, 2025, the City had outstanding general obligation bond debt of approximately \$2.8 billion, which equals approximately 0.8 percent of the City's assessed valuation. If the Board of Supervisors approves the proposed bonds, the debt ratio would increase to 0.84 percent, which is under the three percent debt limit. If all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.19 percent of the net assessed value of property in the City.

Property Tax Rates

The City's Capital Plan includes a policy of limiting the property tax rate related to the City's general obligation bonds at \$0.1201 per \$100 of assessed value, the relevant property tax rate in effect during FY 2005-06. According to the Office of Public Finance, the proposed transaction complies with this financial policy.

New Operating Costs

The proposed bond would fund new or expanded City-funded facilities, for which the City will incur new operating costs. Appendix 1 to this report summarizes the new operating costs.

POLICY CONSIDERATION

HSH and DPH used tax revenues and state grants to expand their systems of care since 2021, including over 3,000 units of new permanent supportive housing and 350 new treatment beds from the Mental Health SF initiative. The proposed bond-funded projects will result in 453 units of permanent supportive housing, which is more than the 250 units originally planned for.

At the same time, the Health and Recovery bonds were marketed as a stimulus to help overcome COVID disruptions to local economy and were intended to fund 250 new permanent supportive

housing units and up to 175 new mental health beds by 2023. With more than \$160 million authorized in 2021 but unspent, the City did not stimulate the local economy as it intended and will now pay more for the same projects due to increases in financing costs and inflation. In addition, the City has delayed the delivery of 250 new permanent supportive housing units and 175 mental health beds that were expected to be funded by the 2021 bond authorization.

Going forward, we caution the Board of Supervisors against authorizing bond proposals to voters and bond sales for unspecified projects that have no clear plans or procurement timelines associated with them. Doing so encumbers scarce bond authority and limits local economic activity. The Board should only approve debt for projects with imminent start dates.

RECOMMENDATION

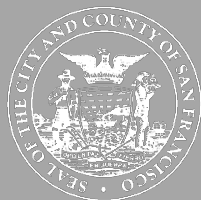
Approve the proposed resolution and the proposed ordinances.

Appendix 1

| Projects | Description | Timeline | Current Status | Proposed Bond Funding | Total Capital Cost | New Annual Operating Costs | Funding Sources for Operating Costs |
|--|---|--|-----------------------------------|-----------------------|--------------------|----------------------------|--|
| Public Health | | | | | | | |
| Treasure Island Behavioral Health | Replace existing facility with 172 beds and add 84 beds, for a total capacity of 256 residential step-down SUD beds. | Substantial completion expected Nov. 2027 | Permitting | \$42,082,246 | \$72,000,000 | \$3,600,000 | General Fund, Homelessness Gross Receipts, Opioid Settlement Funds, Federal |
| Health, Recovery and Connection Center (fka Mental Health Services Center) | Co-locate Office-Based Buprenorphine Induction Clinic, Behavioral Health Access Center, a pharmacy, and behavioral health administrative functions. | Tenant improvements completed by end of 2028 | Site acquisition being negotiated | \$1,000,086 | \$33,400,000 | \$0 (no new programming) | General Fund, Homelessness Gross Receipts Tax, Medical, Behavioral Health Services Act, Opioid Settlement Fund |

| Projects | Description | Timeline | Current Status | Proposed Bond Funding | Total Capital Cost | New Annual Operating Costs | Funding Sources for Operating Costs |
|----------------|---|---|--|-----------------------|--------------------|---|-------------------------------------|
| Housing | | | | | | | |
| 835 Turk | Acquired in 2022 and operating now as PSH, the site requires ADA work and other tenant improvements. The site will have 106 units of PSH. | Construction completes by Oct. 2026 | Operating as PSH | \$23,000,000 | \$30,722,000 | \$0 (no new programming) | Homelessn ess Gross Receipts |
| 685 Ellis | Acquired in 2022 and operating now as shelter. Will convert to 78 units of PSH after rehab, which includes seismic upgrades, building system upgrades, and community space. | Estimated construction start date is January 2027 | Operating as shelter | \$30,000,000 | \$35,000,000 | \$3,500,000 | Homelessn ess Gross Receipts |
| 1633 Valencia | New PSH; 145 units. Gap funding was approved by BOS in 2024. | Construction ending Dec. 2025 | Construction | \$41,036,048 | \$84,605,578 | LOSP & Debt Service: \$3,500,000 Services: \$1,044,000 | General Fund |
| 1035 Van Ness | Acquisition and rehab of existing Assisted Living Facility; 124 units. | Construction completion - October 2026 | Acquisition of the property by sponsor will occur by Fall 2025 | \$5,800,000 | \$43,324,030 | \$0 (no new programming) | General Fund & HUD VASH |

