

Financing Options for Emergency Firefighting Water System

Presentation to:

GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

November 18, 2021



Current EFWS Sources

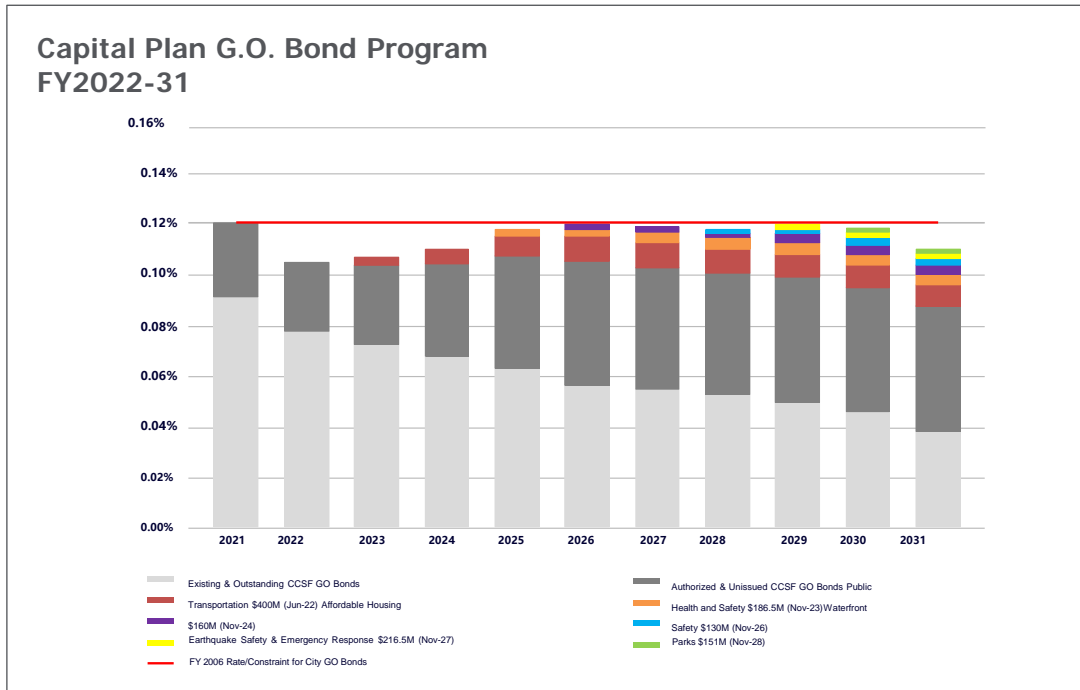
- Funding is in place for Westside Phase I: approximately \$198 million
 - \$143 million from 2020 Earthquake Safety & Emergency Response (ESER) Bonds
 - \$55 million from Water Enterprise revenue bonds

2022-2031 Capital Plan

- Proposed 2027 ESER General Obligation Bond
 - \$217 million bonds
 - Funding for additional EFWS & public safety
 - Could partially fund 2nd phase of Westside EFWS
 - Estimated at \$180 million
 - Precludes stand alone EFWS bond

2022-2031 Capital Plan Options

■ Additional capacity in 2031



2022-2031 Capital Plan Options

- Resizing proposed Transportation bond
 - Evaluate impact of \$39 billion in transportation funds in new federal infrastructure bill

Proposed Date	Purpose	Amount (\$millions)
Jun 2022	Transportation	\$400
Nov 2023	Public Health	188
Nov 2024	Affordable Housing	160
Nov 2026	Waterfront Safety	130
Nov 2027	Earthquake Safety & Emergency Response	217
Nov 2028	Parks & Open Space	151
Nov 2031	Public Health	TBD
	Total	\$1,245



2024-2033 Capital Plan Options

- 2024-2033 Capital Plan
 - Updated information - capacity and the feasibility of issuing additional GO bond debt in the next ten-year period
- Potential for stand alone EFWS bond
 - Tradeoffs with other City priorities

EFWS Build Out and Funding

- \$1.63 billion in 2021 dollars
 - Estimate for full build out over 25 years
 - Includes estimated costs of \$180 million for 2nd phase of Westside EFWS
 - No identified existing federal or state sources
 - City cost – likely City source is general obligation bonds



Long Range Financial Plan

- Need to plan for \$1.63 billion over 25 years
 - City Charter limit – 3% of assessed valuation
 - Assessed valuation 2021 - \$300 billion
 - Debt limit - \$9 billion
 - Estimated authorized & outstanding bonds – 1.8%
 - Does not include SFUSD or CCD



Other Potential Sources

- Portable water supply system – hose tenders
 - \$5 million available for 5 hose tenders
 - SFFD storage capacity limits new hose tenders
 - One year purchase & implementation time
 - Could be purchased through lease revenue financing



Other Potential Sources

- Development fees
 - Mission Rock & Pier 70 - \$1.5 million each
 - 3333 California - \$1.05 million
- Infrastructure Financing Districts
 - Former Redevelopment Areas – Hunters Point Shipyard & Bayview/Hunters Point
 - Bonds secured by property tax increment
- Community Facilities Districts
 - Special tax assessments



Recommendations

- ❑ Request from the Capital Planning Committee & Office of Resilience and Capital Planning:
 - Information on potential use of federal infrastructure funds to reduce Transportation bond issuance in 2022.
 - Options for increasing bond capacity for the EFWS in the next 10-year Capital Plan in 2023.

Recommendations

- ❑ Request the Planning Department to negotiate for EFWS funding as a community benefit in development agreements.
- ❑ Request the Office of Public Finance and SFFD to evaluate use of lease financing for hose tenders.

Recommendations

- Request the Office of Resilience and Capital Planning to evaluate a long-term financial plan on issuing an estimated \$1.63 billion (in 2021 dollars) in GO bonds over 25 years
- Request the Mayor's Budget Office to evaluate future federal and state fund availability.



Recommendations

- Request the City Administrator through the Office of Resilience and Capital Planning to evaluate formation of Infrastructure Financing Districts or Community Facilities Districts as a potential source of EFWS financing.



Conclusion

Questions?