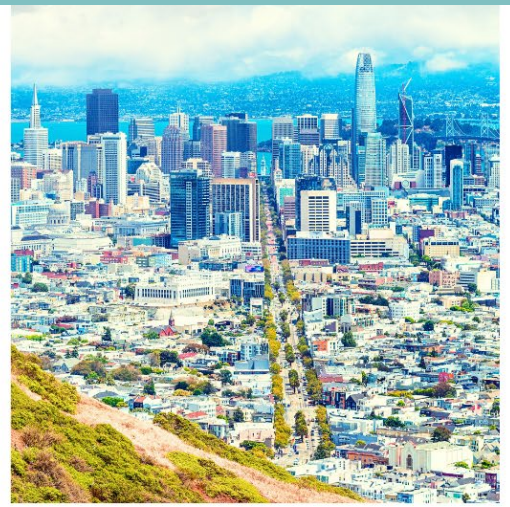


2024ABCD General Obligation Bond Sale Resolutions and Appropriation Ordinance

Budget & Finance Committee

November 13, 2024

2018 Embarcadero Seawall Earthquake Safety Bond

Program Update & Third Issuance Request

Brad Benson

Port of San Francisco

Waterfront Resilience Program

Bond Sale #3 Spend Down

Scope	2025	2026	2027	Total
WRP Program Management (PRT)	$1.9	$2.0	$1.0	$4.9
Program Advisory Services	$2.4	$5.3	$2.9	$10.6
Environmental Impact Report	$1.0	$1.3	$0.7	$3.0
Planning & Predesign (USACE)	$5.0	$10.0	$5.0	$20.0
Embarcadero Early Projects	$23.9	$33.2	$20.7	$77.8
City Agencies	$0.7	$0.9	$1.4	$3.0
Cost of Issuance	$4.7	-	-	$4.7
	$17.2	$42.5	$64.3	$124.0

Early Projects

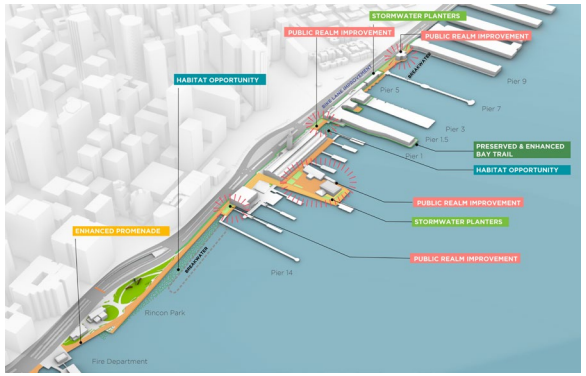
Port Executive decisions to advance projects to detailed design will occur at or before 10% Conceptual Design.

WHARF J9 REPLACEMENT & RESILIENT SHORELINE PROJECT – ($50M to $80M)
Replace Wharf J9 Seawall and Wharf to create an earthquake and flood resilient shoreline section in the FW Outer Lagoon; improve the public realm and waterfront access; provide benefits to the fishing fleet through ADA accessible off-boat fish sales; and improve emergency response. **Phase 1 $7 M Project under construction.**

PIER 15 BULKHEAD & WHARF EQ SAFETY RETROFIT PROJECT – ($7M to $10M)
Improve earthquake safety by retrofitting bulkhead wall and wharf. Provide reliable access across Seawall to deepwater berths. Keep the Exploratorium open during construction.

PIER 9 BULKHEAD & WHARF EQ SAFETY RETROFIT PROJECT – ($20M to $30M)
Improve earthquake safety by retrofitting bulkhead wall and wharf to reduce damage and risk of collapse. Provide reliable access across Seawall to deepwater berths.

Early Projects



DOWNTOWN COASTAL RESILIENCE PROJECT– ($250 M - $1 B)
Flood defenses for multi-modal transit corridor, BART and Muni, and historic resources. 1st implementation action for the USACE Recommended Plan.

Pending $50 M FEMA BRIC award. **Potential credit towards USACE 35% Local Match.**

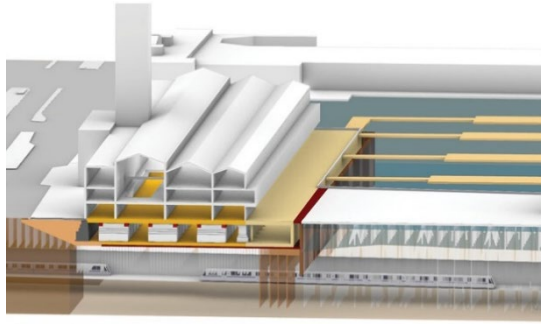
SOUTH BEACH RESILIENCE PROJECT ($100M to $300M)
Improve earthquake and flood resilience by strengthening or replacing seawall and bulkhead wharves from Pier 24½ to Pier 30/32. Possible 1st implementation action for USACE Recommended Plan.

