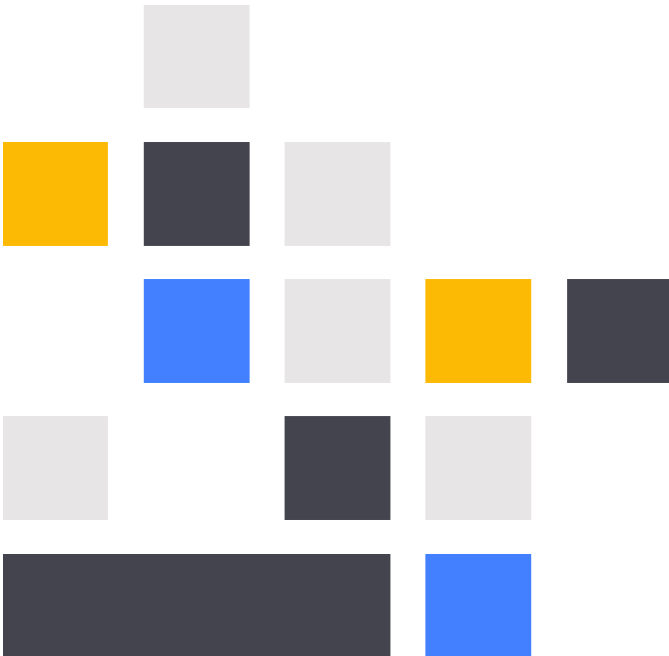


Refunding Certificates of Participation Series 2023-R1

BUDGET AND FINANCE COMMITTEE

- Ordinance authorizing the execution and delivery of refunding Certificates of Participation to prepay certain certificates of participation that financed and refinanced various capital improvement projects
- Supplemental ordinance appropriating the proceeds of the 2023-R1 Refunding COPs



May 10, 2023

City and County of San Francisco
Office of the Controller
Office of Public Finance

Proposed Refunding Certificates of Participation

SUMMARY OF THE PROPOSED 2023-R1 REFUNDING COPS

- OPF has identified four outstanding series of COPS as potential refunding candidates:

Outstanding Series	Par Amount Outstanding	Average Interest Rate	First Optional Call Date	Final Maturity	Average Annual Debt Service
2012A COPS	\$27,815,000	4.10%	4/1/2022	4/1/2036	\$2,800,000
2014-R2 COPS	\$21,395,000	3.66%	4/1/2022	4/1/2034	\$2,390,000
2015A COPS	\$110,250,000	4.07%	4/1/2023	4/1/2045	\$7,780,000
2015-R1 COPS	\$101,725,000	4.07%	9/1/2023	9/1/2040	\$7,980,000
Total	\$261,185,000	4.05%		4/1/2045	\$17,100,000

- In accordance with the City's Adopted Debt Policy, the 2023-R1 Refunding COPS will only be issued if the transaction produces minimum debt service savings of at least 3% of the par value of the refunded bonds on a net present value ("NPV") basis
- At the 3% savings threshold, NPV debt service savings are estimated to be **\$7.9 million**



Proposed Refunding Certificates of Participation

ESTIMATED FINANCING TERMS

- Final Maturity: April 1, 2045
- Estimated True Interest Cost: 3.62%
- Estimated Refunding Escrow: \$266.06M
- Estimated Financing Costs: \$2.04M

Source: KNN Public Finance, LLC

SOURCES AND USES

Sources:

2023-R1 Refunding COP Proceeds	
COP Proceeds (Including Market Reserve)	\$260,878,172
Prior Debt Service Reserve Funds	14,121,828
Total Sources	\$275,000,000

Uses:

Refunding Escrow	\$266,059,432
Delivery Date Expenses and Market Reserve	8,940,568
Total Uses	\$275,000,000



Proposed Refunding Certificates of Participation

ANTICIPATED FINANCING TIMELINE

Milestones

Dates

- | | |
|---|------------------|
| • Introduction of the Ordinance to the Board of Supervisors | April 4, 2023 |
| • Budget and Finance Committee Hearing | May 10, 2023 |
| • Board Considers Approval of the Ordinance (1 st Reading) | May 16, 2023 |
| • Final Board Approval of the Ordinance (2 nd Reading) | May 23, 2023 |
| • Pricing and Closing of COPs | July-August 2023 |

