



General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024)

Request for Approval
Authorizing Resolution
1st Issuance Sale Resolution
Supplemental Appropriation

**Budget and Finance Committee May 14, 2025** 



Isabel Ochoa, Department of Public Health Bruce Robertson, Department of Public Works Vishal Trivedi, Controller's Office of Public Finance (OPF)

# General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024)

#### **Action Items**

- <u>File No. 250351</u> Resolution authorizing the issuance of a not to exceed \$390,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024)
- <u>File No. 250352</u> Resolution authorizing the sale of the first issuance of General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024), Series 2025F, not to exceed \$218,000,000
- File No. 250349 Ordinance appropriating a total of \$218,000,000 of General Obligation (GO) bond proceeds from Series 2025F Healthy, Safe and Vibrant SF GO Bonds to DPH, DPW, MTA for healthcare, transportation, pedestrian and street improvements

## General Obligation Bonds (Healthy, Safe and Vibrant San Francisco, 2024), First Issuance

Project	Amount to be Issued
Chinatown Public Health Center	\$70,509,241
City Clinic	\$27,767,353
ZSFG Building 3	\$2,967,703*
ZSFG & LHH Critical Repairs & Renovations	\$42,501,336*
11 <sup>th</sup> St Safety Improvements	\$10,908,602
Howard Streetscape	\$3,966,764
5 <sup>th</sup> St Streetscape	\$9,024,389
Contract 35 Signal Modifications	\$12,197,802
Central Embarcadero	\$7,437,684
Harvey Milk Plaza	\$24,792,279**
Bond Proceeds for Projects:	\$212,073,153

<sup>\*</sup> Totals reflect proposed \$1,500,000 swap of project funds

<sup>\*\*</sup> To be revised

### Public Health Projects

#### Isabel Ochoa DPH

## Chinatown Public Health Center Retrofit & Renovation



- Renovation will include a seismic retrofit of the SHR4 clinic and modernization of building systems, including making Chinatown Public Health Center SFDPH's first fully electric building
- Capacity will expand with the addition of 3 primary care exam rooms, 3 primary care consult rooms, 1 behavioral health consultation room, and 1 dental operatory
- Project will co-locate Chinatown Child Development Center within the renovated Chinatown Public Health Center, improving access and reducing SFDPH's portfolio of leased space



Total Bond Budget:

\$71,100,000

Amount to be issued:

\$71,100,000

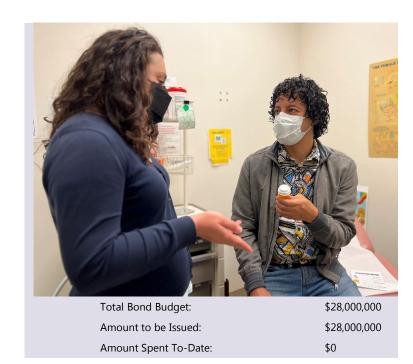
Amount Spent To-Date:

\$4,375,182

#### **City Clinic Relocation**



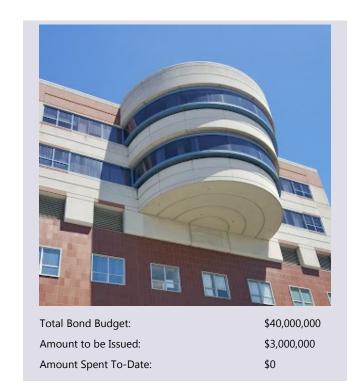
- City Clinic will relocate into a new building, presenting a great opportunity to find a site better suited to the needs of the clinic
- New site will provide a larger, safer, more efficient lab, increased privacy in exam and consultation rooms, and greater accessibility
- More modern building systems will increase reliability of services by reducing unplanned closures City Clinic endures when building system failures make the clinic unfit for patient care
- Seismic safety will be a key priority in site selection



#### **ZSFG** Building 3 Retrofit



- Project will seismically retrofit Building 3, adding 65,000 seismically safe sq. ft. to the ZSFG campus
- Additional safe square footage will allow ZSFG to relocate hospital staff from seismically vulnerable space, helping ensure continuity of operations in the aftermath of an earthquake



Planning/Design In Progress Permitting May 2026 Bid/Award Oct 2026 Construction May 2027 Substantial Completion May 2028

