

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **San Francisco (City & County), California: Fitch New Issue Report**

Key Rating Drivers Revenue Framework: 'aa': Very strong economic growth had been generating revenue growth well in excess of U.S. GDP for many years. Post-pandemic, Fitch expects certain revenues to be challenged given structural economic changes. Expectations for long-term revenue growth below U.S. GDP could affect the revenue framework assessment. This strength is partially offset by only moderate independent revenue-raising ability. Expenditure Framework: 'aa': Over time, Fitch expects expenditure growth associated with increasing salary and pension costs to be in line with or marginally above revenue growth. Expenditure flexibility is solid, reflecting a moderate fixed-cost burden, a demonstrated ability to curb expenditure growth through negotiated labor concessions, and the ability to temporarily reduce general fund capital spending in a downturn. Long-Term Liability Burden: 'aa': Long-term liabilities, net of those attributable to enterprise operations, are at the low end of the moderate range relative to the city's economic resource base. Based on the city's debt issuance plans, its amortization rate, and the expected growth in the resource base, Fitch expects the liability burden to remain in the moderate range.

### **ACCESS REPORT**

Thu 12 Oct, 2023