File No. 240980 **Committee Item No.** 12
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee **Date** November 13, 2024
Board of Supervisors Meeting **Date** _____

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Completed by: Brent Jalipa **Date** November 7, 2024
Completed by: Brent Jalipa **Date** _____

FILE NO. 240980 ORDINANCE NO.

RO# 97-05
SA# 25005

[Appropriation - GO Bond - $571,000,000 - Embarcadero Seawall 2024A - PRT - $124,000,000 - Earthquake Safety 2024D - DPW, PUC - $225,000,000 - Affordable Housing 2024C - MOHCD - $70,000,000 - Affordable Housing 2024D - MOHCD - $152,000,000 - FY2024-2025]

Ordinance appropriating a total $571,000,000 of General Obligation (GO) Bond proceeds, including: $124,000,000 of proceeds from Series 2024A Embarcadero Seawall GO Bonds to the Port of San Francisco (PRT) for planning, engagement, program management, pilot projects, Embarcadero early project pre-design, detailed design, construction, and a flood study with the United States Army Corps of Engineers; $225,000,000 from Series 2024B Earthquake Safety and Emergency Response GO Bonds to Department of Public Works (DPW) and the Public Utilities Commission (PUC) for Fire Department and Police facilities, and emergency firefighting water system improvements; $70,000,000 from Series 2024C Affordable Housing to the Mayor's Office of Housing and Community Development (MOHCD) for low-income, preservation and middle income, senior, and educator housing projects; $152,000,000 from Series 2024D Affordable Housing to the Mayor's Office of Housing and Community Development (MOHCD) for low-income, preservation, and victims and survivor housing projects in Fiscal Year (FY) 2024-2025; and placing these funds on Controller's Reserve pending receipt of bond proceeds.

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 appropriated to the Port of San Francisco, Department of Public Works, Public Utilities Commission, and Mayor's Office of Housing and Community Development for Fiscal Year 2024-2025.

SOURCES Appropriation

Embarcadero Seawall Series 2024A – Port of San Francisco

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10011124 - 0001 PO Seawall & Marginal Wharf Repair Project / 12672 PO Waterfront Resilience Progm	480111 Proceeds from GO Bonds	GO Bonds – Series 2024A Proceeds	$124,000,000
SOURCES Embarcadero Seawall Series 2024A				**$124,000,000**

Earthquake Safety and Emergency Response Series 2024B

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$183,789,325

26431 WTR CPF 2020 ESER S2024 / 232396 WTR01 Administration	10036892 - 0001 UW 2020 EFWS / 21593 Emergency Firefighting Water	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$41,210,675	
SOURCES Earthquake Safety and Emergency Response Series 2024B				**$225,000,000**	

Affordable Housing Series 2024C – Mayor's Office of Housing and Community Development

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041746 - 0001 - 2019 2019 HOUS GOB LOW INC 3rd / 22887 – 2019 HOUS GOB LOW INC 3rd	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$35,308,347
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041747 - 0001 - 2019 2019 HOUS GOB PRES MID 3rd / 22888 – 2019 HOUS GOB PRES MID 3rd	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$6,450,000
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041748 - 0001 - 2019 HOUS GOB SENIOR 3rd / 22889 – 2019 HOUS GOB SENIOR 3rd	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$5,200,000
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041749 - 0001 - 2019 HOUS GOB EDUC 3rd / 22890 – 2019 HOUS GOB EDUC 3rd	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$19,800,000

10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd - Proceeds Pool / 22891 – 2019 HOUS GOB COI 3rd	480111 Proceeds from GO Bonds	GO Bonds – Series 2024C Proceeds	$3,241,653
SOURCES Affordable Housing Series 2024C				**$70,000,000**

Affordable Housing Series 2024C – Mayor's Office of Housing and Community Development

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041751 - 0001 - 2024 HOUS GOB LOW INC 1st / 22892 – 2024 HOUS GOB LOW INC 1st	480111 Proceeds from GO Bonds	GO Bonds – Series 2024D Proceeds	$86,900,000
10574 – SR 24 AFFORD Housing S24D / 232065 MYR Housing & Community Dev	10041752 - 0001 - 2024 HOUS GOB PRES 1st / 22893 – 2024 HOUS GOB PRES 1st	480111 Proceeds from GO Bonds	GO Bonds – Series 2024D Proceeds	$29,750,000
10574 – SR 24 AFFORD Housing S24D / 232065 MYR Housing & Community Dev	10041755 - 0001 2024 HOUS GOB SURV 1st / 22897 – 2024 HOUS GOB SURV 1st	480111 Proceeds from GO Bonds	GO Bonds – Series 2024D Proceeds	$29,750,000

10574 – SR 24 AFFORD Housing S24D / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st - Proceeds Pool / 22894 – 2024 HOUS GOB COI 1st	480111 Proceeds from GO Bonds	GO Bonds – Series 2024D Proceeds	$5,600,000
SOURCES Affordable Housing Series 2024D				**$152,000,000**
Total GO Bond SOURCES				**$571,000,000**

Section 2. The uses of funding outlined below are herein appropriated to the Port of San Francisco, Department of Public Works, Public Utilities Commission, and Mayor's Office of Housing and Community Development for Fiscal Year 2024-2025.

