S&P Global
Ratings

RatingsDirect®

Summary:

San Francisco City and County, California; Appropriations; CP; General Obligation; Joint Criteria

Primary Credit Analyst:
Li Yang, San Francisco + 1 (415) 371 5024; li.yang@spglobal.com

Secondary Contact:
Adriana Artola, San Francisco + 415-371-5057; Adriana.Artola@spglobal.com

Table Of Contents

Summary:

San Francisco City and County, California; Appropriations; CP; General Obligation; Joint Criteria

Credit Profile		
US$103.9 mil certs of part ser 2023A due 10/01/2045		
Long Term Rating	AA+/Stable	New
US$79.3 mil certs of part ser 2023B due 10/01/2043		
Long Term Rating	AA+/Stable	New

Credit Highlights

- S&P Global Ratings assigned its 'AA+' long-term rating to San Francisco City and County (the city's), Calif.'s approximately $103.9 million series 2023A certificates of participation (COPs), and approximately $79.3 million series 2023B COPs.
- Additionally, S&P Global Ratings affirmed its 'AAA' long-term rating and underlying rating (SPUR) on San Francisco's outstanding general obligation (GO) debt, its 'AA+' long-term rating and SPUR on the city's outstanding appropriation obligations, and its 'AAA/A-1+' joint support rating on the city's outstanding series 2008-1 and 2008-2 variable rate lease revenue obligations.
- Finally, S&P Global Ratings affirmed its 'A-1+' short-term rating on the city's series 2&2-T and series 3&3-T lease revenue commercial paper (CP) certificates.
- The outlook, where applicable, is stable.

Security

The series 2023A&B COPs are secured by base rental payments made by the city, as lessee, to the U.S. Bank Trust Co., N.A., the lessor, for the use of the city's various buildings as the leased assets. We note that these assets have been fully constructed and meet our minimum requirements for seismic resilience during the term of the COPs. The city's outstanding appropriation debt also has an interest in base rental payments made by the city for use of other city properties as leased assets. We have reviewed the lease under our criteria and view the lease terms as standard. We rate the COPs one notch below our view of the city's general creditworthiness to reflect our view of the nonappropriation risk inherent to the lease structure. The series 2023A&B COPs proceeds will be used to fund affordable housing, street projects, and various "critical repair" projects across city departments.

Revenue from unlimited ad valorem taxes levied on all taxable property, without limitation as to rate or amount, secures the outstanding GO bonds.

The city's outstanding lease revenue CP certificates represent interests in rental payments the city makes, as lessor, for the use of city facilities. The series 2&2-T are secured by a revolving credit agreement with Wells Fargo, expiring in

March 2026. The series 3&3-T are secured by revolving letter of credit (LOC) through Bank of the West, which expires in April 2026. The short-term rating reflects the application of our criteria "Methodology For Linking Long-Term and Short-Term Ratings," published April 7, 2017, on RatingsDirect .Our rating on the city's series 2008-1 and 2008-2 lease revenue bonds reflects our application of joint support criteria, which takes into account the city's appropriation credit profile and LOC from TD Bank N.A. For more information, see the analysis, published May 31, 2022.

Credit overview

Despite longer-term challenges, including a sluggish recovery in the downtown office corridor with office vacancies remaining very high, we believe San Francisco's very strong financial position, reflected by its maintenance of very strong general fund reserve levels, continues to support its current overall credit profile. Other key economic metrics that support the rating include continued growth in its total assessed value (AV) and its extraordinarily strong income levels among city residents.

We understand the city continues to forecast consecutive deficits in its five-year forecast that shows draws on its available general fund balances in fiscal 2024 through fiscal 2028. These deficits reflect a continued rise in general fund expenditures that include rising salaries and benefits, operating budget costs and departmental costs that outpace the projected growth in revenues during the five-year period. The forecasted deficits are also partly driven by slowing business tax revenues and depressed commercial office space property valuation that reflect a slow recovery in the city's downtown office corridor. We note that business tax revenues, which make up approximately 13.6% of the city's general fund revenues in fiscal 2022, has demonstrated volatility during the past three years with decreases reported in both fiscal 2020 and fiscal 2021 and an increase in fiscal 2022. We understand the city projects business tax revenues to decrease by 1.2% in fiscal 2023. The city's fiscal 2024 budget assumes a 0.1% increase in business tax revenue, which we will be tracking closely as an indicator of the health of the downtown commercial corridor.