$7.8 M Coastal Conservancy Grant to help fund design, including Piers 30-32. **Potential credit towards USACE 35% Local Match.**

PIER 50 EARTHQUAKE SAFETY PROJECT– (TBD)
Improve earthquake resilience by strengthening Pier 50 Port maintenance facility to support earthquake disaster response and recovery.

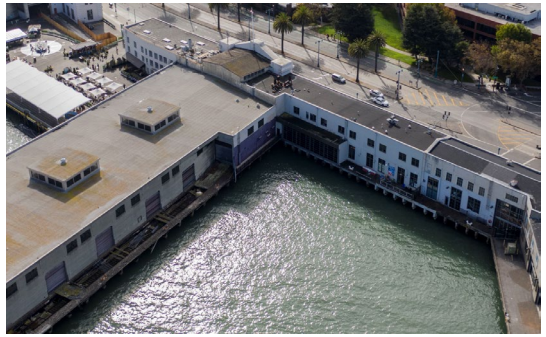
Early Projects

Projects Evaluated but Not Advancing Now



FERRY BUILDING SEAWALL & SUBSTRUCTURE EQ RELIABILITY PROJECT (TBD)

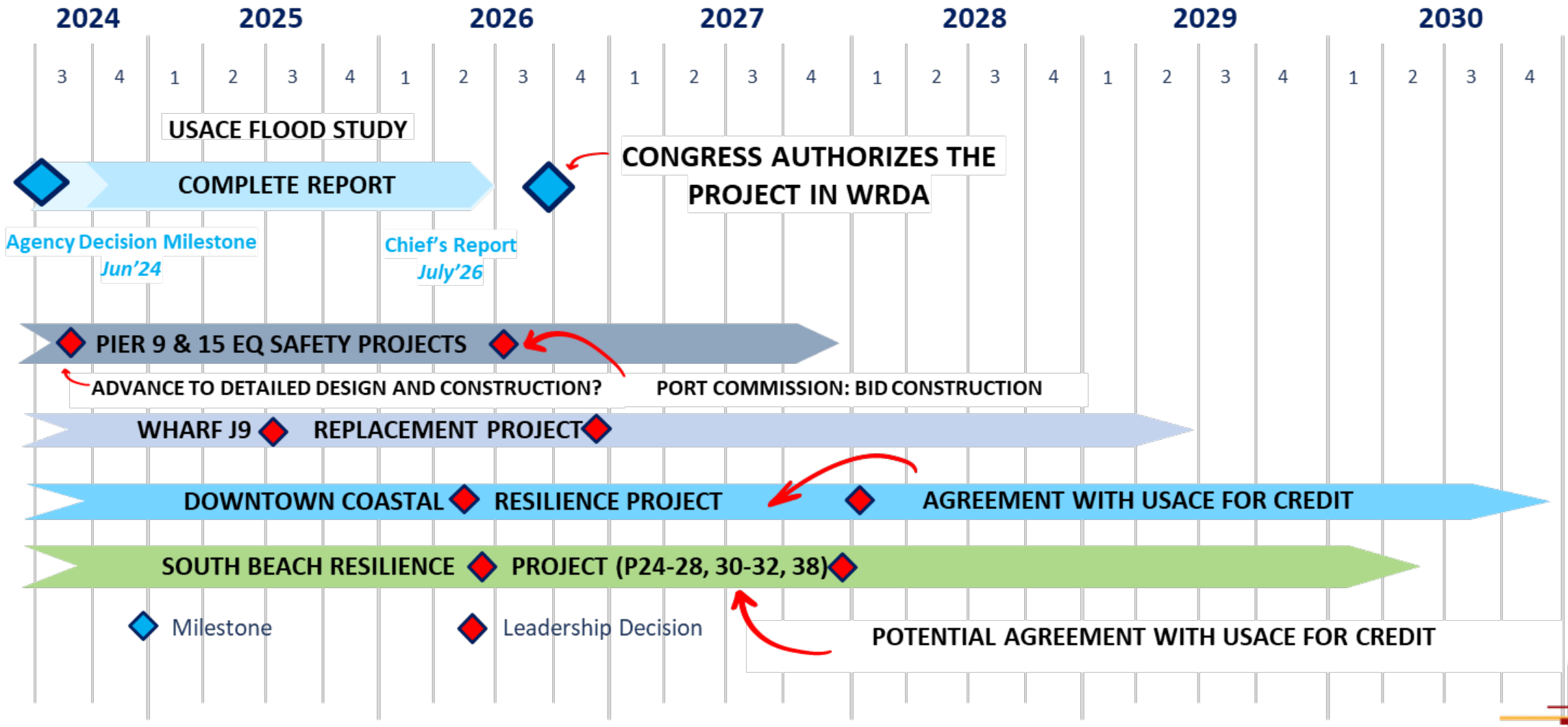
Improve earthquake safety in bulkhead zone and Promenade by reducing collapse risk. Full wharf replacement adaptable for SLR. Completed Alternatives Analysis. **Major project elements incorporated into USACE Draft Plan**; other elements may be incorporated in Downtown Coastal Resilience Project.