USES Appropriation

Embarcadero Seawall Series 2024A – Port of San Francisco

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10011124 - 0001 PO Seawall & Marginal Wharf Repair Project / 12672 PO Waterfront Resilience Progm	567000 Bldgs, Struct& Imprv Proj - Budget	Seawall Earthquake Safety Projects	$119,267,000

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10034754 - 0001 PO Seawall Bond – Internal Audit / 12672 PO Waterfront Resilience Progm	581130 GF- CON Internal Audits	0.2% Allocation for the Controller's Audit Fund	$238,534
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10034755 - 0001 PO Seawall Bond – Cost of Issuance / 12672 PO Waterfront Resilience Progm	573110 Bond Issuance Cost - Unamortized	Cost of Issuance	$241,646
PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10034761 - 0001 PO Seawall Bond – GOBOC Fee / 12672 PO Waterfront Resilience Progm	581420 GF-Gen GOBOC 0.1% Recovery	0.1% Allocation for General Obligation Bond Oversight Committee	$120,470
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10034755 - 0001 Seawall Bond -Cost of Issuance / 12672 PO Waterfront Resilience Progm	573110 Bond Issuance Cost - Unamortized	Underwriter's Discount	$602,350

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
24024 PRT-CP 18 Emb Seawall GOB S24 / 232116 PRT Port Commission (Portwide)	10034755 - 0001 PRT Port Commission (Portwide) / 12672 PO Waterfront Resilience Progm	573110 Bond Issuance Cost - Unamortized	Reserve for Market Uncertainty	$3,530,000
USES Embarcadero Seawall Series 2024A				**$124,000,000**

Earthquake Safety and Emergency Response Series 2024B

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	567000 Bldgs, Struct& Imprv Proj - Budget	ESER 2024C Project Fund DPW	$175,397,315
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	581130 GF- CON Internal Audits	0.2% Allocation for the Controller's Audit Fund	$350,795

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
26431 WTR CPF 2020 ESER S2024 / 232396 WTR01 Administration	10036892 - 0001 UW 2020 EFWS / 21593 Emergency Firefighting Water	567000 Bldgs, Struct& Imprv Proj - Budget	ESER 2024C Project Fund PUC	$41,128,418
26431 WTR CPF 2020 ESER S2024 / 232396 WTR01 Administration	10036892 - 0001 UW 2020 EFWS / 21593 Emergency Firefighting Water	581130 GF- CON Internal Audits	0.2% Allocation for the Controller's Audit Fund	$82,257
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	581420 GF-Gen GOBOC 0.1% Recovery	0.1% Allocation for General Obligation Bond Oversight Committee Audits	$218,705
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	573110 Bond Issuance Cost - Unamortized	Cost of Issuance	$433,985

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	573110 Bond Issuance Cost - Unamortized	Underwriter's Discount	$1,093,525
15792 CPXCF 20 EQ SFTY&EMY RE S2024 / 207950 DPW BDC Budgetary	10036824 - 0002 PW ESER 2020 Master Project / 21569 PW ESER 2020 Program	573110 Bond Issuance Cost - Unamortized	Reserve for Market Uncertainty	$6,295,000
USES Earthquake Safety and Emergency Response Series 2024B				**$225,000,000**

Affordable Housing Series 2024C – Mayor's Office of Housing and Community Development

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041746 - 0001 - 2019 HOUS GOB LOW INC 3rd / 22887 – 2019 HOUS GOB LOW INC 3rd	539200 Loans Issued by City	Project Fund – Low-Income Housing	$35,308,347

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041747 - 0001 - 2019 HOUS GOB PRES MID 3rd / 22888 – 2019 HOUS GOB PRES MID 3rd	539200 Loans Issued by City	Project Fund – Preservation/ Middle-income	$6,450,000
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041748 - 0001 - 2019 HOUS GOB SENIOR 3rd / 22889 – 2019 HOUS GOB PRES MID 3rd	539200 Loans Issued by City	Project Fund – Senior Housing	$5,200,000
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041749 - 0001 - 2019 HOUS GOB EDUC 3rd / 22890 – 2019 HOUS GOB EDUC 3rd	539200 Loans Issued by City	Project Fund – Educator Housing	$19,800,000
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd / 22891 – 2019 HOUS GOB COI 3rd	581130 GF - CON Internal Audits	CSA 0.2% Controller's Audit Fund	$133,517

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd / 22891 – 2019 HOUS GOB COI 3rd	581420 GF - Gen GOBOC 0.1% Recovery	GO Bond Oversight Committee (CGOBOC)	$67,435
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd / 22891 – 2019 HOUS GOB COI 3rd	573110 Bond Issuance Cost - Unamortized	Cost of Issuance	$118,526
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd / 22891 – 2019 HOUS GOB COI 3rd	573110 Bond Issuance Cost - Unamortized	Underwriter's Discount	$337,175

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10573 – SR 19 AFFORD HOUSING 3rd S24 / 232065 MYR Housing & Community Dev	10041750 - 0001 - 2019 HOUS GOB COI 3rd / 22891 – 2019 HOUS GOB COI 3rd	573110 Bond Issuance Cost - Unamortized	Reserve for Market Uncertainty	$2,585,000
USES Affordable Housing Series 2024C				**$70,000,000**

Affordable Housing Series 2024D – Mayor's Office of Housing and Community Development

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041751 - 0001 - 2024 HOUS GOB LOW INC 1st / 22892 – 2024 HOUS GOB LOW INC 1st	539200 Loans Issued by City	Project Fund – Low-Income Housing	$86,900,000
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041752 - 0001 - 2024 HOUS GOB PRES 1st / 22893 – 2024 HOUS GOB PRES 1st	539200 Loans Issued by City	Project Fund – Preservation	$29,750,000
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041755 - 0001 - 2024 HOUS GOB SURV 1st / 22897 – 2024 HOUS GOB SURV 1st	539200 Loans Issued by City	Project Fund – Survivors	$29,750,000