Notes: PSH refers to permanent supportive housing. SUD refers to substance use disorder treatment.



2020 Health and Recovery Bond

GO Bond Sale Resolution and Supplemental Appropriation/De-Appropriation
Budget & Finance Committee
July 9, 2025



Gigi Whitley, **Department of Homelessness and Supportive Housing**
Isabel Ochoa, **Department of Public Health**
Vishal Trivedi, **Controller's Office of Public Finance (OPF)**



San Francisco
Department of Public Health



Action Items

- **File No. 250677** Resolution authorizing the sale of not to exceed \$150,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds, Series 2025G (Health and Recovery, 2020)
- **File No. 250678** Ordinance appropriating a total of \$150,000,000 of General Obligation (GO) bond proceeds from Series 2025G Health and Recovery GO Bonds to DPH, MOHCD for behavior and mental health facilities and permanent supportive housing or shelters. **We are requesting some technical amendments to this item.**
- **File No. 250679** Ordinance de-appropriating a total of \$160,497,200 of General Obligation (GO) bond proceeds from Series 2021D Health and Recovery GO Bonds from DPH and HOM

General Obligation Bonds (Health and Recovery, 2020)

HSH Supportive Housing and Shelter Projects

Gigi Whitley
**Homelessness and
Supportive Housing**



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

2020 Health & Recovery General Obligation Bond

Budget and Finance Committee | July 9, 2025



2020 Health & Recovery G.O. Bond Overview

Scope: Stabilization, acquisition, construction, expansion and improvement of permanent supportive housing units and emergency shelters.

- **Authorization Total:** \$147M
- **Amount Issued to Date:** \$30.1M
- **Anticipated Date of Next Issuance:** Q3 2025

2020 Health & Recovery Bond

HSH Issuance Summary

| | First Issuance | Second Issuance | Future Issuance(s) |
|--|-------------------|--------------------|-----------------------|
| Shelter | | | |
| <i>Lower Polk Navigation Center</i> | 29.1 | | |
| Permanent Supportive Housing | | | |
| <i>835 Turk</i> | | 23.0 | |
| <i>685 Ellis</i> | | 30.0 | |
| <i>1035 Van Ness</i> | | 5.9 | |
| <i>1633 Valencia</i> | | 41.0 | |
| <i>TBD</i> | | | 10.4 |
| Contingency | | 5.2 | |
| Administration - Audit & Issuance | 1.0 | 1.4 | |
| TOTAL | 30.1 | 106.5 | 10.4 |

Overview

| Program | Description | Key Deliverables/Milestones |
|------------------------------------|--|--|
| Permanent Supportive Housing (PSH) | <p>Original Bond Goal: 250 units</p> <ul style="list-style-type: none"> Acquire and improve approximately 250 housing units to house and serve people exiting chronic homelessness | <p>Planned: 453 units</p> <ul style="list-style-type: none"> Rehabilitate two sites acquired in FY23 (835 Turk, 685 Ellis) leveraging state Homekey and Homekey+ (Prop 1) funds Acquire and rehabilitate new site for veterans, leveraging state Homekey + funds (1035 Van Ness) Fund 145 newly constructed units for older adults (1633 Valencia) |



