

1 [Clean and Safe Neighborhood Parks General Obligation Bonds Issuance]

2  
3 **Resolution providing for the issuance of not to exceed \$185,000,000 aggregate**  
4 **principal amount of City and County of San Francisco General Obligation Bonds**  
5 **(Clean and Safe Neighborhood Parks, 2008); authorizing the execution,**  
6 **authentication and registration of said Bonds; providing for the levy of a tax to**  
7 **pay the principal and interest thereof; providing for the appointment of**  
8 **depositories and other agents for said Bonds; providing for the establishment of**  
9 **accounts related thereto; ratifying certain actions previously taken; and granting**  
10 **general authority to city officials to take necessary actions in connection with the**  
11 **authorization, issuance, sale and delivery of said Bonds.**

12  
13 WHEREAS, By Resolution No. 502-07 adopted by the Board of Supervisors of the City  
14 and County of San Francisco (the "City") on September 18, 2007 and signed by the  
15 Mayor of the City on September 21, 2007, it was determined and declared that public  
16 interest and necessity demands the acquisition, construction or reconstruction of park,  
17 recreation and open space improvement projects within the City; and,

18 WHEREAS, By Ordinance No. 237-07, finally passed by the Board of Supervisors  
19 on October 23, 2007, and signed by the Mayor of the City on October 24, 2007, the  
20 Board of Supervisors duly called a special election to be held on February 5, 2008, for  
21 the purpose of submitting to the electors of the City a proposition to incur bonded  
22 indebtedness for the construction, reconstruction, purchase and/or improvement by the  
23 City of certain park and recreation facilities within the City (the "Project"); and,

24 WHEREAS, A special election was held in the City on February 5, 2008, for  
25 the purpose of submitting to the qualified voters of the City a proposition for

1 incurring bonded indebtedness of the City in the aggregate principal amount of  
2 \$185,000,000 to finance the Project; and,

3 WHEREAS, The Registrar of Voters of the City duly and regularly canvassed  
4 the returns of said election and, as the result of such canvass, certified to the Board  
5 of Supervisors that more than two-thirds of the votes cast on said proposition  
6 favored the incurring of such bonded indebtedness; and,

7 WHEREAS, This Board of Supervisors has determined, and does hereby  
8 declare that it is necessary and desirable that all of said Bonds designated generally  
9 as City and County of San Francisco General Obligation Bonds (Clean and Safe  
10 Neighborhood Parks Bonds, 2008) (the "Bonds") (each series to bear such  
11 additional or other designation as may be necessary or appropriate to distinguish  
12 such series from every other series and from other bonds issued by the City) in the  
13 aggregate principal amount of \$185,000,000, be issued and sold in series from time  
14 to time, for the purposes authorized and on the conditions set forth in this Resolution  
15 of the Board of Supervisors; and,

16 WHEREAS, The City expects to pay certain expenditures in connection with  
17 the projects to be financed by the Bonds prior to the issuance and sale of the Bonds,  
18 and the City intends to reimburse itself and to pay third parties for such prior  
19 expenditures from the proceeds of the Bonds; and,

20 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under  
21 the Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to  
22 declare its reasonable official intent to reimburse prior expenditures with the  
23 proceeds of a subsequent borrowing; and,

24

25

1           WHEREAS, The Treasury Regulations require that any reimbursement  
2 allocation of proceeds of the Bonds to be made with respect to expenditures  
3 incurred prior to the issuance of the Bonds will occur not later than eighteen (18)  
4 months after the later of (i) the date on which the expenditure is paid or (ii) the date  
5 on which the facilities are placed in service, but in no event later than three (3) years  
6 after the expenditure is paid; and,

7           WHEREAS, The Bonds will be payable from proceeds of the voter-approved  
8 special ad valorem tax levy described herein; and,

9           WHEREAS, The Bonds are being issued pursuant to a resolution duly adopted  
10 by the Board of Supervisors, Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the  
11 California Government Code, the Charter of the City and a duly held election; and,

12           WHEREAS, The adoption of this Resolution shall constitute authorization of  
13 the Bonds within the meaning of Section 864 of the California Code of Civil  
14 Procedure; and,

