



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: Mayor Daniel Lurie
President Mandelman and Members of the Board of Supervisors
Members of the Capital Planning Committee

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

DATE: May 2, 2025

SUBJECT: **Update to the City's Certificates of Participation Projections**

The City's FY2026-35 Capital Plan, which was adopted by the Board through Resolution 158-25 on April 15, 2025, and signed by the Mayor on April 25, 2025, included a schedule of future certificates of participation (COP) totaling \$487 million. The \$487 million capacity was estimated by the Controller's Office of Public Finance in November of 2024 based on the City's policy constraint for annual General Fund debt service to not exceed 3.25% of General Fund Annual Discretionary Revenue (ADR). These figures are based on discretionary revenue projections prepared by the Controller's Office for the City's Five-Year Financial Plan dated December 18, 2024. The projections forecasted ADR of \$4.587 billion in FY2026, \$4.846 billion in FY2027, \$4.896 billion in FY2028, \$5.088 billion in FY2029, and \$5.217 billion in FY2030.

Following the adoption of the FY2026-35 Capital Plan, the Office of Public Finance has updated its COP model, which includes debt service for (i) outstanding COPs, (ii) anticipated issuances from approved authorizations and (iii) proposed issuances from the latest Capital Plan. The recent update to the COP model incorporates the following two key changes:

- Updated ADR projections from the Controller's Office per the City's March 2025 Five-Year Financial Plan Update dated March 31, 2025. The updated projections forecasted ADR of \$4.643 billion in FY2026, \$4.909 billion in FY2027, \$4.977 billion in FY2028, \$5.175 billion in FY2029, and \$5.310 billion in FY2030.
- Issuance of the \$46.9M of Series 2025B COPs, the first tranche of COPs to fund Stage 2 infrastructure on Treasure Island. Closing the Series 2025B COPs in March 2025 allows the Office of Public Finance to replace projected debt service figures with actual totals, which includes a \$550,000 debt service offset.

2 | Updated COP Bond Capacity for FY2026-35 Capital Plan

These changes to the underlying assumptions informing the COP model have resulted in an additional \$54.5 million of available capacity within the 3.25% ADR constraint for the FY2026-2035 period, increasing the total COP capacity available to the Capital Plan from \$487 million to \$541.5 million.

This COP capacity update has been developed upon request for informational purposes.