

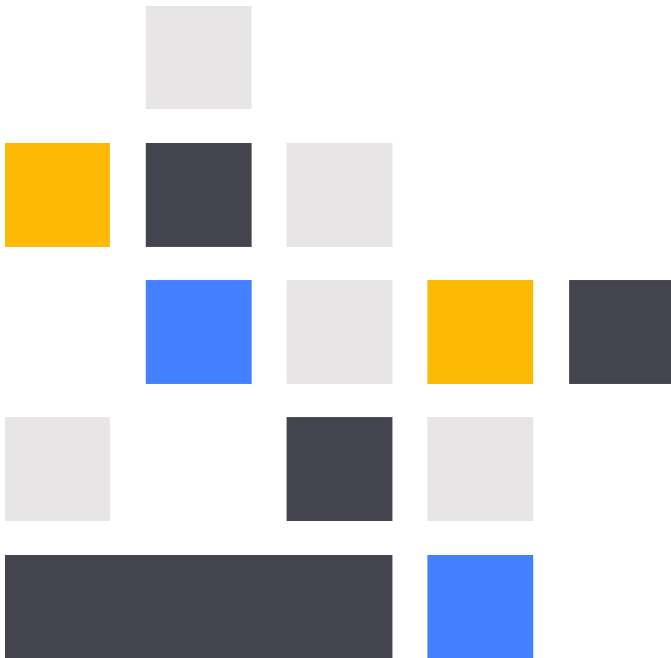
# FY24 Certificates of Participation: Critical Repairs and Street Repaving Projects

## BUDGET AND FINANCE COMMITTEE

Ordinance Authorizing the Issuance of Certificates of Participation:

(Multiple Capital Improvement Projects) Critical Repairs and Street Repaving Projects

Not-to-Exceed Aggregate Principal Amount of \$77,170,000



**September 6, 2023**

City and County of San Francisco  
Controller's Office of Public Finance  
Office of Resilience and Capital Planning

# FY2024 Critical Repairs COPs

\$ in millions

Dept	Project	FY24
PW	Street Resurfacing	32.8
PW	PW Elevator Program <i>City Hall (\$3M), JUV Admin Bldg (\$1.75M), Opera House (\$1.3M), Contingency (\$0.25M)</i>	6.3
ADM	Hall of Justice Roof Replacement	5.0
ART	Mission Cultural Center for Latino Arts Seismic Retrofit	3.2
DPH	Laguna Honda Water Tank Replacement	4.1
WAR	Opera House Roof Replacement	7.0
<b>TOTAL</b>		<b>58.4</b>



# Approval of the COPs, Not-to-Exceed \$77.17M

## CURRENT PLAN OF FINANCE

- Not to exceed par amount of \$77.17M
- Final Maturity of April 1, 2045\*
- True Interest Cost: 6.42%\*
- Average Annual Debt Service: \$6.59M\*

## LEASE-LEASE BACK STRUCTURE

- COPs are structured as a lease-lease back agreement, in which the City leases City-owned property to a Trustee and then pays to lease back the property
- The City maintains a master lease agreement (“Master Lease”) to fund existing and planned COPs by utilizing the inherent value of the City’s assets to finance debt-supported projects
  - The pool of City assets included in the Master Lease currently includes the Laguna Honda Hospital Campus and the San Bruno Jail Complex
  - Assets can be substituted as needed

\*Preliminary estimates, subject to change.