15           WHEREAS, Pursuant to Section 9.106 of the Charter of the City, there shall be  
16 delivered a certificate of a duly authorized officer of the City, concurrently with the  
17 issuance of each series of the Bonds, stating that the outstanding general obligation  
18 bonded indebtedness of the City, including all series of the Bonds issued and to be  
19 issued and outstanding on the date of delivery of such series, will not exceed three  
20 percent of the assessed value of all taxable real and personal property located within the  
21 City; and,

22           WHEREAS, The Citizens' General Obligation Bond Oversight Committee shall  
23 conduct an annual review of bond spending and shall provide an annual report on the  
24 management of the program to the Mayor, Board of Supervisors, the Recreation and  
25

1 Park Commission and the Port Commission and to the extent permitted by law, one-tenth  
2 of one percent (0.1%) of the gross proceeds of the Bonds shall be deposited in a fund  
3 established by the Controller's Office and appropriated by the Board of Supervisors at the  
4 direction of the Citizen's General Obligation Bond Oversight Committee to cover the  
5 costs of this committee and this review process;

6 NOW, THEREFORE, BE IT RESOLVED by the Board of the City as follows:

7 Section 1. Recitals. All of the recitals herein are true and correct.

8 Section 2. Conditions Precedent. All conditions, things and acts required by  
9 law to exist, to happen and to be performed precedent to and in the issuance of the  
10 Bonds exist, have happened and have been performed in due time, form and  
11 manner in accordance with applicable law, and the City is now authorized pursuant  
12 to its Charter and applicable law to incur indebtedness in the manner and form  
13 provided in this Resolution (the "Resolution").

14 Section 3. Issuance of Bonds. The Board of Supervisors hereby authorizes  
15 the issuance and sale of not to exceed \$185,000,000 aggregate principal amount of  
16 the Bonds for the construction, reconstruction, purchase and/or completion of the  
17 real property improvements set forth in the following proposition:

18 CLEAN AND SAFE NEIGHBORHOOD PARKS BONDS, 2008, shall the City  
19 and County incur \$185,000,000 of bonded indebtedness for the construction,  
20 reconstruction, purchase and/or improvement of park and recreation facilities and all  
21 other works, property and structures necessary or convenient for the foregoing  
22 purposes.

23 The Bonds may be sold in one or more series, as the Board of Supervisors  
24 shall determine, and shall be sold in accordance with law, as such law may from  
25

1 time to time be amended, supplemented or revised, and on the terms and conditions  
2 approved by the Board of Supervisors in this Resolution, as supplemented by such  
3 other resolution or resolutions relating to such series of Bonds. The offering and sale  
4 of the Bonds may be aggregated with the offering and sale of other general  
5 obligation bonds being issued by the City as authorized from time to time by the  
6 Board of Supervisors.

7 Section 4. Execution and Authentication. The resolution of the Board of  
8 Supervisors authorizing and directing the sale of any series of the Bonds shall set  
9 forth the form of such bond, with such necessary or appropriate variations,  
10 omissions and insertions as may be permitted by such resolution. "CUSIP"  
11 identification numbers may be imprinted on the Bonds, but such numbers shall not  
12 constitute a part of the contract evidenced by the Bonds and any error or omission  
13 with respect thereto shall not constitute cause for refusal of any purchaser to accept  
14 delivery of and pay for the Bonds. In addition, failure on the part of the City to use  
15 such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an  
16 event of default or any violation of the City's contract with such Owners and shall not  
17 impair the effectiveness of any such notice.

18 The Bonds shall be signed by the Mayor of the City and countersigned by the  
19 Clerk of the Board of Supervisors. Such signatures may be facsimile or manual. The  
20 Clerk of the Board of Supervisors may cause the official seal of the City to be  
21 impressed or printed on each of the Bonds. The Treasurer of the City or his or her  
22 designee (the "City Treasurer") shall authenticate the Bonds by manual signature,  
23 and when so executed and authenticated, the Clerk of the Board of Supervisors

24  
25

1 shall deliver the Bonds to or for the account of the purchaser in exchange for the  
2 purchase price thereof.

3 In case any of such officers whose signatures or countersignatures appear on  
4 the Bonds shall cease to be such officer before the delivery of such Bonds to the  
5 purchaser, such signatures or countersignatures shall nevertheless be valid and  
6 sufficient for all purposes as if they had remained in office until the delivery of the  
7 Bonds.