Despite these forecasted deficits, we believe the city's sizeable reserve balance provides a cushion for it to weather these projected deficits in the near term and gives management time to address the economic and financial challenges facing the city. However, if management fails to implement sufficient measures to address the projected shortfall, causing unmitigated declines in available general fund reserves, then the city's overall credit profile could be pressured.

Additionally, we think S&P Global Economics' expectation that the U.S. economy overall will see a slow down for the remainder of 2023 (see "Economic Outlook U.S. Q4 2023: Slowdown Delayed, Not Averted", published Sept. 25, 2023) could result in a slower recovery of revenue--such as sales taxes, business taxes, and hotel taxes, which tend to be more volatile in harsher economic environments.

The rating further reflects our view of the city's:

- Downtown corridor that continues to see very slow recovery, coupled with high office vacancy rates and tourism activity that still lags below pre-pandemic levels.
- Despite the challenges that the city is currently experiencing in its commercial and office portions of its tax base, the city continues to benefit from an extraordinarily strong income profile and resilient residential real estate demand;
- Very strong management, with multiple reserve-filling mechanisms and robust financial planning practices;
- Adequate budgetary performance in fiscal 2022, driven by a recovery of major revenues, including property taxes,

sales taxes, and hotel taxes and management's expectation that reserves will remain very strong despite projected deficits for the next five years that stem from a forecasted rise expenditure costs and declining business tax revenues;

- Very strong reserve levels in the general fund that are sufficient to weather the projected deficits in the near-term; and
- Very weak debt and contingent liability profile characterized by a large pension and other postemployment benefit (OPEB) obligation and the likelihood of additional GO bonds under existing authorizations but a levy rate policy that constrains new issuances. Additionally, we believe pension and OPEB costs are likely to rise in the near-term due to the weaker investment returns in fiscal 2022.

Environmental, social, and governance

The city's exposure to environmental risks (in terms of physical risks), primarily from earthquakes and sea level rise, are a key risk in the region. However, the city has managed seismic risk through the use of robust building codes and is working to mitigate sea level rise through an assessment of vulnerable areas and capital improvements that have included debt-financed seawall construction.

Affordable housing needs and a long-standing significant population of people experiencing homelessness, resulting partly from high housing costs, demonstrate the city's social capital risks. We expect housing and homelessness services to figure prominently in management's budget decisions and we expect affordable housing to be a common use of debt proceeds for the foreseeable future. The rise in property crime and the unhoused throughout the city could also depress future tourism demand and efforts to return to downtown offices if these issues are left unabated.

We view the transparency and reporting of timely and public disclosures regarding policy and budgetary challenges and the use of a well-established financial forecasting practice that uses inputs from an independent economist as governance strengths in our credit analysis. We find robust political debate common among stakeholders, but the city is able to make timely decisions.

Outlook

In light of certain budgetary challenges that the city faces going forward, we believe its very strong reserve levels will be key in maintaining its current credit quality in the near term as it weathers the potential shortfalls in some of its general fund revenue. The stable outlook reflects our expectation that the city will maintain its very strong reserves without needing to substantially draw reserves down to materially weaker levels during the next two years. However, should these revenue challenges persist in the longer-term without sufficient efforts at reducing costs and maintaining budgetary balance in this new economic environment that results in continued unmitigated declines in available general fund reserves, then the city's overall credit profile could be pressured.