P35.5 EFWS FIREBOAT BERTH AND MANIFOLD RELIABILITY PROJECT

Improve earthquake resilience and disaster response by installing a fire boat berth and hardened EFWS manifold with potential seawall strengthening. Project on hold pending SFPUC completion of Alternatives Analysis Report on piping and manifold relocation.

Draft Waterfront Resilience Program Schedule*



*Early Project schedules subject to change at 10% conceptual design milestone.

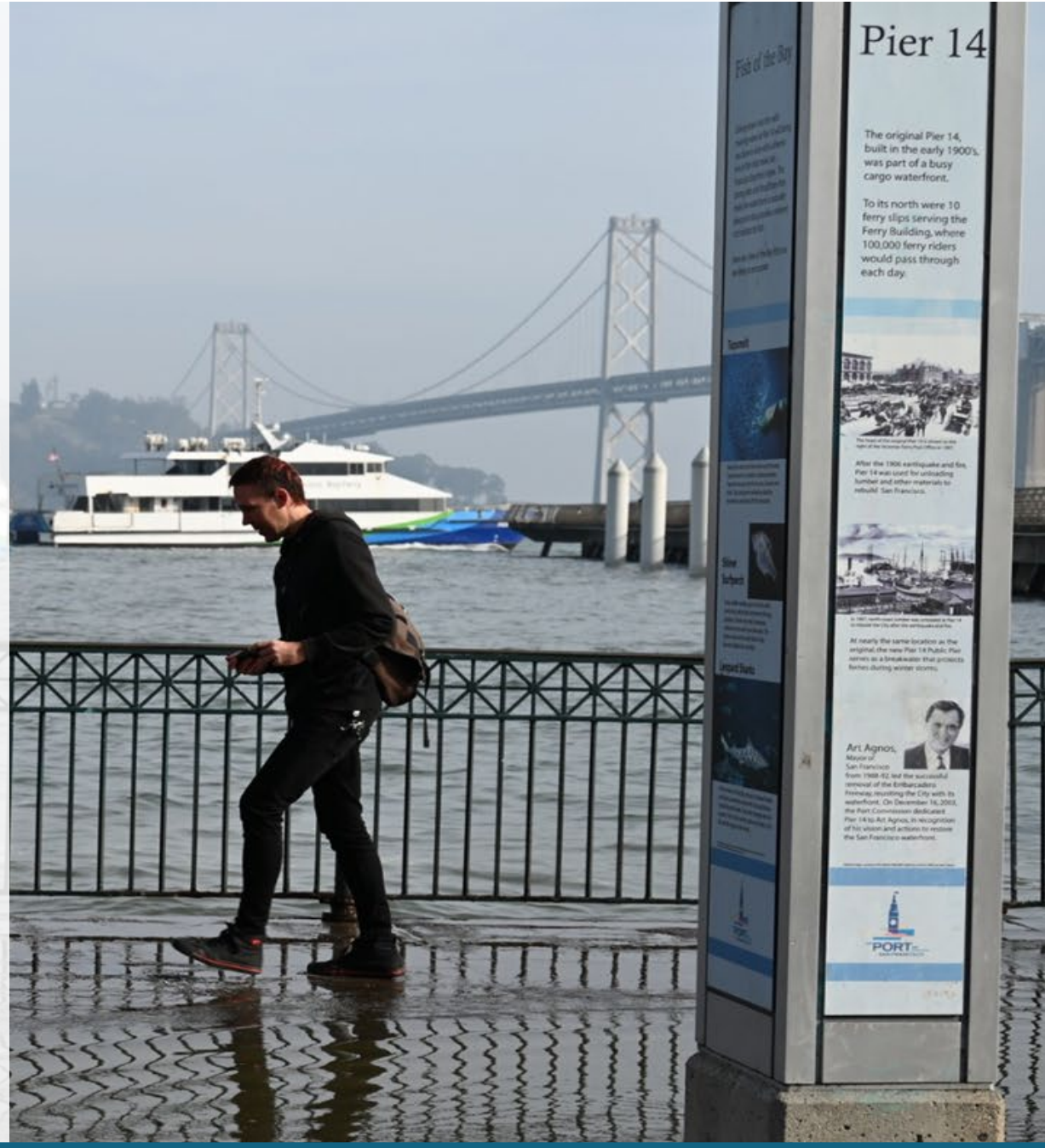
What is the Flood Study?

- The **Flood Study** analyzes **coastal flood risk** and the effects of **sea level rise** to the San Francisco waterfront along the Port's 7.5-mile jurisdiction over the next 100 years.
- The **Draft Plan** will inform subsequent stages of funding and design in order to develop targeted construction projects.
- The proposed solutions are estimated to cost **$13.5 billion plus interest** (high-level, preliminary cost estimate) and, if approved by Congress, the Federal government may pay **65% of the cost**.
- The Flood Study is led by the **U.S. Army Corps of Engineers** (USACE) in collaboration with the **City of San Francisco**.

