



**OFFICE OF THE CONTROLLER**  
**CITY AND COUNTY OF SAN FRANCISCO**

Greg Wagner  
Controller

Todd Rydstrom  
Deputy Controller

Anna Van Degna  
Director of Public Finance

## MEMORANDUM

TO: Mayor London Breed  
Members of the Board of Supervisors

FROM: Greg Wagner, Controller  
Anna Van Degna, Director of the Controller's Office of Public Finance

DATE: May 2, 2024

SUBJECT: **Update to the City's General Obligation Bond Projections**

The City's FY2024-33 Capital Plan, which was adopted by the Board through Resolution 238-23 on May 9, 2023, and signed by the Mayor on May 19, 2023, included a schedule of future general obligation (GO) bond authorizations totaling \$2.17 billion. The \$2.17 billion capacity was estimated by the Controller's Office of Public Finance based on the City's current policy constraint to maintain general obligation bond tax rates at 2006 levels and assessed valuation (AV) growth projections prepared by the Controller's Property Tax Unit for the City's Five-Year Financial Plan dated January 13, 2023. The projections forecasted AV growth rates of (0.24)% in FY2024, 1.08% in FY2025, 0.99% in FY2026, 1.34% in FY2027, and 1.79% in FY2028, with a flat assumption of 3% thereafter.

Following the adoption of the FY2024-33 Capital Plan, the Office of Public Finance has updated its GO bond model, which includes debt service and estimated tax rates for (i) outstanding GO debt, (ii) anticipated issuances from existing voter approved authorizations and (iii) proposed authorizations from the latest Capital Plan. The recent update to the GO model incorporates the following three key changes:

- Updated AV growth projections from the Controller's Property Tax Unit per the City's March 2024 Five-Year Financial Plan Update. The updated projections forecast AV growth rates of 2.83% in FY2025, 1.08% in FY2026, 1.86% in FY2027, and 1.63% in FY2028. These projections are revised periodically to reflect fluctuations in the San Francisco real estate market, with which there remains a large degree of uncertainty at present.
- Final issuance of the \$238.6M of Series 2023ABC GO Bonds, issued for the 2020 Health and Recovery, 2018 Embarcadero Seawall, and 2019 Affordable Housing bond programs. Closing the Series 2023ABC GO bonds in April 2023 allows the Office of Public Finance to replace projected

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debt service figures with actual totals, as well as to refine the assumptions for future bond issuances for these bond programs.

- Reconfiguring of the planned GO bond elections in 2024, resulting in a \$300M Affordable Housing Bond which was passed on the March 2024 ballot, and a planned \$360M Public Health & Shelters bond for the November 2024 ballot. The Capital Plan had previously assumed a \$340M Affordable Housing & Shelters bond in March and a \$320M Public Health & Shelters bond in November.

These changes to the underlying assumptions informing the GO bond model have resulted in an additional \$30 million of available capacity within the FY2006 tax rate constraint for the FY2024-2033 period, increasing the total bonding capacity available to the Capital Plan from \$2.17 billion to \$2.2 billion, as shown in the table below.

This GO bond capacity update has been developed upon request for informational purposes. The additional projected capacity does not need to be allocated immediately. If it is not allocated to the November 2024 bond measure, it will be available for policy makers to assign during the FY2024-2025 update to the Capital Plan.

Adopted 2024-2033 Capital Plan, GO Bond Program (as amended) <sup>1</sup>		
Election Date	Bond Program	Amount (\$M)
Mar-24	Affordable Housing (approved)	300
Nov-24	Public Health & Shelters	360
Nov-26	Transportation	300
Mar-28	Waterfront and Climate Safety	250
Nov-28	Earthquake Safety & Emergency Response	310
Jun-30	Parks and Open Space	200
Nov-30	Public Health	250
Nov-32	Waterfront and Climate Safety	200
<b>Adopted Capital Plan Total</b>		<b>2,170</b>
<b>Additional Capacity<sup>2</sup></b>		<b>30</b>
<b>Total</b>		<b>2,200</b>

1) Reflects reallocation of capacity between March 2024 and November 2024 issuances, post Capital Plan adoption in May 2023.

2) Reflects revised AV assumptions from March 2024 Five-Year Financial Plan Update, and issuance of Series 2023ABC GO Bonds.

This capacity projection is subject to revision, based on changes in assessed valuation and the final pricing and structure of the City's GO bond issuances.

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CC: Angela Calvillo, Clerk of the Board of Supervisors  
Anna Duning, Mayor's Budget Director