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st / 22894 – 2024 HOUS GOB COI 1st	581130 GF - CON Internal Audits	CSA 0.2% Controller's Audit Fund	$292,800
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st / 22894 – 2024 HOUS GOB COI 1st	581420 GF - Gen GOBOC 0.1% Recovery	GO Bond Oversight Committee (CGOBOC)	$147,875
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st / 22894 – 2024 HOUS GOB COI 1st	573110 Bond Issuance Cost - Unamortized	Cost of Issuance	$294,950
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st / 22894 – 2024 HOUS GOB COI 1st	573110 Bond Issuance Cost - Unamortized	Underwriter's Discount	$739,375

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
10574 – SR 24 AFFORD HOUSING 1st S24 / 232065 MYR Housing & Community Dev	10041753 - 0001 - 2024 HOUS GOB COI 1st / 22894 – 2024 HOUS GOB COI 1st	573110 Bond Issuance Cost - Unamortized	Reserve for Market Uncertainty	$4,125,000
USES Affordable Housing Series 2024D				**$152,000,000**
Total GO Bond USES				**$571,000,000**

Section 3: The total uses of funding outlined above of $124,000,000 for Embarcadero Seawall Series 2024A; of $225,000,000 for Earthquake Safety and Emergency Response Series 2024B; of $70,000,000 for Affordable Housing Series 2024C; and of $152,000,000 for Affordable Housing Series 2024D; the total appropriation of $571,000,000 in GO Bond proceeds is placed on Controller's Reserve pending the receipt of actual proceeds from issuance of these General Obligation Bonds.

Section 4: 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.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____/s/_____
JON GIVNER
Deputy City Attorney

FUNDS AVAILABLE
GREG WAGNER, Controller

By: _____/s/_____
GREG WAGNER
Controller

Items 11-17 Files 24-0981, 24-0980, 24-0995, 24-0996, 24-0997, 24-0998, 24-0999	Department: Office of Public Finance, Public Works, Police, Fire, Mayor's Office of Housing & Community Development, Port, Public Utilities Commission

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolutions authorize the sale of general obligation bonds, including: (a) $124 million for 2018 Embarcadero Seawall Bond projects, (b) $225 million for 2020 Earthquake Safety and Emergency Response Bond projects, (c) $70 million for 2019 Affordable Housing Bond projects, and (d) $152 million of 2024 Affordable Housing Bond projects. Together, these bond sales total $571 million.
- The proposed ordinances (a) appropriate $571 million in bond proceeds for projects and transaction costs and (b) re-appropriates $6.8 million in accrued interest from other bond proceeds to provide funding for the SFPUC's work on the Emergency Firefighting Water System expansion project.

Key Points

- The Port intends to use bond proceeds to fund design work on five projects to improve the Embarcadero seawall and other earthquake safety projects along the Port-managed waterfront.
- The Department of Public Works is using bond proceeds to construct a new fire training facility in the Bayview, replace Ingleside Police Station, construct a temporary "surge" facility for Ingleside Police Station staff during construction, and together with the SFPUC, expand the City's Emergency Firefighting Water System.
- MOHCD plans to use bond funding to provide long-term financing for low-income housing projects. A portion of the funding is designed for seniors, educators, survivors of violence, and for housing preservation projects.

Fiscal Impact

- The Office of Public Finance estimates that the proposed bond sales would result in an average annual debt service cost of approximately $45,420,000. Over the anticipated 20-year life of the bonds, the total debt service is estimated at $885,264,000.
- Bonds are repaid by special property taxes. The proposed transactions comply with the City's debt limit policy and property tax rate policy, which limits property taxes for debt to no more than $0.1201 per $100 of assessed value.

Recommendations

- Approve the proposed resolutions and ordinances.

MANDATE STATEMENT

City Charter Section 9.106 states that the Board of Supervisors approves the issuance of general obligation bonds. Section 9.106 also limits outstanding general obligation bond indebtedness to three percent of the assessed value of all taxable real and personal property located within the City.

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

The proposed resolutions and ordinances pertain to four general obligation bonds approved by voters, including:

- **2018 Embarcadero Seawall Earthquake Safety:** Proposition A (November 2018) authorized $425 million to fund seawall and earthquake safety projects. The bond program developed by City staff includes (a) $416.1 million for design and construction work for seawall improvement and flood resilience projects (b) $8.9 million for a US Army Corp of Engineers flood study.
- **2020 Earthquake Safety & Emergency Response:** Proposition B (March 2020) authorized $628.5 million to fund earthquake safety and emergency response projects. The bond program developed by City staff includes (a) $153.5 million for the Emergency Firefighting Water System, (b) $275 million for Fire Department facilities, (c) $121 million for Police facilities, (d) $70 million for upgrading the Kezar Pavilion into a disaster relief facility, and (e) $9 million for upgrades to the 911 call center at 1011 Turk Street.
- **2019 Affordable Housing:** Proposition A (November 2019) authorized $600 million for affordable housing programs, including: (a) $150 million for public housing renovations, (b) $220 million for low-income housing, (c) $30 million for preserving existing affordable housing, (d) $30 million for middle-income housing, (e) $150 million for senior housing, and (f) $20 million for educator housing.
- **2024 Affordable Housing:** Proposition A (March 2024) authorized $300 million for affordable housing programs, including: (a) $240 million for low-income housing, (b) $30 million for preserving existing affordable housing, and (c) $30 million for housing that prioritizes victims/survivors of violence.

Exhibit 1 below shows the total debt authorized by voters, previously approved bond sales, the amounts of the proposed bond sales, and the remaining authorizations.