#### **ZSFG & LHH Critical Repairs & Renovations**



Project	Total Bond Budget	Total to be Issued*	<b>Expected Completion</b>
LHH NPC Sewage Containment	\$5.6M	\$0.25M	Oct 2028
LHH HVAC Replacements	\$10.6M	\$1.25M	Nov 2028
LHH Kitchen Floor	\$12.5M	\$12.5M	Apr 2026
LHH Pot Washer	\$2.7M	\$2.7M	Aug 2026
ZSFG Building 5 Fire Alarm Upgrade	\$8M	\$1M	Dec 2028
ZSFG NPC	\$2M	\$2M	Jul 2026
ZSFG Chiller & Cooling Tower	\$10M	\$8.5M	Dec 2028
ZSFG Psychiatric Emergency Services (PES)	\$12.6M	\$12.6M	Aug 2026
Contingency	\$2M	\$2M	

# **Street Safety Improvements**

(Public Works & MTA)

**Bruce Robertson Public Works** 

#### **Street Safety Improvements (Public Works & MTA)**

**Projects: 2024 Healthy, Safe and Vibrant SF** 

In November 2024, the Healthy, Safe and Vibrant San Francisco Bond received sufficient voter support for *\$390 M* in bond funds toward capital improvements. *\$63.9 M* is reserved for street safety improvements.

All projects are located on the San Francisco High Injury Network<sup>1</sup> and all but one are in Historically Disadvantaged Neighborhoods<sup>2</sup>.

<sup>&</sup>lt;sup>1</sup> San Francisco Vision Zero High Injury Network (2022 data)

<sup>&</sup>lt;sup>2</sup> Metropolitan Transportation Commission Plan Bay Area 2050 tract information

#### Street Safety Improvements (Public Works & MTA)

**Projects: 2024 Healthy, Safe and Vibrant SF** 

Project	Total Project Cost		2024 Bond		Other Funding	
11th Street Safety Improvement Project	\$	17,000,000	\$	11,000,000	\$	6,000,000
Howard Streetscape	\$	48,744,000	\$	4,000,000	\$	44,744,000
5th Street Streetscape	\$	14,000,000	\$	9,100,000	\$	4,900,000
Contract 35 Signal Mod	\$	20,300,000	\$	12,300,000	\$	8,000,000
Central Embarcadero	\$	11,500,000	\$	7,500,000	\$	4,000,000
Mission Street Pavement Renovation <sup>1</sup>	\$	25,000,000	\$	20,000,000	\$	5,000,000
Total	\$	137,244,000	\$	<b>63,900,000</b> <sup>2</sup>	\$	73,344,000

<sup>&</sup>lt;sup>1</sup> Mission Street will be funded by a future issuance

<sup>&</sup>lt;sup>2</sup> \$364,759 of the 2025F (1<sup>st</sup>) issuance Street Safety component will support cost of issuance, CON audit fees and GOBOC oversight

#### **Public Realm**

(Public Works)

**Bruce Robertson Public Works** 

#### Public Realm (Public Works, MTA, REC)

#### **Projects: 2024 Healthy, Safe and Vibrant SF**

In November 2024, the Healthy, Safe and Vibrant San Francisco Bond reserved *\$71 M* for Public Realm investments.

\$25M was allotted for renovation of Harvey Milk Plaza by the ballot measure, and the remaining funds has been allocated by the City's Capital Planning Committee as shown below:

Project	2024 Vibrant SF Series 2025F (1st Issuance) Amount	2024 Vibrant SF Total Bond Allocation
Harvey Milk Plaza	\$894,856	\$25,000,000
Other Public Spaces:		
Hallidie Plaza	\$0	\$9,000,000
Powell Street Improvements	\$0	\$22,000,000
Embarcadero Plaza/Park	\$0	\$10,000,000
Parks and Active Recreation:		
Embarcadero Plaza/Park	\$0	\$4,000,000
Jerry Garcia Amphitheater	\$0	\$1,000,000
Total	\$894,856	\$71,000,000