Downside scenario

We could lower the rating during the next two years if we think that the city is struggling to respond budgetarily to a persistent decline in some of its major revenue streams, resulting in a material reduction in the city's general fund reserve or liquidity position to substantially weaker levels without a reasonable plan to restore reserves. The rating could also be lowered if the city's local economy, in particular its downtown office corridor, fails to sufficiently recover to the extent that it results in a prolonged loss in revenues, resulting in a material deterioration in overall credit quality.

Credit Opinion

Despite a slow recovery in the downtown office corridor, the city's overall tax base continues to see AV growth that supports a very strong economy

Recovery in the city's downtown office corridor remains very slow going into fiscal 2024 with office vacancies remaining very high compared to other major metropolitans throughout the country (see "Could Empty Offices Lead To Empty Coffers For U.S. Cities?", published June 22, 2023). While there is a glimmer of recovery in office activity due to the emerging presence of artificial intelligence companies moving into the downtown area, the overall recovery continues to be slow and we believe this trend is likely to persist in the near term. Notably, office vacancies increased slightly in the second quarter of 2023 up to 28.3% from 26.4% in the first quarter of 2023. The shift toward remote work/hybrid model for many companies in San Francisco's downtown has resulted in a drop in the use of commercial office property and will likely lead to reduced AV for those properties in the near term. Additionally, management reports that it expects to receive more than double the taxpayer appeals in fiscal 2024 for the Jan. 1, 2023 lien date compared to the prior fiscal year. However, we note that the city's actual AV reductions from appeals have historically been much lower than requested appeals and that most appeals are eventually withdrawn. Additionally, management indicates that it maintains an assessment appeals reserve that they can use to partially mitigate losses in property tax revenues from any successful taxpayer appeals. Regardless, if these appeals result in successful reductions in property values, the city's taxbase could weaken, with a potential for declining property tax revenues in fiscal 2025. Any successful appeals would be reflected in the city's fiscal 2025 AV figures or later.

Even with the high office vacancy rates, the city reports that total AV grew by 3.8% in fiscal 2024, driven by very strong home prices and the construction of both residential and commercial properties within city boundaries. Because of this growth in AV, the city's property tax revenues, which represent its largest revenue stream, will continue to grow. Additionally, despite the high mortgage rate environment leading to slower housing market activity in the past year, AV levels have been bolstered by strong home prices as well as the Proposition 13 system that tends to provide a substantial cushion for tax base growth even when real estate market conditions weaken. This growth in AV also reflects our view of the city's very strong economic profile, a strength that we expect will continue to persist despite the ongoing challenges in the city's downtown office space. Overall, we believe there is a risk of declining commercial office property AV, but we expect this risk will be partially mitigated by the strength of the city's residential tax base that continues to support a very strong economy.

Robust institutionalized policies and practices help the city identify long-term challenges and appear to have helped the city manage the implications of the pandemic.

Elements of the city's policies and practices include:

- A charter-required biennial budget that draws on an extensive analysis of revenue and expenditure trends;
- Regular budget updates to the board, including formal six- and nine-month budget-to-actual updates;
- Charter-required five-year financial planning each year to identify structural budgetary challenges;

- Comprehensive updates to a 10-year capital plan with each biennial budget that identifies funding sources and smaller updates in off years;
- An internal policy that governs the city's investment decisions, with monthly reporting on the investment pool's holdings and performance;
- A formal debt policy that provides guidelines for specific areas, such as refunding savings thresholds, private placement obligations, and principal outstanding relative to AV;
- Multilayered minimum general fund reserve rules set by ordinance; and
- Management reports that the city has an established information technology policy and a full-time cybersecurity manager who reports to the chief information officer and controller.

Adequate budgetary performance with a surplus reported in fiscal 2022, although deficits are projected in the longer term

The city has demonstrated adequate budgetary performance in recent years, most recently reporting an operating surplus in fiscal 2022 based on audited figures, but with a projection of deficit spending based on the city's five-year forecast. The five-year forecast shows expenditures outpacing revenue, driven by higher salary and benefit costs, high inflation, and voter-mandated funding for projects and programs. We understand the city has negotiated for salary and benefit increases for most of its department staff, including public safety, that largely follow inflationary increases in line with the Consumer Price Index. We understand these increases are included in the city's biennial budget, covering the fiscal years 2024 and 2025. The higher salary and benefit costs for personnel represent the city's largest cost and will likely remain the largest expenditure item going forward. While management indicates that this forecast includes certain conservative assumptions, we believe the city will need to actively manage these costs to avoid a structural imbalance going forward, particularly if there are ongoing shortfalls in any of its key revenue sources.