835 Turk Street

| Program | Accomplishments/Milestones |
|--|---|
| <p>Adult Permanent Supportive Housing – Rehabilitation</p> <p>835 Turk</p> <p>114 units</p> <p>7-story residential hotel</p> <p>106 units post rehabilitation to create ADA units</p> | <p>835 Turk is a residential hotel built in 1929 and acquired by the City in March 2022.</p> <ul style="list-style-type: none"> Five Keys Schools and Programs (Sponsor) entered into a master lease and property management agreement with HSH on March 1, 2023. Currently operating as permanent supportive housing. Five Keys and the City, through HSH, applied for a state Homekey+ grant funds in May 2025 to fund rehabilitation on the site. 53 units to be supported by Homekey+, eligible to formerly homeless adults with mental health and/or substance use challenges. If awarded state funds, the Sponsor will return to Citywide Affordable Housing Loan Committee with final gap funding request (August 2025). Request Board of Supervisors approval for permanent funding loan (September 2025). Long term ground lease and construction start in October 2025, with estimated construction completion in October 2026. Operating funds will include Our City, Our Home Fund and if awarded, Homekey+ operating grant (COSR). MOHCD will administer the operating funds through the Local Operating Subsidy Program (LOSP). HSH will administer the supportive services agreement. |



| | |
|-----------------------------|--------------|
| Health & Recovery GO Bonds* | \$ 9,629,000 |
| OCOH Housing Funds | \$ 3,293,000 |
| Homekey+ | \$13,300,000 |
| Homekey+ COSR | \$ 4,500,000 |

Total Budget: \$30,722,000

**Note: HSH is requesting authority to issue for \$23M if the City is not awarded Homekey+ award.*

685 Ellis Street

| Program | Accomplishments/Milestones |
|---|---|
| Adult Permanent Supportive Housing – Rehabilitation | 685 Ellis is a 78-unit, 7-story building built in 1927 and acquired by the City in 2022. |
| 685 Ellis | <ul style="list-style-type: none"> • Final Project Budget: Pending selection of affordable housing development team |
| 67 shelter rooms | <ul style="list-style-type: none"> • Interim use as adult shelter through a HSH contract with Five Keys Schools and Programs until conversion to PSH |
| 7-story residential hotel with basement | <ul style="list-style-type: none"> • Received state Homekey Funding award in fall 2023 for interim use. Conversion from interim use to permanent supportive housing required after 5 years (min) to 30 years (max) from recordation of declaration of restrictions. HSH to request HCD approval for earlier delivery of PSH. |
| ~78 PSH units post-rehabilitation | <ul style="list-style-type: none"> • Rehabilitation scope will include: <ul style="list-style-type: none"> - Seismic retrofit - Building systems upgrades - Accessibility barrier removals - Build-out of additional community and administrative spaces - Other improvements to convert the former hotel to PSH |



| | |
|----------------------------|----------------------|
| Health & Recovery GO Bonds | \$ 30,000,000 |
| OCOH Housing Funds | \$ 5,000,000 |
| TOTAL SOURCES | \$ 35,000,000 |

1035 Van Ness Avenue

| Program | Accomplishments/Milestones |
|--|--|
| Permanent Supportive Housing for Veterans – Rehabilitation 1035 Van Ness 124 units 9-story assisted living ~124 units post rehabilitation | <ul style="list-style-type: none"> • Acquisition of an existing 106-unit assisted living facility, to be repurposed as 124-unit supportive housing for homeless veterans • Swords to Plowshares (Sponsor) and the City, through HSH, applied for a state Homekey+ grant funds in May 2025 • Acquisition of the property by sponsor will occur by Fall 2025 • Operating funds will include City’s Local Operating Subsidy Program (LOSP), SFHA’s Veterans Affairs Supportive Housing (VASH) vouchers, HUD Continuum of Care funds, and if awarded, Homekey+ operating grant • If awarded Homekey+, the Sponsor will return to Citywide Affordable Housing Loan Committee with final gap request in summer 2025 and Board of Supervisors’ approval requested in September 2025 • Construction start - October 2025 • Construction completion - October 2026 |



| | |
|----------------------------|---------------------|
| Health & Recovery GO Bonds | \$ 5,912,794 |
| OCOH Housing Funds | \$ 2,087,206 |
| Homekey+ | \$ 32,800,000 |
| Homekey+ COSR | \$ 2,524,030 |
| TOTAL SOURCES | \$43,324,030 |