## **Proposed Amendments**

#### Vishal Trivedi OPF

#### Series 2025F - Proposed Amendments

#### 1) DPH Appropriation Amendment

Reallocate \$1.5M from ZSFG Chiller and Generator to ZSFG Building 3

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
21283 - SFGH 24 Hlth	10009193 - 0009 HG	567000	HG Chiller And	\$9,916,912
Safe Vib GOB S25F /	Chiller And Generator /	Bldgs,Struct&l	Generator	
251664 HGH	251664 HGH	mprv Proj-		
Construction	Construction	Budget		
21283 - SFGH 24 Hlth	10009193 - 0009 HG	567000	HG Chiller And	\$8,416,912
Safe Vib GOB S25F /	Chiller And Generator /	Bldgs,Struct&I	Generator	
251664 HGH	251664 HGH	mprv Proj-		
Construction	Construction	Budget		
Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
21283 - SFGH 24 Hlth	10042423 - 0001 ZSFG	567000	ZSFG B3	\$1,467,703
Safe Vib GOB S25F /	B3 Seismic&Pathology	Bldgs,Struct&I	Seismic&Pathology	
251664 HGH	Relo / 251664 HGH	mprv Proj-	Relo	
Construction	Construction	Budget		
21283 - SFGH 24 Hlth	10042423 - 0001 ZSFG	567000	ZSFG B3	\$2,967,703
Safe Vib GOB S25F /	B3 Seismic&Pathology	Bldgs,Struct&I	Seismic&Pathology	
251664 HGH	Relo / 251664 HGH	mprv Proj-	Relo	
Construction	Construction	Budget		

#### Series 2025F - Proposed Amendments

#### 2) DPW Harvey Milk Plaza Reduction

- Reduce allocation from 1<sup>st</sup> bond issuance from <u>\$24.8M</u> for full build out to <u>\$894,856</u> for initial planning/design work
  - Recommendation from Capital Planning Committee to focus 1<sup>st</sup> issuance funds on planning and design until project scope is clear, reflecting private fundraising commitment. Balance of project allocation can be saved for a subsequent bond issuance.
  - Reduction of project amount allows for approval of a lower not-toexceed amount of \$194,000,000 instead of \$218,000,000
  - New fiscal impact estimates reflecting lower projected par amount (see next section)
  - Additional amendments to the appropriation ordinance to reflect project reductions and new not-to-exceed amount. Changes to project funds, costs of issuance, CSA Audit, and GOBOC oversight amounts.

# **Financing Information**

#### Vishal Trivedi OPF

#### Series 2025F - Plan of Finance

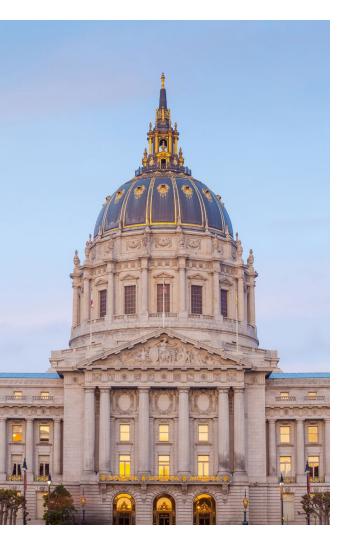
#### **Current Plan of Finance**

- Not-to-exceed par amount of \$194M
- Expected term of 20 years
- True interest cost (tax-exempt) of 5.12%
- Average annual debt service of \$15.2M

#### **Projects Funded**

- Community Health Centers
- ZSFG and Laguna Honda Projects
- Public Realm:
  - Harvey Milk Plaza
- Street Safety Improvement Projects

	Series 2025F
Estimated Sources	(Vibrant SF)
Not-to-Exceed Par Amount	\$194,000,000
Estimated Par	\$189,850,000
Reserve for Market Uncertainty	\$4,150,000
Total Sources	\$194,000,000
Estimated Uses	
Project Fund Deposit	
Project Fund	\$188,175,730
CSA Audit Fee	\$376,352
<b>Total Project Fund Deposits</b>	\$188,552,082
Delivery Date Expenses	
Cost of Issuance	\$918,218
CGOBOC Fee	\$189,850
Underwriter's Discount	\$189,850
<b>Total Delivery Date Expenses</b>	\$1,297,918
Reserve for Market Uncertainty	\$4,150,000
Total Uses	\$194,000,000



#### **Series 2025F - Fiscal Impact**

#### **Estimated Financing Costs\***

- Projected par: \$189,850,000
- Estimated interest rate (tax-exempt): 5.12%
  - Estimated total interest cost: \$114.8 million
  - Estimated total debt service: \$304.6 million
  - Estimated Annual Property Tax Impact: \$4.34 per \$100,000 (\$25.71 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 4/1/25: \$2.80 billion (0.80% of Net AV)
- GO debt outstanding including proposed 2025F Bonds: \$3.01 billion (0.86% of Net AV)

#### **Capital Planning Constraint**

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

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

#### Series 2025F - Financing Schedule

Tentative Financing Schedule		
May 5	Capital Planning Committee	
May 14	<b>Board of Supervisors</b> Budget & Finance Committee	
May 20	<b>Board of Supervisors</b> Adoption of Sale Resolution 1st Reading of Supplemental Appropriation	
June 3	<b>Board of Supervisors</b> 2 <sup>nd</sup> Reading of Supplemental Appropriation	
Summer 2025	Tentative Bond Issuance and Closing	