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San Francisco's Sluggish Recovery Puts Its Top-Grade Credit Rating at Risk.

- **Moody's revised its rating outlook to negative from stable**
- **Mayor London Breed calls it a 'warning' for the city**

San Francisco's sluggish recovery from the pandemic may end up costing the city its pristine top-tier credit rating.

The outlook on the city-county's Aaa credit rating was cut to negative from stable this week by Moody's Investors Service. The ratings company said prolonged weakness in the city's commercial real estate market and the "stubbornly slow" rebound of office workers were factors that drove the move.

A credit-rating downgrade would be the latest challenge facing Mayor London Breed, who is seeking to close a $780 million deficit as part of the upcoming two-year budget cycle. A top credit rating is often a point of pride for public officials, and losing it could make it more expensive for the city to borrow in the municipal-bond market.

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By Amanda Albright and Maxwell Adler

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