1633 Valencia Street

| Program | Accomplishments/Milestones |
|---|--|
| <p>Senior 55 year+ Permanent Supportive Housing – New Construction</p> <p>1633 Valencia</p> <p>6-stories</p> <p>145 studio units</p> | <ul style="list-style-type: none"> Newly constructed permanent supportive housing for older adults ages 55+ Developer – Mercy Housing California Currently under construction with completion in December 2025 Board of Supervisors approval: May 7, 2024 Local Operating Subsidy Program contract for ongoing operations. HSH grant agreement for supportive services. |



| | |
|----------------------------|---------------------|
| SFHAF Permanent Loan | \$16,000,000 |
| Health & Recovery GO Bonds | \$ 41,036,048 |
| Tax Credit Equity | \$ 27,569,430 |
| Sponsor | \$ 100 |
| TOTAL SOURCES | \$84,605,578 |

Future Costs Not Covered by Bond Proceeds

• Ongoing Costs

- **Operations and Maintenance**

- Rent contribution capped at no more than 30% of tenant income.
- Anticipated funding source(s): Our City, Our Homes Fund (Prop C); Local Subsidy Operating Program (LOSP); federal VASH and HUD Continuum of Care subsidies.

- **Supportive Services**

- Permanent supportive housing for formerly homeless tenants, including chronically homeless, provide on-site supportive services estimated at approximately \$590/tenant/month.
- Anticipated funding source(s): Our City, Our Home Fund and General Fund including funds reallocated within existing HSH base budget.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Questions?

Public Health Projects

Isabel Ochoa
DPH



2020 Health & Recovery Bond



2026

Psychiatric Emergency Services (PES)

- Expansion of PES capacity from 22 to 38
- Increases safety features and provides a more comfortable patient experience



2027

Treasure Island Residential Step-Down Facility

- Expansion of residential care capacity on Treasure Island
- Project prioritizes substance use disorder step-down beds, identified as a gap in the continuum of care



2028

Health, Recovery and Connection Center

- Consolidation of key behavioral health care services
- Co-location of behavioral health administrative functions



Treasure Island Residential Step-Down Facility

- Facility will replace 172 existing beds on Treasure Island and add 84 more (49% increase in capacity)
- This facility will house clients exiting residential substance use disorder (SUD) programs to provide continued support for their sobriety in the least restrictive environment appropriate for this phase of their recovery
- SUD Residential Step-Down beds were identified as a priority in the behavioral health continuum of care
- This project is also funded by Prop C, a Community Care Expansion (CCE) grant, and TIDA developer housing subsidy fees



Total Bond Budget: \$47.1M

Amount in Current Issuance: \$42.1M

Amount Spent To-Date: \$0.6M

Design
Completed

Permitting
In Progress

Bid/Award
Feb 2026

Construction
Apr 2026

Substantial Completion
Nov 2027



Health, Recovery and Connection Center

- **Creates a Centralized Hub for Care:** co-locates key behavioral health programs, including OBIC, BHAC, Office of Coordinated Care, a full-service pharmacy, and administrative functions into one accessible, purpose-built facility to streamline services and improve client experience
- **Maximizes Value Through Co-Location:** Consolidating services under one roof increases coordination of care, reduces long-term operating costs, and enhances system efficiency
- **Leverages Diverse and Time-Sensitive Funding:** Project is also supported by Prop C, BHCIP state grant funding, and DPH capital investments, totaling \$33.4M in project funds
- **Proposed New Location for City Clinic:** With a signed Letter of Intent for 1660 Mission St, the building's size and layout allow for the long-overdue relocation of City Clinic, ensuring continuity of high-quality sexual health services in a modern, ADA-accessible space

Total Bond Budget: \$1M

Amount in Current Issuance: \$1M

Amount Spent To-Date: \$0



Financing Information & Proposed Amendment

Vishal Trivedi
OPF

2020 Health and Recovery Bond

Series 2025G – Proposed Amendment to Appropriation

Current Appropriation

| <u>Estimated Sources:</u> | <u>Series 2025G</u> |
|---------------------------------|----------------------|
| <u>Not-to-Exceed Par Amount</u> | \$150,000,000 |
| Estimated Par | \$144,730,000 |
| Reserve for Market Uncertainty | 5,270,000 |
| Total Sources | \$150,000,000 |