Exhibit 1: General Obligation Bond Authorizations and Issuances

Bond	Authorization	Issued	Remaining Authorization	Proposed Sales	Proposed Remaining Authorization
2018 Seawall	$425,000,000	$88,695,000	$336,305,000	$124,000,000	$212,305,000
2020 ESER	$628,500,000	$167,805,000	$460,695,000	$225,000,000	$235,695,000
2019 Affordable Housing	$600,000,000	$425,365,000	$174,635,000	$70,000,000	$104,635,000
2024 Affordable Housing	$300,000,000	$0	$300,000,000	$152,000,000	$148,000,000
Total	**$1,953,500,000**	**$681,865,000**	**$1,271,635,000**	**$571,000,000**	**$700,635,000**

Source: Office of Public Finance

DETAILS OF PROPOSED LEGISLATION

Resolutions Approving Issuance and Sale of General Obligation Bonds

File 24-0995: The proposed resolution would authorize a sale of the 2018 Embarcadero Seawall Bond with a not-to-exceed amount of $124,000,000, Series 2024A.

File 24-0996: The proposed resolution would authorize a sale of the 2020 Earthquake Safety and Emergency Response Bond with a not-to-exceed amount of $225,000,000, Series 2024B.

File 24-0997: The proposed resolution would authorize a sale of the 2019 Affordable Housing Bond with a not-to-exceed amount of $70,000,000, Series 2024C.

File 24-0998: The proposed resolution would authorize a sale of the 2024 Affordable Housing Bond with a not-to-exceed amount of $152,000,000, Series 2024D.

Each 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.

File 24-0999: The proposed resolution would provide for the issuance of $300,000,000 of the 2024 Affordable Housing Bond. Individual bond sales are subject to separate Board of Supervisors approval.

Appropriation Ordinances

File 24-0980: The proposed ordinance appropriates the following bond proceeds and places these funds on Controller's Reserve pending receipt of bond funds.

- $124 million of proceeds from Series 2024A 2018 Embarcadero Seawall Bond to the Port for program management, design work for various seawall and flood resilience projects, and a flood study performed by the U.S. Army Corps of Engineers.
- $225 million of proceeds from Series 2024B Earthquake Safety and Emergency Response Bond proceeds to the Department of Public Works and Public Utilities Commission for the Emergency Firefighting Water System, a Fire Department training facility, and replacement of Ingleside Police Station.
- $70 million of proceeds from Series 2024C 2019 Affordable Housing Bond proceeds for the Mayor's Office of Housing and Community Development for funding low-income, middle income, educator, and senior housing projects.
- $152 million of proceeds from Series 2024D 2024 Affordable Housing Bond proceeds for the Mayor's Office of Housing and Community Development for funding low-income, preservation, and housing projects for victims of violence.

File 24-0981: The proposed ordinance appropriates $6,181,212.25 in interest earned from unspent bond proceeds from 2010 and 2014 Earthquake Safety and Emergency Response general obligation bonds to the SFPUC. Of that $641,461.49 would be placed on Controller's Reserve pending environmental approval of projects.

Both the 2010 and 2014 ESER bonds included funding for DPW and SFPUC to expand the City's Emergency Firefighting Water System. Although most of the bond proceeds for the related bond sales have been spent, interest has accrued on the fund balance over time, which totaled $10.5 million for the SFPUC portion of the program as of September 2024. The proposed appropriation would provide spending authority for $6.2 million of the $10.5 million in interest earnings for 2024 projects.

According to SFPUC staff, this funding will be used for planning and design work on 2024 Emergency Firefighting Water System projects during FY 2024-25 and FY 2025-26.

Bond Characteristics

The proposed resolutions authorize the Director of Public Finance (or Controller or their designee) to determine the sale date, interest rates, principal amount, and maturity dates of the bonds, subject to the following conditions: (1) the true interest cost shall not exceed 12 percent;

and (2) the bonds have a maximum maturity date no later than 30 years after the date of issuance.

The proposed bonds will be structured as either tax-exempt and/or taxable depending on eligibility of project expenditures for tax exemption and/or market conditions.

Finally, the Office of Public Finance intends to pursue a competitive sale of the proposed bonds. However, a negotiated sale may be pursued if the bond structure or market conditions make a negotiated sale preferable. For that reason, the proposed resolutions include form bond purchase contracts.

Proposed Uses of Bond Funds

Exhibit 2 below summarizes the proposed uses of the proposed bond proceeds. The appropriation ordinance provides spending authority for the bond proceeds and transaction costs; it is not controlled at the project level, which is shown in the table below for context.