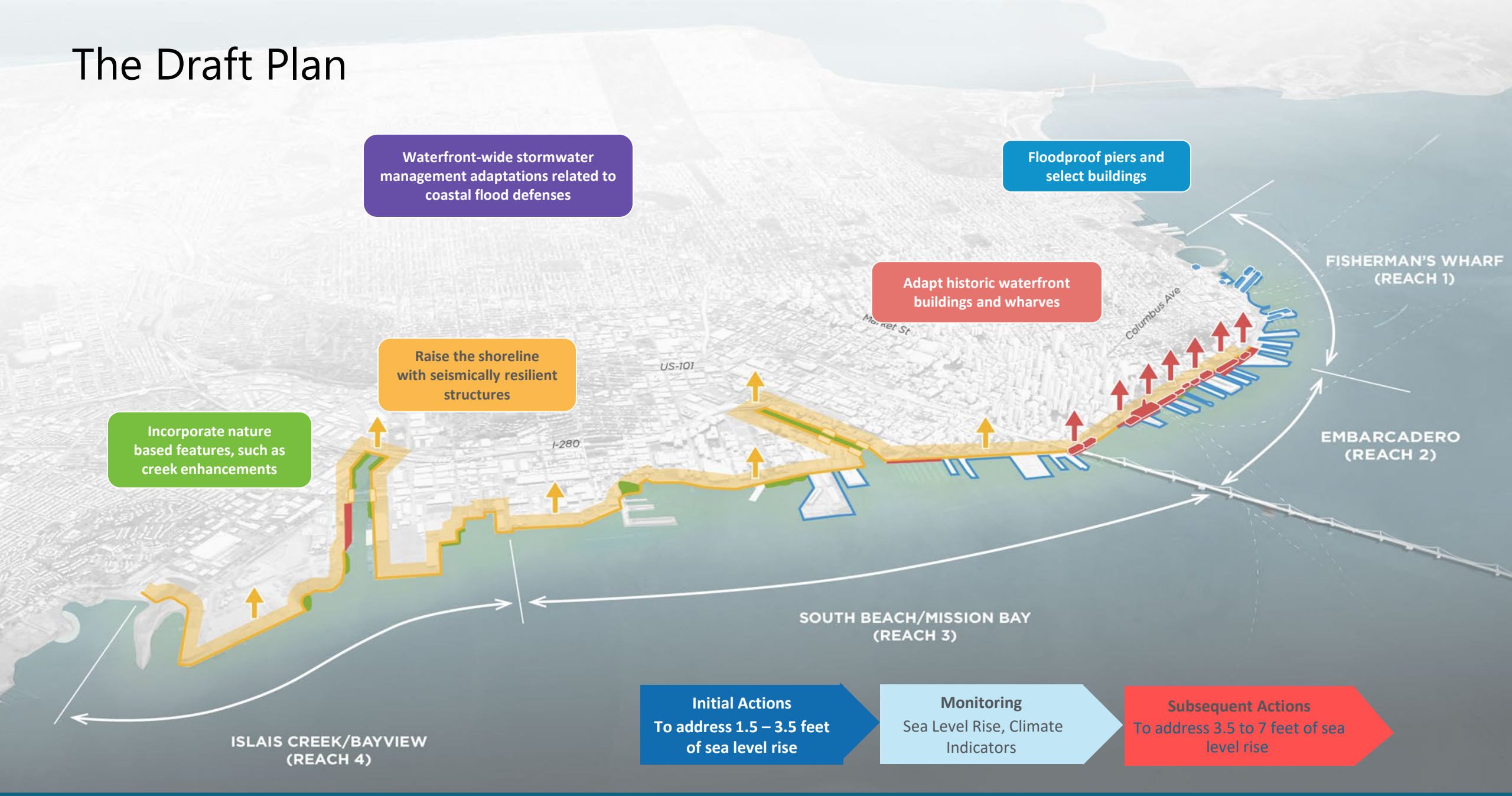
US Army Corps of Engineers® + PORT OF SAN FRANCISCO

San Francisco Waterfront Flood Study

San Francisco Planning · ONESF Building Our Future · CLIMATE SF · SFMTA · San Francisco Water Power Sewer · San Francisco Public Works



The Draft Plan



Waterfront Resilience Program

Risks

- Extended CEQA & permitting timelines for in-water work (USACE is lead agency for Early Projects that are part of the Draft Plan)
- Securing agreements with USACE to design and construct Early Projects that are part of the USACE Draft Plan
- Public/Port tenant concerns about construction disruption

Opportunities

- Focus remaining Proposition A expenditures on projects that will earn credit towards future USACE expenditures
  - ➢ every eligible $1 of local spending earns $1.89 of federal matching funds (subject to appropriation)
- Demonstrate progress towards Seawall improvements consistent with Proposition A

2020 Earthquake Safety & Emergency Response Bond

Third Issuance Request

Magdalena Ryor

San Francisco Public Works

Earthquake Safety and Emergency Response 2020 Bond Program (ESER 2020)

Request for approval of:

- Resolution authorizing and approving the sale of Not to Exceed $225,000,000 in general obligation bonds (third bond sale) for the Earthquake Safety & Emergency Response Bond Program 2020.