8 Section 5. Transfer or Exchange and Registration of Bonds. Any Bond may  
9 be transferred or exchanged in accordance with its terms and the resolution of the  
10 Board of Supervisors authorizing and directing its sale. Each Bond shall be  
11 registered in accordance with the resolution of the Board of Supervisors authorizing  
12 and directing its sale.

13 Section 6. General Redemption Provisions. The terms of redemption  
14 (whether optional redemption or mandatory redemption), if any, of any series of  
15 Bonds and the manner prescribed for notice of any redemption of such series of  
16 Bonds shall be set forth in the resolution of the Board authorizing and directing the  
17 sale of the Bonds.

18 Section 7. Tax Levy. For the purpose of paying the principal of and interest  
19 on the Bonds, the Board of Supervisors agrees and covenants with the holders of  
20 the Bonds that at the time of fixing the general ad valorem tax levy it shall fix, and in  
21 the manner provided for such general tax levy, levy and collect annually until the  
22 Bonds are paid or until there shall be a sum set apart for that purpose in the treasury  
23 of the City sufficient to meet all sums coming due for payment of principal of and  
24 interest on the Bonds, ad valorem taxes sufficient to pay the annual interest on the  
25

1 Bonds as the same becomes due and also such part of the principal thereof as shall  
2 become due.

3 Said ad valorem taxes shall be levied without limitation as to rate or amount  
4 upon all property within the City subject to taxation by the City (except certain  
5 property which is taxable at limited rates) in an amount sufficient for the payment of  
6 the principal of and interest on the Bonds, shall be in addition to all other taxes  
7 levied for City purposes, shall be collected at the same time and in the same manner  
8 as other taxes of the City are collected, and shall be used only for the payment of  
9 the Bonds and the interest thereon.

10 All taxes collected pursuant to this Section 7 shall be deposited in a special  
11 account to be designated as the "General Obligation Bonds (Clean and Safe  
12 Neighborhood Parks Bonds, 2008) Bond Account" (the "Bond Account") and each  
13 and every series of Bonds issued under this Resolution shall be equally and ratably  
14 secured by the taxes collected pursuant to this Section. Such account shall be  
15 administered by the City Treasurer and kept separate and apart from all other  
16 accounts. Pursuant to the resolution of the Board of Supervisors authorizing and  
17 directing the sale of any series of the Bonds, the City Treasurer may establish such  
18 additional accounts and subaccounts within the Bond Account or with any agent,  
19 including but not limited to any paying agent or fiscal agent, as may be necessary or  
20 convenient in connection with the administration of any series of the Bonds. The  
21 resolution of the Board of Supervisors authorizing and directing the sale of any  
22 series of the Bonds shall establish subaccounts within the Bond Account for each  
23 series of the Bonds to provide for the payment of principal and interest on such  
24 series of Bonds.

25

1           The City Treasurer shall also deposit in the Bond Account from the proceeds  
2 of sale of the Bonds, any moneys received on account of interest accrued on the  
3 Bonds to the date of payment of the purchase price thereof, and such other moneys,  
4 if any, as may be specified in the resolution of the Board authorizing and directing  
5 the sale of each series of Bonds. So long as any of the Bonds are outstanding,  
6 moneys in the Bond Account shall be used and applied by the City Treasurer solely  
7 for the purpose of paying the principal of and interest on the Bonds as such principal  
8 and interest shall become due and payable, or for purchase of Bonds if permitted by  
9 the Resolution providing for the sale of such series of Bonds; provided, however,  
10 that when all of the principal of and interest on the Bonds have been paid, any  
11 moneys then remaining in said account shall be transferred to the General Fund of  
12 the City or as otherwise permitted by law. The Board of Supervisors shall take such  
13 actions annually as are necessary or appropriate to cause the debt service on the  
14 Bonds due in any fiscal year to be included in the budget for such fiscal year and to  
15 make the necessary appropriations therefor.

16           Section 8. Administration and Disbursements From Bond Account.

17           (a) Interest. On or before June 15 and December 15 in each year (or on such  
18 other dates as provided in a sale resolution) that any of the Bonds is outstanding,  
19 the City Treasurer shall transfer to and set aside in the Bond Account and the  
20 appropriate subaccounts therein relating to each series of the Bonds an amount  
21 which, when added to the amount contained in the Bond Account and subaccounts  
22 therein on that date, if any, will be equal to the aggregate amount of the interest  
23 becoming due and payable on each series of the Bonds outstanding on such interest  
24 payment date.