Estimated Uses:

Project Fund Deposit

Public Health

| | |
|--------------------------------------|---------------------|
| Treasure Island Behavioral Health | \$42,082,246 |
| <u>Mental Health Services Center</u> | <u>\$1,000,086</u> |
| Subtotal Public Health | \$43,082,332 |

Housing

| | |
|-------------------------|---------------------|
| 835 Turk | \$23,000,000 |
| 685 Ellis | \$30,000,000 |
| 1633 Valencia | \$41,036,048 |
| <u>1035 Van Ness</u> | <u>\$5,800,000</u> |
| Subtotal Housing | \$99,836,048 |

| | |
|-----------------------------------|-----------------------------|
| <u>Total Project Funds</u> | <u>\$142,918,380</u> |
|-----------------------------------|-----------------------------|

Transaction Costs & Oversight

| | |
|--|--------------------|
| Cost of Issuance | \$831,423 |
| City Services Auditor | \$285,837 |
| CGOBOC Fee | \$144,730 |
| Underwriter's Discount | <u>\$549,630</u> |
| Total Transaction Costs & Oversight | \$1,811,620 |

| | |
|--------------------------------|----------------------|
| Reserve for Market Uncertainty | \$5,270,000 |
| Total Uses | \$150,000,000 |

Proposed Amendment

| <u>Estimated Sources:</u> | <u>Series 2025G</u> |
|---------------------------------|----------------------|
| <u>Not-to-Exceed Par Amount</u> | \$150,000,000 |
| Estimated Par | \$144,845,000 |
| Reserve for Market Uncertainty | 5,155,000 |
| Total Sources | \$150,000,000 |

Estimated Uses:

Project Fund Deposit

Public Health

| | |
|--------------------------------------|---------------------|
| Treasure Island Behavioral Health | \$42,082,444 |
| <u>Mental Health Services Center</u> | <u>\$1,000,086</u> |
| Subtotal Public Health | \$43,082,530 |

Housing

| | |
|-------------------------|---------------------------|
| 835 Turk | \$23,000,000 |
| 685 Ellis | \$30,000,000 |
| 1633 Valencia | \$41,036,048 |
| <u>1035 Van Ness</u> | <u>\$5,912,794</u> |
| Subtotal Housing | \$99,948,842 |

| | |
|-----------------------------------|-----------------------------|
| <u>Total Project Funds</u> | <u>\$143,031,372</u> |
|-----------------------------------|-----------------------------|

Transaction Costs & Oversight

| | |
|--|-------------------------|
| Cost of Issuance | \$832,515 |
| City Services Auditor | \$286,063 |
| CGOBOC Fee | \$144,845 |
| Underwriter's Discount | <u>\$550,205</u> |
| Total Transaction Costs & Oversight | \$1,813,628 |

| | |
|--------------------------------|----------------------|
| Reserve for Market Uncertainty | \$5,155,000 |
| Total Uses | \$150,000,000 |

2020 Health and Recovery Bond



Series 2025G - Fiscal Impact

Estimated Financing Costs*

- Projected par: **\$144,845,000** (not-to-exceed \$150,000,000)
- Estimated interest rate (blend of tax-exempt and taxable): **5.89%**
 - Estimated total interest cost: \$101.15 million
 - Estimated total debt service: \$246 million (average \$12.3M annually)
 - Estimated Annual Property Tax Impact: \$3.50 per \$100,000 (\$20.76 for a \$600K home)
 - Anticipated final maturity: 6/15/2045

Debt Capacity

- Certified Net Assessed Valuation for FY24-25 (Net AV): \$351.3 billion
 - 3% GO Debt Capacity: \$10.5 billion
- GO debt outstanding as of 6/1/25: \$2.80 billion (**0.80%** of Net AV)
- GO debt outstanding including proposed 2025G Bonds: \$2.95 billion (**0.84%** of Net AV)

Capital Planning Constraint

Issuance of Series 2025G bonds is consistent with FY2006 property tax rate cap policy.