- Ordinance appropriating $225,000,000 of the series 2024B Earthquake Safety & Emergency Response General Obligation bond proceeds; and placing these funds on Controller's reserve pending sale of the bonds.

Bond Authorization Total: *$628,500,000*
Proposed Issuance: *$225,000,000*
Proposed Date of Issuance: *December 2024*

ESER 2020 Bond Program

Component	Description & Key Deliverables	Project Selection Process	3rd Bond Sale Planned Uses
Emergency Firefighting Water Supply (EFWS)	Renovate, expand, and seismically upgrade the City's Emergency Firefighting Water System	Projects are selected in coordination with the multi-department Management Oversight Committee and include the Potable Emergency Firefighting Water System (PEFWS) and Fireboat Manifolds.	Continue planning and design efforts for the PEFWS and fireboat manifold projects.
Neighborhood Fire Stations & Support Facilities	Strengthen, improve, and rehabilitate Neighborhood Fire Stations and Support Facilities, including the replacement of the firefighter and paramedic training facility currently located on Treasure Island	The importance of the SFFD Division of Training (formerly "Fire Training Facility") is driven by the fact that SFFD must vacate its current location on Treasure Island for planned redevelopment. Due to the funding required for this project, insufficient funding remains for Fire Station 7.	Completion of design, pre-construction services, and partial construction efforts for the SFFD Division of Training facility.
District Police Stations & Support Facilities	At Ingleside Station, seismic strengthening of existing historic station & construction of a new seismically safe police building that will meet modern policing standards, improve emergency response and provide resiliency with renewable energy. At 1828 Egbert, provide Surge space that will convert to SFPD's Property Control Division. Voluntary structural improvements and shower restorations were completed at Mission Station.	Police Department projects are selected from among the list of stations and other facilities that are identified as in most need from operational and state of condition assessments. The projects selected pose a life-safety hazard as they are at-risk of partial or substantial collapse from the effect of a major earthquake.	Complete design, permitting, bidding and construction of Ingleside Phase 1 & 2.
Disaster Response Facilities (Kezar Pavilion)	Upgrade or replace critical City-owned Disaster Response Facilities to assure the City can deploy aid, provide shelter, and coordinate emergency response activities	Kezar Pavilion was selected as a facility with high seismic vulnerabilities and opportunities to serve multiple disaster-response functions. The project benefits a vulnerable asset while augmenting the City's emergency preparedness capabilities and expanding program opportunities for general public use.	N/A
911 Call Center	Expand the 9-1-1 Response Facilities to provide more dispatchers, new technologies and increased efficiencies	The City's Emergency Operations Center requires a major upgrade and expansion of its 9-1-1 Call Center to best align with the service needs of a growing San Francisco begins to respond to its functional mission.	N/A

ESER 2020 Bond Program

Bond Component	Bond Authorization	Bond Budget	1st Issuance (i)	2nd Issuance	Proposed 3rd Issuance	Future Bond Sale(s)
Emergency Firefighting Water System	$153,500,000	$151,170,852	$20,000,000	$15,000,000	$41,128,418	$74,856,598
Neighborhood Fire Stations & Support Facilities	$275,000,000	$270,827,260	$2,900,000	$71,516,188	$88,255,521	$107,887,713
District Police Stations & Support Facilities	$121,000,000	$119,163,994	$32,022,200	$0	$87,141,794	$0
Disaster Response Facilities (Kezar Pavilion)	$70,000,000	$68,937,848	$15,855,705	$0	$0	$52,950,689
9-1-1 Response Facilities	$9,000,000	$8,863,438	$8,863,438	$0	$0	$0
Subtotal Project Components	**$628,500,000**	**$618,963,392**	**$79,641,343**	**$86,516,188**	**$216,525,733**	**$235,695,000**
Oversight, Accountability, COI		$9,536,608	$1,073,657	$573,812	$2,179,267	
Reserve for Market Uncertainty					$6,295,000	
TOTAL	**$628,500,000**	**$628,500,000**	**$80,715,000**	**$87,090,000**	**$225,000,000**	**$235,695,000**

(i) Includes pre-bond reimbursement funding

Affordable Housing GO Bonds Update

2019 3rd Issuance & 2024 1st Issuance

Dan Adams

Mayor's Office of Housing and Community Development

Requesting approval of:

- Resolution authorizing the sale of Taxable General Obligation Bonds (Affordable Housing 2019) Series 2024C, not to exceed $70.0M
- Resolution authorizing the sale of Taxable General Obligation Bonds (Affordable Housing 2024) Series 2024D, not to exceed $152.0M
- Resolution Authorizing Issuance of General Obligation Bonds (Proposition A, 2024) - Not to Exceed $300,000,000