25



1 (b) Principal. On or before June 15 in each year (or on such other dates as  
2 provided in a sale resolution) that any of the Bonds is outstanding, the City  
3 Treasurer shall transfer to and set aside in the Bond Account and the appropriate  
4 subaccounts therein relating to each series of the Bonds an amount which will be  
5 equal to the principal on each series of the Bonds outstanding that will become due  
6 and payable on said June 15, including those Bonds subject to mandatory  
7 redemption on such date pursuant to the provisions of the sale resolution of such  
8 Bonds.

9 All moneys in the Bond Account shall be used and withdrawn by the City  
10 Treasurer solely for the purpose of paying the principal of and interest on each  
11 series of the Bonds as the same shall become due and payable. On June 15 and  
12 December 15 in each year that any Bond is outstanding, the City Treasurer shall  
13 allocate, transfer and apply to the various subaccounts in the Bond Account created  
14 pursuant to the resolutions authorizing the sale of Bonds, on such date on which  
15 payment of principal or interest on any series of Bonds is due, from moneys on  
16 deposit in the Bond Account, an amount equal to the amount of principal of,  
17 premium, if any, or interest due on said date with respect to each series of the  
18 Bonds then outstanding.

19 Section 9. Appointment of Depositories and Other Agents. The City Treasurer  
20 is hereby authorized and directed to appoint one or more depositories as he or she  
21 may deem desirable and may authorize such depository to perform, under the  
22 supervision of the City Treasurer, any of the City Treasurer's duties and  
23 responsibilities under this Resolution, to the extent permitted by applicable law.

24  
25

1           The City Treasurer is hereby also authorized and directed to appoint one or  
2 more agents as he or she may deem necessary or desirable. To the extent permitted  
3 by applicable law and under the supervision of the City Treasurer, such agents may  
4 serve as paying agent, fiscal agent, escrow agent or registrar for the Bonds or may  
5 assist the City Treasurer in performing any or all of such functions and such other  
6 duties as the City Treasurer shall determine including such duties and  
7 responsibilities of the City Treasurer provided for in this Resolution. Such agents  
8 shall serve under such terms and conditions as the City Treasurer shall determine.  
9 The City Treasurer may remove or replace agents appointed pursuant to this  
10 paragraph at any time.

11           Section 10. Project Account. There is hereby established a project account to  
12 be designated as the "General Obligation Bonds (Clean and Safe Neighborhood  
13 Parks Bonds, 2008) Project Account" (the "Project Account"). The Project Account  
14 shall be maintained by the City Treasurer, as a separate account, segregated and  
15 distinct from all other accounts. The City Treasurer may establish such accounts  
16 and subaccounts as may be necessary or convenient in connection with the  
17 administration of the Project or the Bonds.

18           All of the proceeds of the sale of the Bonds, excluding any premium and  
19 accrued interest received thereon, shall be deposited by the City Treasurer to the  
20 credit of the Project Account and shall be applied exclusively to the objects and  
21 purposes specified in the proposition set forth in Section 3 hereof. When such  
22 objects and purposes have been accomplished, any moneys remaining in such  
23 account shall be transferred to the Bond Account established pursuant to Section 7  
24 hereof and applied to the payment of the principal of and interest on any series of  
25

1 Bonds. Amounts in the Project Account may be applied to the payment of costs of  
2 issuance of the Bonds, including, without limitation, bond and financial printing  
3 expenses, mailing and publication expenses, rating agency fees, and the fees and  
4 expenses of paying agents, registrars, financial consultants, disclosure counsel and  
5 bond counsel.

6 Section 11. Defeasance Provisions. The resolution of the Board authorizing  
7 and directing the sale of any series of Bonds may provide for the defeasance of  
8 such series of Bonds. Any Bonds which have been deemed paid in accordance with  
9 the defeasance provisions of the Board resolution authorizing and directing their  
10 sale shall no longer be deemed outstanding under this Resolution.

11 Section 12. Tax Covenants. Any series of the Bonds may be issued as bonds  
12 the interest on which is excluded from gross income for federal or state income tax  
13 purposes or as bonds the interest on which is included in gross income for federal or  
14 state income tax purposes or as taxable bonds. With respect to any series of the  
15 Bonds the interest on which is excluded from gross income for federal or state  
16 income tax purposes, the City may make such covenants and representations as are  
17 necessary or convenient to comply with applicable laws and regulations.