Exhibit 2: Series 2024ABCD Bond Appropriation Proposed Uses

Series	2024A	2024B	2024C	2024D	
GO Bond	**2018 Seawall**	**2020 ESER**	**2019 Housing**	**2024 Housing**	**Totals**
Proceeds	124,000,000	225,000,000	70,000,000	152,000,000	571,000,000
Uses					
Wharf J 9 Replacement	11,200,000	-	-	-	11,200,000
Downtown Coastal Resilience	22,900,000	-	-	-	22,900,000
Pier 24.5 to 28.5 Earthquake Safety	11,200,000	-	-	-	11,200,000
Pier 9 Seawall Earthquake Safety	25,500,000	0	-	-	25,500,000
Pier 15 Earthquake Safety	7,000,000	0	-	-	7,000,000
US Army Corp Eng. Flood Study	20,000,000				20,000,000
Port Program Costs	21,467,000	0	-	-	21,467,000
Emergency Firefighting Water System	-	41,128,418	-	-	41,128,418
Fire Training Facility	-	88,255,521	-	-	88,255,521
Ingleside Police Station Renovation & Temp. Facility		87,141,794	-	-	87,141,794
Low-Income Housing: 1515 S. Van Ness	-	-	35,308,347		35,308,347
Low-Income Housing: Sunnydale	-	-	-	41,025,000	41,025,000
Low-Income Housing: Balboa Reservoir	-	-	-	45,875,000	45,875,000
Downpayment Assistance	-	-	6,450,000	-	6,450,000
Housing Preservation	-	-	-	29,750,000	29,750,000
Senior Housing: 967 Mission	-	-	5,200,000	-	5,200,000
Educator Housing: 750 Golden Gate	-	-	19,800,000	-	19,800,000
Survivor Housing	-	-	-	29,750,000	29,750,000
Subtotal, Bond Proceeds for Projects	**119,267,000**	**216,525,733**	**66,758,347**	**146,400,000**	**548,951,080**
CON Audit	238,534	433,052	133,517	292,800	1,097,903
Oversight Committee	120,470	218,705	67,435	147,875	554,485
Cost of Issuance	241,646	433,985	118,526	294,950	1,089,107
Underwriters Discount	602,350	1,093,525	337,175	739,375	2,772,425
Reserve for Market Uncertainty	3,530,000	6,295,000	2,585,000	4,125,000	16,535,000
Total Uses	**124,000,000**	**225,000,000**	**70,000,000**	**152,000,000**	**571,000,000**

Source: Appropriation Ordinance (File 24-0980), Port, Public Works, MOHCD

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

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

Bond Projects

Seawall Projects

The Port intends to use bond proceeds to fund design work on five projects to improve the Embarcadero seawall and other earthquake safety projects along the Port-managed waterfront. In addition, the Port is co-funding a study with the US Army Corps of Engineers to assess the flood risk and sea level rise in San Francisco through 2140. The study, which costs $8.9 million, will

inform a request for federal funding for waterfront improvements in 2026.[1] The proposed bond sale also funds design analysis for the flood resilience plan that will be presented to federal authorities.

Earthquake Safety & Emergency Response (ESER)

The Department of Public Works is using bond proceeds to construct a new fire training facility in the Bayview, replace Ingleside Police Station, construct a temporary "surge" facility for Ingleside Police Station staff during construction, and together with the SFPUC, expand the City's Emergency Firefighting Water System.

Further detail about ESER and Port bond projects and their status is included as an attachment to this report. Non-construction contracts that exceed $10 million or ten years will be subject to Board of Supervisors approval.

Housing Projects

MOHCD plans to use bond funding to provide gap financing for the following low-income housing projects: 1515 South Van Ness, Sunnydale HOPESF, and Balboa Reservoir, as well as for the 967 Mission project for seniors and the 750 Golden Gate project for educators. The Department plans to issue a Notice of Funding availability to identify housing projects for survivors of violence. The Department reviews proposals for preservation projects on a rolling basis. Any loan agreements that exceed $10 million or ten years will be subject to Board of Supervisors approval.

Bond Accountability Report Waived

Each of the proposed bond resolutions for the proposed bonds waives the deadline for submission of the Bond Accountability reports under Admin Code Section 2.71(a) and 2.71(b), which states that such reports should be submitted to the Board of Supervisors 60 days prior to the approval of the relevant bond appropriation and/or sale. Bond Accountability Reports include details on the spending of previously approved bond sales and details on the projects proposed to be funded with new bond sales.

As of this writing, all three departments, the Mayor's Office of Housing and Community Development, Port, Public Works, have or plan to submit drafts of their bond accountability reports to the Office of Public Finance prior to the November 13, 2024 Budget & Finance Committee meeting.

FISCAL IMPACT

Annual Debt Service

Based on an estimated interest rate of 5.15 percent, the Office of Public Finance estimates that this would result in an average annual debt service cost of approximately $45,420,000. Over the anticipated 20-year life of the bonds, the total debt service is estimated at $885,264,000. The

[1] The total estimated cost of protecting the Port-managed waterfront from sea level rise is $13.5 billion in today's dollars. If federal funding is approved, the City share would be 35 percent or $4.7 billion.

estimated debt service is comprised of approximately $330,780,000 in interest payments and $554,485,000 of principal repayments.

Debt Limit

The proposed bond sales comply 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 October 1, 2024, the City had outstanding general obligation bond debt of approximately $2.23 billion, which equals approximately 0.63 percent of the City's assessed valuation. If the Board of Supervisors approves the proposed bonds, the debt ratio would increase to 0.79 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 1.08 percent of the net assessed value of property in the City.

Property Tax Rates

General obligation bond debt service is paid for by special property taxes. 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 is in compliance with this financial policy.

RECOMMENDATIONS

Approve the proposed resolutions and the proposed ordinance.