## SOURCES AND USES

### Sources:

#### COP Proceeds

Estimated Par Amount	\$73,410,000
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### Uses:

Project Funds	\$58,400,000
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CSA Audit Fee (0.2% of project)	\$116,800
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Capitalized Interest	\$6,782,590
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Debt Service Reserve Fund	\$6,590,183
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#### Delivery Date Expenses

Cost of Issuance	\$1,006,558
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Underwriter's Discount	\$513,870
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<b>Total Uses</b>	<b>\$73,410,000</b>
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<i>Plus: Reserve for Market Uncertainty</i>	<i>\$3,760,000</i>
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<b>Maximum Not-to-Exceed Par Amount</b>	<b>\$77,170,000</b>
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Source: KNN Public Finance



# Partial Recission of Prior COP Authorization

- On October 11, 2019, the City approved Ordinance No. 226-19
- Ordinance No. 226-19 authorized the issuance of up to \$94,600,000 to finance \$79,365,000 in project costs related to the acquisition and demolition of property located at 814-820 Bryant Street, 470 6<sup>th</sup> Street, and 1828 Ebert Avenue
- On May 12, 2021, the City issued its Series 2021A COPs which funded the authorized projects in full
- Due to lower than estimated interest rates at the time of the sale, the projects were able to be financed while issuing \$22,385,000 less than the Not-to-Exceed amount
- Today's proposed Ordinance includes a provision to rescind this unneeded remaining authority since these acquisition and demolition projects have been fully funded



# Anticipated Financing Timeline

## Milestones

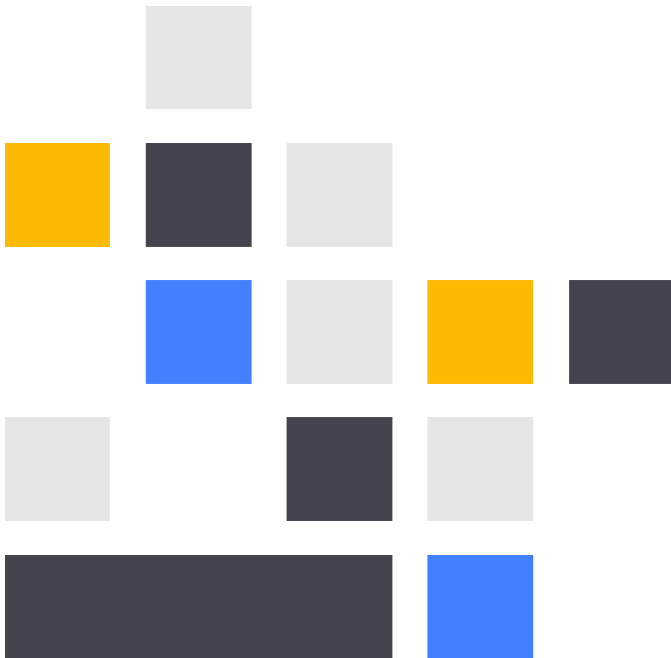
## Dates\*

- Introduction of the Ordinance to the Board of Supervisors July 18, 2023
- Capital Planning Committee Hearing July 24, 2023
- Budget and Finance Committee Hearing September 6, 2023
- Board Considers Approval of the Ordinance (1<sup>st</sup> Reading) September 12, 2023
- Final Board Approval of the Ordinance (2<sup>nd</sup> Reading) September 19, 2023
- Sale and Closing of Initial Tranche of FY24 COPs FY 2024

\*Please note that dates are estimated unless otherwise noted.



# Appendix



# FY22 and FY23 project statuses (as of 08.31.23)

Color	Description
Green	Project has MOU with DPW or construction is underway
Yellow	Scope confirmed, and MOU pending
Red	Project in design/planning

*\$ in millions*

Dept	Project	Appropriated	Status	Released	Disbursed
RED	City Hall HVAC	6.27	Green	6.27	
RED	City Hall Elevator	2.0	Green	2.0	
RED	1 S. Van Ness Bathroom	1.3	Green	1.3	0.1
RED	1 S. Van Ness Elevators	0.8	Green	0.8	
RED	1 S. Van Ness Fire Detection System	1.0	Red		
RED	Hall of Justice HVAC	4.8	Red	4.8	
DEM	Dispatch Floor Remodel (from contingency)	1.6	Green		
DPH	Laguna Honda Hospital Emergency Power	7.6	Green	7.6	
DT	Fiber Backbone	2.5	Green	2.5	1.7
DPW	Curb Ramps with Basements	7.0	Green	3.4	0.34
DPW	Infill Sidewalks in Bayview	2.0	Green	2.0	0.34
REC	Stow Lake ADA Improvements	0.9	Green	0.9	0.6