Mayor's Office of Housing and Community Development

2019 Affordable Housing Program Summary
(in millions)

(in millions)	Issuance 1 21-22	Issuance 2 22-23	Issuance 3* 24-25	Issuance 4 TBD	TOTAL
Public Housing	$ 50.9	$ 99.1	$ -	$ -	**$ 150.0**
Low-Income Housing	$ 144.6	$ 40.0	$ 35.4	$ -	**$ 220.0**
Preservation and Middle-Income Housing	$ 37.3	$ 9.7	$ 8.1	$ 4.9	**$ 60.0**
Senior Housing	$ 21.3	$ 21.2	$ 6.5	$ 101.0	**$ 150.0**
Educator Housing	$ -	$ -	$ 20.0	$ -	**$ 20.0**
TOTAL	**$ 254.1**	**$ 170.0**	**$ 70.0**	**$ 105.9**	**$ 600.0**

* Subject to approval

Maceo May completed summer 2023

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond Spending Update

- **$600M** bond passed in November 2019
- First Issuance: **$254.1M**
  - Issued March 2021
  - 90% spent as of June 2024
- Second Issuance: **$170.0M**
  - Issued April 2023
  - 53% spent as of June 2024
  - Balance is mainly in the Public Housing category for Sunnydale and Potrero.

Mayor's Office of Housing and Community Development

2019 Affordable Housing Unit Production Summary

3,270 is the current affordable unit production target funded by the first two issuances

- 744 units complete
- 1,131 units in construction
- 1,395 units in predevelopment

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond Proposed 3rd Issuance

Low-income housing

- **$35.3M** in **Low-income Housing** for 1515 S Van Ness gap funding
    - Supports 168 units including 42 units set aside for households experiencing homelessness.
    - Tenants are expected to move in by the end of 2026.

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond Proposed 3rd Issuance

Middle-income housing

- **$6.4M** in **Middle-income Housing** for downpayment assistance loan program
  - Will continue the successful downpayment assistance loan program for first-time homebuyers.
  - Average downpayment assistance amount is approximately $425K per household.
  - Supports moderate income borrowers, 120%-175% AMI
  - Deferred loan due upon sale, transfer of the property, or non-compliance with contractual requirements.

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond Proposed 3rd Issuance

Senior housing

- **$5.2M** in **Senior Housing** for gap funding at 967 Mission
  - Construction is expected to begin in mid 2026 with tenant move-ins expected in 2028.

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond Proposed 3rd Issuance

Educator housing

- **$19.8M** in **Educator Housing** for 750 Golden Gate
  - Supports 75 units for SF Unified School District and SF Community College District employees.

Mayor's Office of Housing and Community Development

Request for Approval for 2019 Affordable Housing Bond 3rd Issuance

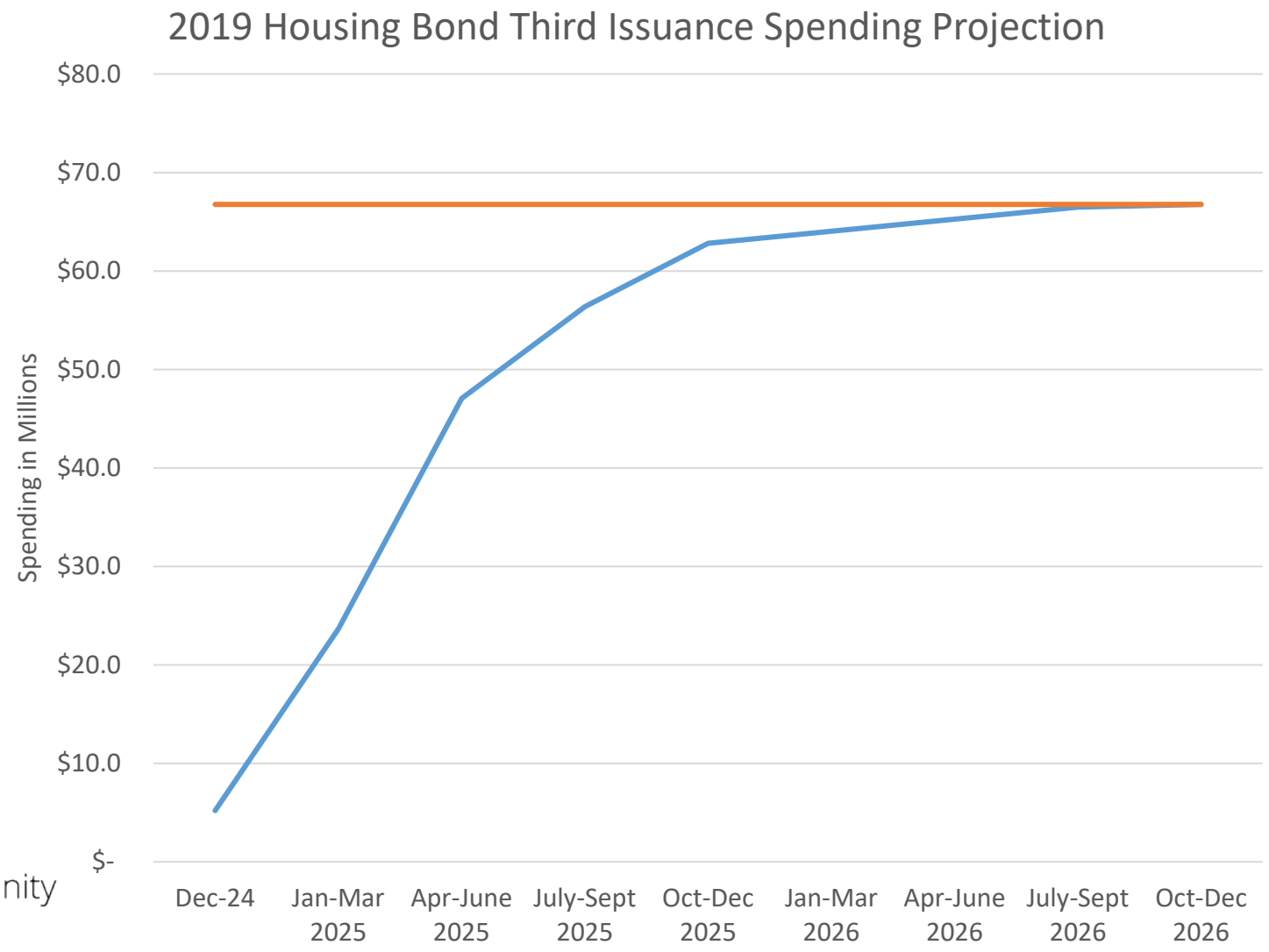
(Series 2024C)