18 Section 13. Other Terms and Provisions Relating To the Bonds. The  
19 resolution of the Board providing for the sale of any series of Bonds may provide for  
20 (a) the purchase of bond insurance or other credit enhancement relating to such  
21 series of Bonds and to the establishment of such additional terms and procedures as  
22 may be necessary to provide for the application of such bond insurance or other  
23 credit enhancement for the benefit of the Bondholders; (b) the investment of moneys  
24 held in any fund or account relating to the Bonds in specific categories or types of  
25

1 investments, so long as such investments are legal investments for the City and in  
2 compliance with any policy or guideline of the City applicable thereto; (c) the  
3 adoption of any supplemental resolutions relating solely to such series of Bonds.

4 Section 14. Supplemental Resolutions. For any one or more of the following  
5 purposes and at any time or from time to time, a supplemental resolution of the City  
6 may be adopted, which, without the requirement of consent of the owners of the  
7 Bonds, shall be fully effective in accordance with its terms:

8 (a) To add to the covenants and agreements of the City in this Resolution  
9 or any resolution authorizing the sale of any series of Bonds, other covenants and  
10 agreements to be observed by the City which are not contrary to or inconsistent with  
11 this Resolution or any resolution authorizing the sale of any series of Bonds as  
12 theretofore in effect;

13 (b) To add to the limitations and restrictions in this Resolution or any  
14 resolution authorizing the sale of any series of Bonds, other limitations and  
15 restrictions to be observed by the City which are not contrary to or inconsistent with  
16 this Resolution or any resolution authorizing the sale of any series of Bonds as  
17 theretofore in effect;

18 (c) To confirm, as further assurance, any pledge under, and the subjection  
19 to any lien or pledge created or to be created by, this Resolution or any resolution  
20 authorizing the sale of any series of Bonds as then in effect, of any moneys,  
21 securities or funds, or to establish any additional funds or accounts to be held under  
22 this Resolution or any resolution authorizing the sale of any series of Bonds;

23  
24  
25

1 (d) To cure any ambiguity, supply any omission, or cure or correct any  
2 defect or inconsistent provision in this Resolution or any resolution authorizing the  
3 sale of any series of Bonds; or

4 (e) To make such additions, deletions or modifications as shall not be  
5 materially adverse to the owners of the Bonds.

6 Any modification or amendment of this Resolution or any resolution authorizing  
7 the sale of any series of Bonds and of the rights and obligations of the City and of  
8 the owners of the Bonds, in any particular, may be made by a supplemental  
9 resolution, with the written consent of the owners of at least a majority in aggregate  
10 principal amount of the Bonds outstanding at the time such consent is given. No  
11 such modification or amendment shall permit a change in the terms or maturity of  
12 the principal of any outstanding Bonds or of any interest payable thereon or a  
13 reduction in the principal amount thereof or in the rate of interest thereon, or shall  
14 reduce the percentage of Bonds the consent of the owners of which is required to  
15 effect any such modification or amendment, or shall reduce the amount of moneys  
16 for the repayment of the Bonds without the consent of all the owners of such Bonds.

17 Section 15. Ratification. All actions heretofore taken by officials, employees  
18 and agents of the City with respect to the sale and issuance of the Bonds are hereby  
19 approved, confirmed and ratified.

20 Section 16. General Authority. The Clerk of the Board of Supervisors, the  
21 Budget and Finance Committee of the Board of Supervisors, the Mayor, the City  
22 Treasurer, the City Administrator, the City Attorney, the Director of Public Finance of  
23 the City and the Controller are each hereby authorized and directed in the name and  
24 on behalf of the City to take any and all steps and to issue and deliver any and all  
25

1 certificates, requisitions, agreements, notices, consents, and other documents,  
2 including but not limited to, letters of representations to any depository or  
3 depositories, which they or any of them might deem necessary or appropriate in  
4 order to consummate the lawful issuance, sale and delivery of the Bonds and  
5 otherwise to give effect to this Resolution.

6  
7 APPROVED AS TO FORM:

8 DENNIS J. HERRERA  
9 City Attorney

10 By: \_\_\_\_\_  
11 Mark D. Blake  
12 Deputy City Attorney

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25