#	Bond Program	Component	Project(s)	Description	Est. Completion Date (i)	Current Status	Proposed Uses 2024 3rd Issuance GO Bond	Proposed 2024 3rd Issuance GO Bond Amount	Total Estimated GO Bond Project Costs	Total GO Bond Project Costs Spent to Date (ii)	Total % Spent (Total Estimated Cost)
1	2020 ES	**Emergency Firefighting Water System (EFWS)**	Potable Emergency Firefighting Water Systems ("PEFWS") - pipelines and pump stations (west side of the City), Fireboat Manifolds.	Expand (P)EFWS by approx. five pipeline miles and plan for new pumping facilities; Extend the EFWS along Marin St along Evans Ave, and install high- pressure fire hydrants and high-pressure valves; Install new manifold in Mission Bay to allow fireboats to pump seawater into EFWS, and relocate/improve existing manifolds/connector pipelines at Fort Mason & Pier 33.5.	Sept 2029	Potable Emergency Firefighting Water System (PEFWS): Planning and design (for pipelines and pump station improvements); Fireboat Manifolds: design phase; construction schedule will be developed in 2025-2026	Planning and design efforts for additional PEFWS projects, fireboat manifold projects, hydraulic modeling, and EFWS pipeline extension along Marin St.	41,128,418	151,170,852	22,575,738	15%
2	2020 ES	**Neighborhood Fire Stations & Support Facilities**	SFFD Division of Training (formerly referred to as the Fire Training Facility)	Construct new SFFD Division of Training facility at 1236 Carroll Avenue (classrooms, live-fire training, equipment training, and emergency medical services (EMT) training). New facility will replace the existing training facility in the Mission District & on Treasure Island, which SFFD must vacate.	Aug 2028	Design phase (design development)	Completion of design, pre-construction services, and partial construction efforts.	88,255,521	270,827,260	46,674,115	17%
3	2020 ES	**District Police Stations & Support Facilities**	Ingleside Station, Surge Facility, Mission Station	Ingleside Police Station replacement project; Construct temporary "Surge" facility at 1828 Egbert Ave, for Ingelside Police staff while in construction; Voluntary structural improvements & shower resoration/waterproofing and ADA improvements at Mission Police Stn.	Ingleside: Dec 2028; Surge: April 2026; Mission: completed Sept 2023	Ingleside: Design phase (schematic); Surge: Design phase (construction docs); Mission: project complete	Completion of design, permitting, and construction for Ingleside Police Station.	87,141,794	119,163,994	10,134,087	9%
								216,525,733	**541,162,106**	**79,383,940**	0

#	Bond	Program	Project	Description	Est. Completion Date	Status	Proposed 2024 GO Bond Amount	Total Estimated Project Costs	Total Project Costs Spent to Date
1	2018 Seawall	Labor	N/A	Port labor for program management	N/A	On going	$4,900,000	TBD	$9.0M
2	2018 Seawall	US Army Corp of Engineer	N/A	USACE FLood Study and project planning/design	N/A	On going. USACE Chief's report due to Congress summer 2026.	$20,000,000	TBD	$6.9M
3	2018 Seawall	Program Advisory Services	N/A		2030	RFP to go out late 2024	$10,600,000	$42.5M	$0.0M
4	2018 Seawall	Enviornmental Impact Rep	California Environmental Quality Act	CEQA Environmental Impact Report	2026	Contract to award late 2024	$3,000,000	$4.0M	$0.0M
5	2018 Seawall	Final Design - Early Project	Wharf J 9 Replacement Project	Replacement of the deteriorating wharf and seawall in Fisherman's Wharf	2028-2030	Predesign complete. FInal design to sart in 2025.	$11,200,000	$50M-$80M	$1.7M
6	2018 Seawall	Final Design - Early Project	Downtown Coastal Resilience Project	Flood defense and seismic improvement in the Financial District & South Beach	2029-2032	Predesign to be complete in 2026.	$22,900,000	$250M-$1B	$2.3M
7	2018 Seawall	Final Design - Early Project	Pier 24.5 to 28.5 Earthquake Safety Project	Improve seawall along Piers 24.5 - 28.5	2029-2031	Predesign to be complete in 2026.	$11,200,000	$100M-$300M	$1.0M
8	2018 Seawall	Final Design - Early Project	Pier 9 Seawall Earthquake Safety Project	Improve earthquake safety and disaster response capability for Pier 9, which sits upon the century old seawall	2027-2028	Predesign complete. FInal design to sart in 2025.	$25,500,000	$20M-$30M	$0.9M
9	2018 Seawall	Final Design - Early Project	Pier 15 Earthquake Safety Project	Improve earthquake safety and disaster response capability for Pier 15, which sits upon the century old seawall	2027-2028	Predesign complete. FInal design to sart in 2025.	$7,000,000	$7M-$10M	$0.6M
10	2018 Seawall	Other City Dept & Other G	N/A	As-needed services	N/A	On going	$3,000,000	TBD	$0.5M

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
Keith Sevigny, Office of Public Finance

DATE: Tuesday, October 8, 2024

SUBJECT: Ordinance Appropriating $571,000,000 of the Series 2024ABCD General Obligation Bond Proceeds

Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Embarcadero Seawall, 2018) Series 2024A in an amount not to exceed $124,000,000

Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Earthquake Safety & Emergency Response, 2020) Series 2024B in an amount not to exceed $225,000,000

Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Affordable Housing, 2019) Series 2024C in an amount not to exceed $70,000,000

Resolution Authorizing the Issuance and Sale of General Obligation Bonds (Affordable Housing, 2024) Series 2024D in an amount not to exceed $152,000,000

Resolution Providing for the Issuance of not to exceed $300,000,000 Aggregate Principal Amount of City and County of San Francisco General Obligation Bonds (Affordable Housing, 2024)

Recommended Action:
We respectfully request that the Board of Supervisors (the "Board") consider for review and adoption the resolutions authorizing the issuance and approving the sale of general obligation ("GO") bonds for the following bond programs: 1) For the 2018 Embarcadero Seawall bond program, a third issuance in

an amount not to exceed $124,000,000 (the "2024A Bonds"); 2) For the 2020 Earthquake Safety and Emergency Response ("ESER") bond program, a third issuance in an amount not to exceed $225,000,000 (the "2024B Bonds"); 3) For the 2019 Affordable Housing bond program, a third issuance in an amount not to exceed $70,000,000 (the "2024C Bonds"); 4) for the 2024 Affordable Housing bond program, a first issuance in an amount not to exceed $152,000,000 (the "2024D Bonds"); and 5) for the 2024 Affordable Housing bond program, an authorizing resolution allowing the issuance of bonds from the $300,000,00 program.