Estimated Uses:	
Low income housing	35,308,347
Preservation & Middle income	6,450,000
Senior Housing	5,200,000
Educator Housing	19,800,000
CSA Audit Fee (0.2% of project fund)	133,517
Costs of Issuance	118,526
CGOBOC Fee	67,435
Underwriter's Discount	337,175
Reserve for Market Uncertainty	2,585,000
TOTAL:	**70,000,000**

Mayor's Office of Housing and Community Development

2019 Affordable Housing Bond 3rd Issuance

Spending Projection



Mayor's Office of Housing and Community Development

2024 Affordable Housing Bond

- **$300M** bond passed in March 2024
- Authorizes spending in three categories:
  - **$240M Low-income Housing**
  - **$30M Affordable Housing Preservation**
  - **$30M Survivors Housing**
- Requesting full amount for Preservation and Survivors housing with first issuance.

Mayor's Office of Housing and Community Development

2024 Affordable Housing Bond Proposed 1st Issuance

Low-income housing

- **$87M** in **Low-income Housing**
  - Sunnydale Block 7 and Block 9 supporting 89 and 95 units, respectively. Estimated completion in summer 2027.
  - Balboa Reservoir Building A and Building E supporting 159 and 124 units, respectively. Both projects are currently in predevelopment.

Mayor's Office of Housing and Community Development

2024 Affordable Housing Bond Proposed 1st Issuance

Preservation

- **$30M** in **Affordable Housing Preservation**
  - Represents issuance of the entire authorized amount.
  - Permanent loan fundings for two locations.

Mayor's Office of Housing and Community Development

2024 Affordable Housing Bond Proposed 1st Issuance

Survivors Housing

- **$30M** in **Victims and Survivors housing**
  - Represents issuance of the entire authorized amount.