** Interest rate and cost estimates provided by Fieldman, Rolapp & Associates, an MSRB-registered municipal advisory firm.*

2020 Health and Recovery Bond

Series 2025G – Financing Schedule

| Tentative Financing Schedule | |
|------------------------------|---|
| June 23 | Capital Planning Committee |
| July 9 | Board of Supervisors Budget & Finance Committee |
| July 15 | Board of Supervisors Adoption of Sale Resolution 1 st Reading of Appropriation/De-Appropriation |
| July 22 | Board of Supervisors 2 nd Reading of Appropriation/De-Appropriation |
| Aug/Sep 2025 | Tentative Bond Issuance and Closing |



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
ChiaYu Ma
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Director of the Office of Public Finance
Vishal Trivedi, Office of Public Finance

DATE: July 9, 2025

SUBJECT: Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Health and Recovery, 2020), Series 2025G in an amount not to exceed \$150,000,000

Ordinance Appropriating \$150,000,000 of proceeds from General Obligation Bonds (Health and Recovery, 2020), Series 2025G

Ordinance De-appropriating \$160,467,200 of proceeds from General Obligation Bonds (Health and Recovery, 2020) Series 2021D

Recommended Action

We respectfully request that the Board of Supervisors (the "Board") consider for review and adoption the resolution authorizing the issuance and approving the sale of general obligation bonds for the 2020 Health and Recovery bond program, a third issuance in an amount not to exceed \$150,000,000.

In connection with this request, a supplemental appropriation ordinance to appropriate the bond proceeds, and related supporting documents were introduced at the Board of Supervisors meeting on June 17, 2025.

Additionally, a supplemental appropriation ordinance de-appropriating a portion of a prior appropriation of general obligation ("GO") bond proceeds for the 2020 Health and Recovery bond program was introduced at the Board of Supervisors meeting on June 17, 2025. On April 13, 2021, the Board approved Resolution No. 235-21, authorizing the issuance of not-to-exceed \$425,000,000 of Series 2021D GO bonds and on June 8, 2021, the Board approved Ordinance No. 082-21, appropriating

\$425,000,000 of Series 2021D GO bond proceeds for the 2020 Health and Recovery bond program. On August 5, 2021, the City issued its Series 2021D-1 and Series 2021D-2 (Health and Recovery, 2020) GO bonds in the aggregate principal amount of \$258,505,000. The supplemental appropriation ordinance to de-appropriate \$160,467,200.00 of Series 2021D GO bonds (Health and Recovery, 2020) from Ordinance No. 082-21 reflects the unissued balance of the 2021D GO bonds.

We will request that these items be heard at the scheduled Budget and Finance Committee meeting on July 9, 2025.

Background

On November 3, 2020, a two-thirds majority of voters of the City approved Proposition A, a San Francisco Health and Recovery General Obligation Bond. Proposition A authorizes the sale of up to \$487,500,000 in general obligation bonds to (i) stabilize, improve, and make permanent investments in supportive housing facilities, shelters, and/or facilities that deliver services to persons experiencing mental health challenges, substance use disorder, and/or homelessness; (ii) improve the accessibility, safety and quality of parks, open spaces and recreation facilities; and (iii) improve the accessibility, safety and condition of the City's streets and other public right-of-way and related assets. From this authorization, \$287,290,000 of bonds have been issued to date, and \$200,210,000 remains unissued.

Financing Parameters

The proposed legislation would approve the issuance and sale of the City's General Obligation Bonds, Series 2025G (the "Series 2025G Bonds") under 2020 Proposition A, and appropriation of the Series 2025G Bond proceeds from the sale.

Table 1 below outlines the sources and uses for the Series 2025G Bonds, based on an estimate provided by Fieldman, Rolapp & Associates, a municipal advisory firm registered with the Municipal Securities Rulemaking Board (MSRB). The information below is intended to advise the Board regarding the proposed financing in accordance with Section 5852.1 of the California Government Code.