Despite the projected deficits in the five-year forecast, the city is projecting better than forecasted general fund net operating results for fiscal 2023 by approximately $36.3 million based on the city's updated nine-month budget status report. We understand this positive result is primarily driven by stronger revenue that includes continued growth in property tax revenues, hotel tax revenues, and sales tax revenues.

Property tax revenues, representing the city's largest revenue stream at 37% of the city's general fund revenues in fiscal 2022, is set to increase again for fiscal 2023. Notably, the city's total AV has increased in each year since fiscal 2009 and the city reports another year of growth of 3.8% in fiscal 2024. As a result, property tax revenues are projected to increase in tandem with the reported growth in AV in the current fiscal year.

An increase in visitors and conventions have resulted in much stronger hotel tax and sales tax revenues in both fiscal 2022 and fiscal 2023 and we expect this trend to carry over into fiscal 2024. Tourism continues to recover in the city with the number of enplanements increasing by 34.6% in fiscal 2023 at San Francisco International Airport (SFO) compared to fiscal 2022.

The number of conferences has also increased at Moscone Convention Center with 23 total conferences held in fiscal 2022 and 33 conferences in fiscal 2023 which has led to substantially higher hotel tax revenues collected in fiscal 2023. Hotel taxes (transient occupancy tax) are projected to increase by 58% up to $283.4 million in fiscal 2023 based on pre-audited figures. However, we note that this amount of hotel tax revenues still remains below pre-pandemic levels and are not projected to exceed those levels until fiscal 2027 based on management's projections. Sales tax revenues have also demonstrated a strong recovery in fiscal 2022, increasing by 28% compared to the prior year with a projected increase by 5.1% for fiscal 2023.

Additionally, we note that in fiscal 2023 the city began collecting its "overpaid executives tax", approved by voters under Proposition L. Pre-audit actuals for fiscal 2023 reflect a total of $206 million under this new revenue stream. We understand the city expects this revenue stream to be highly volatile and the fiscal 2024 budget assumes only $100 million for the overpaid executives tax.

However, we believe that certain macroeconomic weaknesses persist and will continue to challenge the city's budgetary performance in the longer term. The shift toward remote work for many companies in the downtown financial district has resulted in a persistently high downtown office vacancy rate, which could result in decreased commercial property values that would lead to lower property tax revenue generated by those kinds of properties. Management also reports that business tax revenue, of which a large portion is generated from the payroll for employees who physically work in the city of San Francisco, declined during fiscal 2020 and fiscal 2021, is projected to drop by 1.2% in fiscal 2023. We note that the city's fiscal 2024 budget assumes a 0.1% increase in business tax revenue, which we consider modest.

Very strong available general fund reserves provide time for the city to address ongoing challenges

The city maintained a strong financial position with very strong general fund reserve levels (equal to $2.9 billion or 51% of expenditures), with an operating surplus reflected in its fiscal 2022 audit. We calculate the city's available general fund reserves by combining the committed budget stabilization reserve, assigned and unassigned general fund balances, plus the city's rainy-day reserve (which is currently categorized as restricted in the general fund).

While the city has projected approximately $743.5 million in total operating deficits through the end of fiscal 2025, we believe the city maintains sufficient funds on hand to weather this projected shortfall. Should management draw down $743.5 million by the end of the two-year budget period, we calculate that the city would still have an approximately $2.2 billion (39% of expenditures) available general fund reserve balance, which we would still consider very strong.