Mayor's Office of Housing and Community Development

Request for Approval for 2024 Affordable Housing Bond 1st Issuance

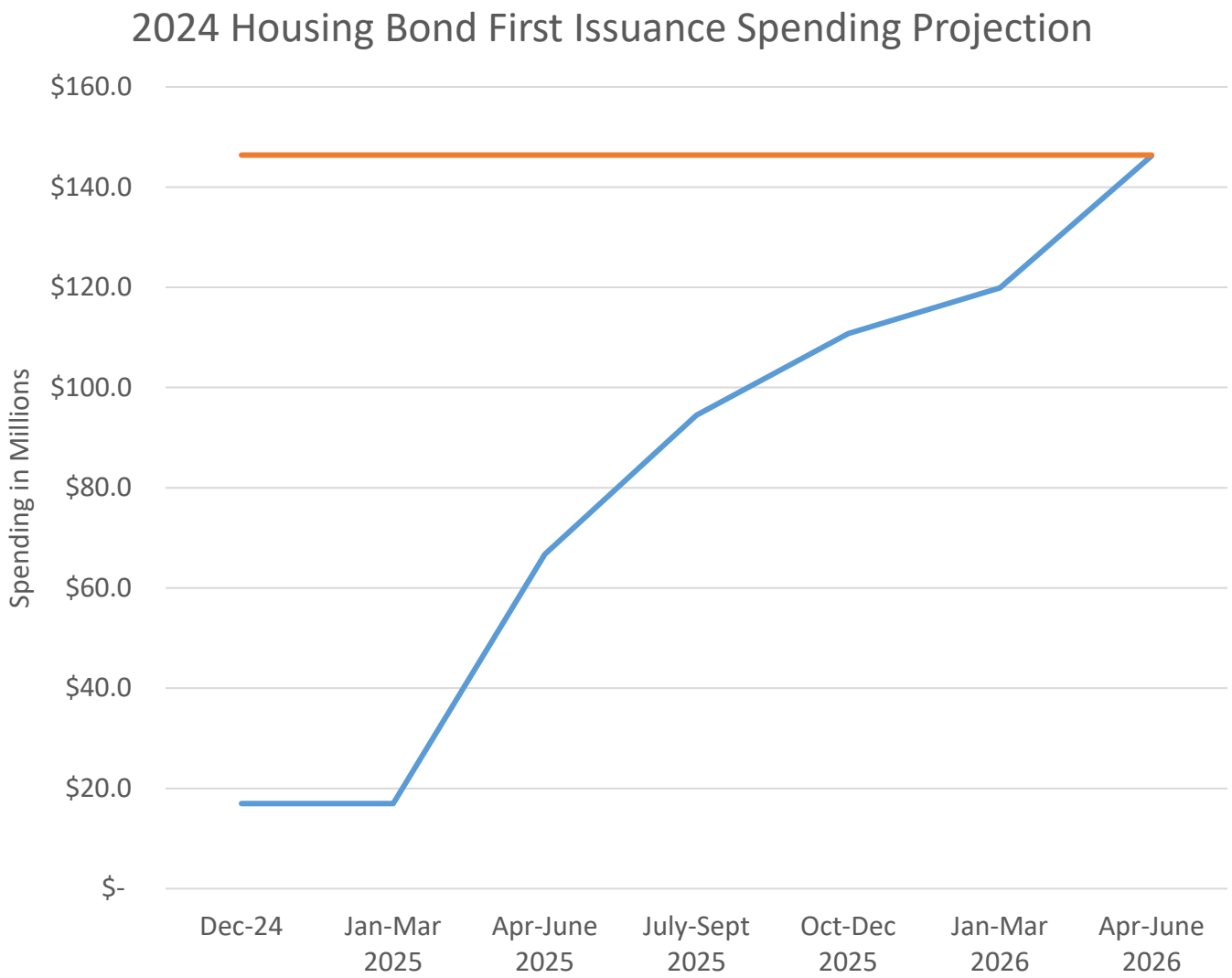
(Series 2024D)

Estimated Uses:	
Low Income Housing	86,900,000
Affordable Housing Preservation	29,750,000
Victims & Survivors Housing	29,750,000
CSA Audit Fee (0.2% of project fund)	292,800
Costs of Issuance	294,950
CGOBOC Fee	147,875
Underwriter's Discount	337,175
Reserve for Market Uncertainty	4,527,200
TOTAL:	**152,000,000**

Mayor's Office of Housing and Community Development

2024 Affordable Housing Bond 3rd Issuance

Spending Projection



Mayor's Office of Housing and Community Development

Risks for Both Issuances

Known Risks

- Construction cost increases are less severe, but still unpredictable
- Dynamic State funding environment
- Interest rates, while decreasing, remain high

Mayor's Office of Housing and Community Development

2024ABCD GO Bonds

Proposed Financing Information

Vishal Trivedi

Controller's Office of Public Finance

Sources and Uses for Proposed GO Bond Series 2024ABCD

Estimated Sources:	Embarcadero Seawall (2024A)	ESER (2024B)	Affordable Housing (2024C)	Affordable Housing (2024D)	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 Estimated Sources:	**$124,000,000**	**$225,000,000**	**$70,000,000**	**$152,000,000**	**$571,000,000**
Estimated Uses:					
Project Fund Deposits:					
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
Underwriter's Discount	$602,350	$1,093,525	$337,175	$739,375	$2,772,425
CGOBOC Fee	$120,470	$218,705	$67,435	$147,875	$554,485
Total Delivery Expense:	**$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 Estimated Uses:	**$124,000,000**	**$225,000,000**	**$70,000,000**	**$152,000,000**	**$571,000,000**

Fiscal Impact of Proposed GO Bond Series 2024ABCD

- Estimated Financing Costs*

  Projected par: $554,485,000

  Estimated interest rate: 5.18%

  Estimated total interest cost: $330,780,000

  Estimated total payment amount: $885,264,000

  Estimated Annual Property Tax Impact: $12.93 per $100,000 ($76.67 for $600K home)

  Estimated final maturity: 6/15/2044

- Debt Capacity

  GO Debt Outstanding including proposed 2024ABCD Bonds: $2,784,781,426 (0.79% of Net AV)

- Capital Planning Constraint

  Issuance of 2024ABCD bonds is consistent with FY2006 property tax rate cap policy

** Interest rate and cost estimates provided by Public Resources Advisory Group, an MSRB-registered municipal advisory firm*

Anticipated Financing Timeline

MILESTONES	DATES*
• Capital Planning Committee	October 7 & November 4, 2024
• Introduction of Legislation to Board of Supervisors	October 8, 2024
• Budget and Finance Committee	November 13, 2024
• Board of Supervisors Considers Resolution & Ordinance (1st Hearing)	November 26, 2024
• Board of Supervisors Considers Ordinance (2nd Hearing)	December 10, 2024
• Sale and Closing of Bonds	January 2025

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

Questions?