# Project statuses (cont.)

*\$ in millions*

Dept	Project	Appropriated	Status	Released	Disbursed
SHF	County Jail 2 Elevators	4.0			
SHF	County Jail 5 Security Electronics	4.45			
WAR	Davies Hall Elevators	4.4		0.5	
OEWD	SF Wholesale Produce Market	3.0		1.8	
DPW	Better Market Street (pedestrian and streetscape improvements)	3.0		3.0	
RED	City Hall - Roof Repairs and weatherproofing	2.5			
RED	Civic Center - Steam Loop Renewal	3.7		0.25	
RED	Underground Fuel Tank Replacements	9.2		0.8	
RED	25 VN – Elevator Controls	1.0		0.5	
RED	1650M – Chiller/Cooling Tower	0.5			
RED	50 Raymond – Exterior Siding Replacement	0.5		0.5	
RED	555 7th – Elevator Project	1.5		1.5	
RED	555 7th – Exterior Wood Siding Replacement and Paint	0.75		0.2	



# Project statuses (cont.)

*\$ in millions*

Dept	Project	Appropriated	Status	Released	Disbursed
DPH	Clinical Lab Systems	4.0		4.0	
DPH	ZSFG – Bldg 5 Kitchen Upgrade and HVAC Upgrade	1.5			
DPH	ZSFG – Fire alarm Backbone and Infrastructure	4.35			
DPH	ZSFG – Freight Elevator Modernization	1.15			
JUV	Youth Guidance Center Admin Bldg – Elevators	1.0			
MOD	Golden Gate Park ADA (Stanyan St. Curb, JFK Drive)	0.9		0.9	
REC	ADA Harding Park	0.9		0.9	0.05
SHF	425 7th St – Building Management System	1.4			
SHF	425 7th Street – Roof Replacement	3.4			
ART	Mission Cultural Center for Latino Arts Seismic Retrofit	9.6			
DPH	Laguna Honda Hospital Cooling Center	1.0			
OEWD	Innes Ave Rebuild	5.0		0.6	
DPW	Japantown Buchanan Mall Improvements	2.0		1.35	

# Project statuses (cont.)

\$ in millions

Dept	Project	Appropriated	Status	Released	Disbursed
<b>DPW</b>	Street Trees in Priority Areas	2.0		1.2	
<b>DT</b>	Fiber to Public Housing	2.5			
<b>WAR</b>	Opera House Roof Replacement	5.0			
<b>DPW</b>	Street Resurfacing	30		11.5	

No longer in the Critical Repairs and Recovery Stimulus Programs

<b>ART</b>	<i>AAACC – Seismic Cost Escalation (from contingency)</i>	<i>1.34</i>
<b>DPW</b>	<i>Sunset Boulevard Recycled Water Irrigation Improvements</i>	<i>2.1</i>
<b>DPH</b>	<i>Zuckerberg SF General New Childcare Center</i>	<i>1.5</i>
<b>DPW</b>	<i>Operations Yard Tenant Improvements &amp; HVAC</i>	<i>2.6</i>
<b>DPW</b>	<i>Lakeview and Lee Steps</i>	<i>0.5</i>
<b>JUV</b>	<i>Youth Guidance Center Admin Bldg – Exhaust Fans</i>	<i>0.5</i>
<b>RED</b>	<i>1099 Sunnydale – Boiler</i>	<i>0.4</i>
<b>SHF</b>	<i>County Jail 2 Fire Safety Systems</i>	<i>1.0</i>
<b>SHF</b>	<i>County Jail 5 Fire Safety Systems</i>	<i>0.5</i>