In connection with this request, a supplemental appropriation ordinance to appropriate the bond proceeds, and related supporting documents are expected to be introduced at the Board of Supervisors meeting on Tuesday, October 8, 2024. We will request that the items be heard at the scheduled Budget and Finance Committee meeting on October 30, 2024.

Background

On November 6, 2018, a two-thirds majority of voters of the City and County of San Francisco (the "City") approved Proposition A, the Embarcadero Seawall Earthquake Safety General Obligation Bond. Proposition A authorized the sale of up to $425,000,000 of general obligation bonds to finance the construction, reconstruction, acquisition, improvement, demolition, seismic strengthening and repair of the Embarcadero Seawall and other critical infrastructure. The purpose of the program is to protect the waterfront, BART and Muni, buildings, historic piers, and roads from earthquakes, flooding, and rising seas by: repairing the 100-year-old Embarcadero Seawall; strengthening the Embarcadero; and fortifying transit infrastructure and utilities serving residents and businesses. From this authorization, $88,695,000 of bonds have been issued to date, and $336,305,000 remains unissued.

On March 3, 2020, a two-thirds majority of voters of the City approved Proposition B, the San Francisco Earthquake Safety and Response General Obligation Bond. Proposition B authorizes the sale of up to $628,500,000 of general obligation bonds to fund capital projects including: (i) renovation, expansion and seismic upgrading of the City's Emergency Firefighting Water System; (ii) improvement and rehabilitation of neighborhood fire stations and replacement of the firefighter training facility currently located on Treasure Island; (iii) seismic, safety and operations improvements to district police stations and City-owned Police Department support facilities; (iv) upgrading or replacement of critical City-owned disaster response facilities; and (v) expansion of the City's 9-1-1 Emergency Call Center. From this authorization, $167,805,000 of bonds have been issued to date, and $460,695,000 remains unissued.

On November 5, 2019, a two-thirds majority of voters of the City approved Proposition A, the San Francisco Affordable Housing General Obligation Bond. Proposition A authorizes the sale of up to $600,000,000 of general obligation bonds to finance the construction, development, acquisition, and preservation of housing, affordable to extremely-low, low and middle-income households through programs that will prioritize vulnerable populations in the City and prevent the displacement of residents; to repair and reconstruct distressed and dilapidated public housing developments and their underlying infrastructure; to assist the City's middle-income residents or workers in obtaining affordable rental or home ownership opportunities including down payment assistance and support for new construction of affordable housing for San Francisco Unified School District and City College

of San Francisco employees; and to pay related costs. From this authorization, $425,365,000 of bonds have been issued to date, and $174,635,000 remains unissued.

On March 5, 2024, a two-thirds majority of voters of the City approved Proposition A, the San Francisco Affordable Housing General Obligation Bond. Proposition A authorizes the sale of up to $300,000,000 of general obligation bonds to finance the construction, development, acquisition, and/or rehabilitation of rental housing, including workforce housing and senior housing, that will be affordable to households ranging from extremely low-income to moderate-income households; and to pay related costs. The proposed issuance would be the first issuance under the authorization.

Financing Parameters

The proposed legislation will approve the issuance and sale of the Series 2024A, 2024B, 2024C and 2024D bonds (together the "Series 2024ABCD Bonds") under 2018 Embarcadero Seawall Proposition A, 2020 Earthquake Safety and Emergency Response Proposition B, 2019 Affordable Housing Proposition A, and 2024 Affordable 'Housing Proposition A, and appropriation of the bond proceeds from the sale. Table 1 below outlines the sources and uses for the Series 2024ABCD Bonds, based on an estimate provided by Public Resources Advisory Group, a municipal advisory firm registered with the Municipal Securities Rulemaking Board (MSRB). The information below is intended to advise the Board of Supervisors regarding the proposed financing in accordance with Section 5852.1 of the California Government Code.

Table 1: Estimated Sources & Uses of the Series 2024ABCD Bonds

Estimated Sources:	Series 2024A (2018 Embarcadero Seawall)	Series 2024B (2020 Earthquake Safety & Emergency Response)	Series 2024C (2019 Affordable Housing)	Series 2024D (2024 Affordable Housing)	Total
Not-to-Exceed Par Amount	$124,000,000	$225,000,000	$70,000,000	$152,000,000	$571,000,000
Estimated Par	$120,470,000	$218,705,000	$67,435,000	$147,875,000	$554,485,000
Reserve for Market Uncertainty	$3,530,000	$6,295,000	$2,565,000	$4,125,000	$16,515,000
Total Sources	**$124,000,000**	**$225,000,000**	**$70,000,000**	**$152,000,000**	**$571,000,000**
Estimated Uses:					
Project Fund Deposit					
Project Fund	$119,267,000	$216,525,733	$66,758,347	$146,400,000	$548,951,080
CSA Audit Fee	$238,534	$433,052	$133,517	$292,800	$1,097,902
Total Project Fund Deposits	**$119,505,534**	**$216,958,785**	**$66,891,864**	**$146,692,800**	**$550,048,982**
Delivery Date Expenses					
Cost of Issuance	$241,646	$433,985	$138,526	$294,950	$1,109,108
CGOBOC Fee	$120,470	$218,705	$67,435	$147,875	$554,485
Underwriter's Discount	$602,350	$1,093,525	$337,175	$739,375	$2,772,425
Total Delivery Date Expenses	**$964,466**	**$1,746,215**	**$543,136**	**$1,182,200**	**$4,436,018**
Reserve for Market Uncertainty	$3,530,000	$6,295,000	$2,565,000	$4,125,000	$16,515,000
Total Uses	**$124,000,000**	**$225,000,000**	**$70,000,000**	**$152,000,000**	**$571,000,000**