Table 1: Estimated Sources & Uses of the Series 2025G Bonds

| <u>Estimated Sources:</u> | Series 2025G |
|-------------------------------------|----------------------|
| <u>Not-to-Exceed Par Amount</u> | \$150,000,000 |
| Estimated Par | \$144,845,000 |
| Reserve for Market Uncertainty | 5,155,000 |
| Total Sources | \$150,000,000 |
| <u>Estimated Uses:</u> | |
| <u>Project Fund Deposit</u> | |
| Project Fund | \$143,031,372 |
| CSA Audit Fee | 286,063 |
| Total Project Fund Deposits | \$143,317,435 |
| <u>Delivery Date Expenses</u> | |
| Cost of Issuance | \$832,515 |
| CGOBOC Fee | 144,845 |
| Underwriter's Discount | 550,205 |
| Total Delivery Date Expenses | \$1,527,565 |
| Reserve for Market Uncertainty | \$5,155,000 |
| Total Uses | \$150,000,000 |

Source: Fieldman, Rolapp & Associates, Inc.

Based upon an estimated blended tax-exempt and taxable true interest cost of 5.89% for the Series 2025G Bonds, the Office of Public Finance estimates that this would result in an average annual debt service cost of about \$12,300,000. The anticipated par amount of \$144,845,000 is estimated to generate about \$101,150,000 in interest payments, resulting in approximately \$246,000,000 in total debt service over the anticipated 20-year term of the bonds.

Detailed descriptions of the projects to be financed with proceeds of the Series 2025G Bonds are included in the Bond Accountability Report to be prepared by Department of Public Health and Homeless and Supportive Housing. In addition, a portion of the bond proceeds will be used to pay certain expenses incurred in connection with the issuance and delivery of the bonds, and the periodic oversight and review of the projects by City Services Auditor ("CSA Audit") and the Citizens' General Obligation Bond Oversight Committee ("CGOBOC").

Property Tax Impact

Repayment of annual debt service on the Series 2025G Bonds will be recovered through increases in annual property taxes, the rate of which is estimated to average \$0.00350 per \$100 of assessed value or \$3.50 per \$100,000 of assessed value over the anticipated 20-year term of the bonds. The owner of a residence with an assessed value of \$600,000, assuming a homeowner's exemption of \$7,000, would pay average additional property taxes to the City of approximately \$20.76 per year if the proposed amount of \$144,730,000 of Series 2025G Bonds are sold.

Debt Limit

The City Charter imposes a limit on the amount of general obligation bonds the City can have outstanding at any given time. That limit is 3.00% of the assessed value of property in the City. For purposes of this provision of the Charter, the City calculates its debt limit based on total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City's general obligation debt limit for fiscal year 2024-25 is approximately \$10.54 billion, based on a net assessed valuation of approximately \$351.3 billion. As of June 1, 2025, the City had \$2.80 billion of general obligation bonds outstanding, which equals approximately 0.80% of the net assessed valuation for fiscal year 2024-25. If all the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.19% of the net assessed value of property in the City. If the Board approves the issuance of the Series 2025G Bonds and they are issued, the debt ratio would increase by approximately 0.04%, to 0.84% — within the 3.00% legal debt limit.

Capital Plan

The City's adopted Capital Plan includes a financial constraint regarding the City's planned use of general obligation bonds, such that debt service on approved and issued general obligation bonds would not increase property owners' long-term property tax rates associated with repayment of debt service in any given year above fiscal year 2006 levels. The fiscal year 2006 property tax rate for the general obligation bond fund was \$0.1201 per \$100 of assessed value. If the Board approves the issuance of the Series 2025G Bonds, the property tax rate for general obligation bonds for fiscal year 2025-26 would be maintained below the fiscal year 2006 rate and within the Capital Planning Committee's approved financial constraint.

Additional Information

The appropriation and de-appropriation ordinances and resolution were introduced at the Board meeting on Tuesday, June 17, 2025. The forms of the related financing documents — including the Bond Purchase Contract, Official Notice of Sale, Notice of Intention to Sell, Preliminary Official Statement, Appendix A, Continuing Disclosure Certificate and related documents — will also be submitted at that time.

Bond Purchase Contract: The City intends to pursue a competitive sale of the Series 2025G Bonds; however, should bond structure or market conditions indicate the preferability of a negotiated transaction, the Bond Purchase Contract details the terms, covenants, and conditions for the sale of the Series 2025G Bonds through selected underwriter(s), as well as agreements regarding expenses, closing and disclosure documents.