More GO debt is coming, but amortization and debt service policy constraints are likely to keep debt ratios at similar levels

Our debt-ratio calculations include tax increment, hotel tax, and special assessment debt associated with the city's redevelopment agency under our debt statement analysis criteria. We think that that new borrowing from GO authorizations outstanding could add to the debt burden in nominal terms during the next five years, but that the city's intention to conform to policy ceilings on levy rates and general fund debt service leads us to expect muted debt ratio growth.

Large pension and OPEB liability could pressure future financial performance

The city participated in the following plans as of June 30, 2022:

- San Francisco City and County Employees Retirement System (SFERS) multiple-employer plan: $2.45 billion in net asset, and 107.8% funded.
- California Public Employees Retirement System (CalPERS) multiple-employer plan for safety employees: $144.2 million in net liability, and 90.9% funded.

- CalPERS agent multiple-employer plan for miscellaneous employees: $22.3 million in net assets, and 88% funded.
- CalPERS agent multiple-employer plan for redevelopment successor agency employees: $22 million in net liability, and 88% funded.
- CalPERS agent multiple-employer plan for transportation employees: $868,000 in net liability, and 88% funded.
- Single-employer OPEB plan: $3.8 billion in net liability, and 11% funded.

We view the city's pension and OPEB liabilities as large, partly because of the size of combined pension and OPEB carrying charges relative to operations and partly because of the low funded ratio of the OPEB liabilities. Although the city makes pension contributions based on actuarial assumptions, it does not make full actuarially based OPEB contributions for a liability that has been closed to new employees since 2009, and we believe that its combined contributions are unlikely to decline relative to governmental expenditures for the foreseeable future.

SFERS's current discount rate is 7.2%, but we view this as potentially leading to contribution volatility as it is above our 6.0% baseline. While the funded ratio for SFERS rose above 100%, indicating it has more than fully funded its liabilities, we believe this ratio will fall in the near term due to the -2.9% investment return recognized in 2022.

The city provides OPEBs in the form of health care. Although voter-approved charter changes have tightened eligibility rules and required employee contributions to the liability, we do not believe the current employee and employer contributions represent a plan that will substantially address this liability.

Strong institutional framework

The institutional framework score for California municipalities required to submit a federal single audit is strong. The city is subject to the federal single-audit requirement because it receives federal awards across at least two programs that collectively exceed $750,000 annually. These two conditions trigger enhanced financial reporting requirements under state law.

Ratings above the sovereign

The issue ratings associated with the city's GO bonds are based on our view that the city's general creditworthiness is above that of the U.S. We do not expect the city to default in a stress scenario likely to accompany a sovereign default, given its autonomy from sovereign intervention. We view the city as exhibiting relatively low funding interdependency with the federal government, as local taxes represent the vast majority of total governmental funds revenue. However, consistent with our view that U.S. state and local governments are moderately sensitive to country risk, we would be unlikely to set ratings on the city's obligations more than two notches above that of the U.S. sovereign.

San Francisco, California--Key credit metrics

	Most recent	**Historical information**		
		2022	**2021**	**2020**
Very strong economy				
Projected per capita EBI % of U.S.	234.26			
Market value per capita ($)	390,087			
Population		881,632.00	888,361.00	873,965.00
County unemployment rate(%)			5.00	

San Francisco, California--Key credit metrics (cont.)				
	Most recent	**Historical information**		
		2022	**2021**	**2020**
Market value ($000)	343,913,584	307,712,666	299,686,811	281,073,307
Ten largest taxpayers % of taxable value	4.04			
Adequate budgetary performance				
Operating fund result % of expenditures		3.40	(0.92)	(0.61)
Total governmental fund result % of expenditures		13.17	16.20	2.08
Very strong budgetary flexibility				
Available reserves % of operating expenditures		51.02	47.99	52.97
Total available reserves ($000)		2,901,009	2,667,390	2,683,846
Very strong liquidity				
Total government cash % of governmental fund expenditures		153.43	148.19	139.70
Total government cash % of governmental fund debt service		1,865.41	2,076.77	2,153.15
Very strong management				
Financial Management Assessment	Strong			
Very weak debt & long-term liabilities				
Debt service % of governmental fund expenditures		8.23	7.14	6.49
Net direct debt % of governmental fund revenue	73.73			
Overall net debt % of market value	2.57			
Direct debt 10-year amortization (%)	36.82			
Required pension contribution % of governmental fund expenditures		10.37		
OPEB actual contribution % of governmental fund expenditures		3.37		
Strong institutional framework				

EBI--Effective buying income. OPEB--Other postemployment benefits. Data points and ratios may reflect analytical adjustments.