Source: Public Resources Advisory Group

Based upon an estimated market interest rate of 5.18% for the Series 2024ABCD Bonds, the Office of Public Finance estimates that this would result in an average annual debt service cost of about $45,420,000. The anticipated par amount of $554,485,000 is estimated to generate about $330,780,000 in interest payments, resulting in approximately $885,264,000 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 2024ABCD Bonds are included in the Bond Accountability Reports to be prepared by the Port of San Francisco, Mayor's Office of Housing and Community Development, Department of Public Works, and Public Utilities Commission. 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 2024ABCD Bonds will be recovered through increases in the annual property tax rate, which is estimated to average $0.01293 per $100 of assessed value or $12.93 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 $76.67 per year if the proposed amount of $554,485,000 of Series 2024ABCD 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 on the basis of 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 October 1, 2024, the City had outstanding approximately $2.23 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.63% of the net assessed valuation for fiscal year 2024-25. If all of the City's voter-authorized and unissued general obligation bonds were issued, the total debt burden would be 1.08% of the net assessed value of property in the City. If the Board of Supervisors approves the issuance of the Series 2024ABCD Bonds and they are issued, the debt ratio would increase by approximately 0.16%, to 0.79% — 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 a 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 of Supervisors approves the issuance of the Series 2024ABCD 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 ordinance and resolutions are expected to be introduced at the Board of Supervisors meeting on Tuesday, October 8, 2024. The forms of the related financing documents — including the Bond Purchase Contract, Preliminary Official Statement, Appendix A, the 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 2024ABCD 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 2024ABCD 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 2024ABCD 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 2024ABCD Bonds. Pursuant to the Resolutions, 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 2024ABCD 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 2024ABCD Bonds. The Official Statement describes the Series 2024ABCD Bonds, including sources and uses of funds; security for the Series 2024ABCD 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 2024ABCD Bonds.

A *Preliminary Official Statement* is distributed to prospective bidders prior to the sale of the Series 2024ABCD Bonds and 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 2024ABCD 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 material financial and other material information available.

Board members have a responsibility under federal securities laws to ensure that staff is aware of unique information that Board members may 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 Resolutions, approve and authorize the use and distribution of the Official Statement by the financial advisor with respect to the Series 2024ABCD 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. The 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 Resolutions, City staff will revise the Official Statement, including the 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 2024ABCD Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Financing Timeline

Milestones:	Dates*:
Capital Planning Committee Hearing of Resolutions	Oct 7 & Oct 21
Board of Supervisors (BoS) Introduction	October 8
Budget & Finance Committee Hearing	October 30
BoS Consideration of Resolutions and First Reading of Ordinance	November 5
BoS Second Reading of Ordinance	November 19
Estimated Sale & Closing	December 2024

**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.

From:	Trejo, Sara (MYR)
To:	BOS Legislation, (BOS)
Cc:	Paulino, Tom (MYR); Trivedi, Vishal (CON); GIVNER, JON (CAT); Van Degna, Anna (CON)
Subject:	Mayor -- Ordinance -- Appropriation – General Obligation Bond Proceeds
Date:	Tuesday, October 8, 2024 4:09:19 PM
Attachments:	Appropriation – General Obligation (GO) Bond Proceeds - $571,000,000.docx Appropriation – General Obligation (GO) Bond Proceeds - $571,000,000.pdf RE Appropriation General Obligation (GO) Bond Proceeds - $571000000.msg OPF Board of Supervisors Memo - 2024ABCD ESER Seawall Aff Housing vF 10082024.pdf RE_ For Approval_ Appropriation – General Obligation (GO) Bond Proceeds - $571,000,000 - CAT Approval.pdf RE_ For Approval_ Appropriation – General Obligation (GO) Bond Proceeds - $571,000,000 - CON Approval.pdf

Hello Clerks,

Attached is an Ordinance appropriating a total $571,000,000 of GO Bond proceeds, including: $124,000,000 of proceeds from Series 2024A Embarcadero Seawall GO Bonds to the Port of San Francisco (PRT) for planning, engagement, program management, pilot projects, Embarcadero early project pre-design, detailed design, construction, and a flood study with the United States Army Corps of Engineers; $225,000,000 from Series 2024B Earthquake Safety and Emergency Response GO Bonds to Department of Public Works (DPW) and the Public Utilities Commission (PUC) for Fire Department and Police facilities, and emergency firefighting water system improvements; $70,000,000 from Series 2024C Affordable Housing to the Mayor's Office of Housing and Community Development (MOHCD) for low-income, preservation and middle income, senior, and educator housing projects; $152,000,000 from Series 2024D Affordable Housing to the Mayor's Office of Housing and Community Development (MOHCD) for low-income, preservation, and victims and survivor housing projects in Fiscal Year (FY) 2024-2025; and placing these funds on Controller's Reserve pending receipt of bond proceeds.

We respectfully request a 30-day waiver for this Ordinance. This item must be heard at the Budget & Finance Committee on October 30th in order to move forward with the bond issuance and receive proceeds by the end of the calendar year.

Best regards,

Sara Trejo
Legislative Aide
Office of the Mayor
City and County of San Francisco