Official Notice of Sale: The Official Notice of Sale announces the date and time for a competitive bond sale, including the terms relating to sale of the Series 2025G Bonds; form of bids, and delivery of bids; and closing procedures and documents. Exhibit A to the Official Notice of Sale is the form of the official bid for the purchase of the Series 2025G Bonds. Pursuant to the resolution, in a competitive sale the Controller's Office is authorized to award the bonds to the bidder whose bid represents the lowest true interest cost to the City in accordance with the procedures described in the Official Notice of Sale.

Notice of Intention to Sell: The Notice of Intention to Sell provides legal notice to prospective bidders of the

City's intention to sell the Series 2025G Bonds. Such Notice of Intention to Sell would be published once in "The Bond Buyer" or another financial publication generally circulated throughout the State of California.

Official Statement: The Official Statement provides information for prospective bidders and investors in connection with the public offering by the City of the Series 2025G Bonds. The Official Statement describes the Series 2025G Bonds, including sources and uses of funds; security for the Series 2025G Bonds; risk factors; and tax and other legal matters, among other information. The Official Statement also includes the City's Appendix A, the most recent Annual Comprehensive Financial Report of the City, the City's Investment Policy, and other forms of legal documents for the benefit of investors, holders and owners of the Series 2025G Bonds.

A *Preliminary Official Statement* is distributed to prospective bidders prior to the sale of the Series 2025G Bonds. Within seven days of the public offering, the *Final Official Statement* (adding certain sale results including the offering prices, interest rates, selling compensation, principal amounts, and aggregate principal amounts) is distributed to the initial purchasers of the Series 2025G Bonds.

Prior to the distribution of the Preliminary and Final Official Statements, the documents will be thoroughly and critically reviewed by City staff (in consultation with the City's professional advisors, including the City's co-disclosure counsel) to provide the most current financial and other material information available.

Board members have a responsibility under federal securities laws to ensure that staff are aware of relevant information that Board members may uniquely have by virtue of their capacity as board members that would have a material bearing of the capacity of the City to repay the bonds. Board members cannot approve a Preliminary Official Statement if they are aware that it contains material misstatements or omissions. The Board of Supervisors and the Mayor, in adopting and approving the resolution, approve and authorize the use and distribution of the Official Statement by the financial advisor with respect to the Series 2025G Bonds. For purposes of the Securities and Exchange Act of 1934, the Controller certifies, on behalf of the City, that the Preliminary and Final Official Statements are final as of their dates.

Appendix A: The City prepares the Appendix A: "City and County of San Francisco—Organization and Finances" (the "Appendix A") for inclusion in the Official Statement. Appendix A describes the City's government and organization, the budget, property taxation, other City tax revenues and other revenue sources, general fund programs and expenditures, employment costs and post-retirement obligations, investment of City funds, capital financing and bonds, constitutional and statutory limitations on taxes and expenditures, and litigation and risk management. Pursuant to the resolution, City staff will revise the Official Statement, including Appendix A.

Continuing Disclosure Certificate: The City covenants to provide certain financial information and operating data relating to the City (the "Annual Report") not later than 270 days after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of material events. These covenants have been made to assist initial purchasers of the Series 2025G Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Financing Timeline

Milestones

Board of Supervisors ("BoS") Introduction
Capital Planning Committee Hearing of Resolution
Budget & Finance Committee Hearing
BoS Consideration of Resolution and First Reading of Ordinances
BoS Second Reading of Ordinances
Estimated Sale & Closing

Dates*

June 17, 2025
June 23, 2025
July 9, 2025
July 16, 2025
July 22, 2025
Summer/Fall 2025

**Please note that dates are preliminary and may change.*

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org) or Vishal Trivedi (vishal.trivedi@sfgov.org) if you have any questions.

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: De-appropriation - General Obligation Bond Proceeds - \$160,467,200 - 2020 Health and Recovery, Series 2021D - DPH, HOM - FY2025-2026
DATE: June 17, 2025

Ordinance de-appropriating \$160,467,200 General Obligation (GO) Bond proceeds from 2020 Health and Recovery GO Bonds, Series 2021D from the Department of Public Health and the Department of Homelessness and Supportive Housing in Fiscal Year (FY) 2025-2026.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org