Related Research

- Through The ESG Lens 3.0: The Intersection Of ESG Credit Factors And U.S. Public Finance Credit Factors, March 2, 2022
- 2022 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of October 5, 2023)		
San Francisco City & Cnty GO		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City and County cert of part (Multiple Capital Improvements) ser 2021A due 04/01/2041		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City and County taxable lse rev cml pap cops ser 2-T due 05/31/2026		
Short Term Rating	A-1+	Affirmed

Ratings Detail (As Of October 5, 2023) (cont.)		
San Francisco City and County taxable lse rev cml pap cops ser 3-T due 05/01/2026		
Short Term Rating	A-1+	Affirmed
San Francisco City and County tax-exempt lse rev cml pap cops ser 2 due 05/31/2026		
Short Term Rating	A-1+	Affirmed
San Francisco City and County tax-exempt lse rev cml pap cops ser 3 due 05/01/2026		
Short Term Rating	A-1+	Affirmed
San Francisco City and County GO bnds (Earthquake Safety & Emergency Response) ser E-1/E-2 due 06/15/2046		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City and County GO bnds (Health & Recovery) ser D-1/D-2 due 06/15/2046		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City and County GO bnds (Transportation & Rd Imp Bnds) ser C-1/C-2 due 06/15/2046		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City and County GO rfdg bnds ser 2022R1 due 06/15/2034		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty certs of part (49 South Van Ness Proj) ser 2019A due 04/01/2050		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty rfdg certs of part (multiple cap imp projects) ser 2020-R1 due 10/01/2033		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty rfdg certs of part (Multiple Cap Imp Proj) due 04/01/2035		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty taxable GO bnds		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City & Cnty CP 1		
Short Term Rating	A-1+	Affirmed
San Francisco City & Cnty CP 1-T		
Short Term Rating	A-1+	Affirmed
San Francisco City & Cnty CP 2		
Short Term Rating	A-1+	Affirmed
San Francisco City & Cnty CP 2-T		
Short Term Rating	A-1+	Affirmed

Ratings Detail (As Of October 5, 2023) (cont.)		
San Francisco City & Cnty GO bnds (pub hlth and safety, 2016) ser 2020D-1 due 06/15/2040		
Long Term Rating	AAA/Stable	Affirmed
San Francisco City & Cnty		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (Juvenile Hall Proj)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (Moscone Center South Rfdg Proj)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (Moscone Expansion Dist Proj)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (Multiple Capital Improvement Projs)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (MBIA) (National)		
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
San Francisco City & Cnty (Port Facs Proj)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty (Port Facs Proj)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty 2020 certs of part (animal care & control proj) ser 2020A due 04/01/2041		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & County Finance Corp., California		
San Francisco City and County, California		
San Francisco City & Cnty Fin Corp (San Francisco City & Cnty)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty Fin Corp (San Francisco City & Cnty) rfdg lse rev bnds (Brand Lib Imp Prog)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty Fin Corp (San Francisco City & Cnty) rfdg lse rev bnds (Open Space Fund)		
Long Term Rating	AA+/Stable	Affirmed
San Francisco City & Cnty Fin Corp (San Francisco City & Cnty) JOINTCRIT		
Long Term Rating	AAA/A-1+	Affirmed
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed
San Francisco City & Cnty Fin Corp (San Francisco City & Cnty) JOINTCRIT		
Long Term Rating	AAA/A-1+	Affirmed
Unenhanced Rating	AA+(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.