

1 [Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Certain Other
2 Actions in Connection with Proposition 1A Bond Sale.]

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4 **Resolution approving the form of and authorizing the execution and delivery of a**
5 **Purchase and Sale Agreement and related documents with respect to the sale of the**
6 **City's Proposition 1A receivable from the State; and directing and authorizing certain**
7 **other actions in connection therewith.**

8
9 WHEREAS, Pursuant to Section 25.5 of Article XIII of the California Constitution and
10 Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the
11 "Act"), certain local agencies within the State of California (the "State") are entitled to receive
12 certain payments to be made by the State on or before June 30, 2013, as reimbursement for
13 reductions in the percentage of the total amount of ad valorem property tax revenues
14 allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement
15 Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06
16 of the California Revenue and Taxation Code; and

17 WHEREAS, The City and County of San Francisco, a local agency within the meaning
18 of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has
19 determined to sell all right, title and interest of the Seller in and to its "Proposition 1A
20 receivable", as defined in Section 6585(g) of the California Government Code (the
21 "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due
22 to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution
23 and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to
24 fund public capital improvements or working capital; and

1 WHEREAS, The Seller is authorized to sell or otherwise dispose of its property as the
2 interests of its residents require; and,

3 WHEREAS, The California Statewide Communities Development Authority, a joint
4 exercise of powers authority organized and existing under the laws of the State (the
5 “Purchaser”), has been authorized pursuant to Section 6588(x) of the California Government
6 Code to purchase the Proposition 1A Receivable; and

7 WHEREAS, The Purchaser desires to purchase the Proposition 1A Receivable and the
8 Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale
9 agreement by and between the Seller and the Purchaser in the form presented to this Board
10 of Supervisors (the “Sale Agreement”) for the purposes set forth herein; and

11 WHEREAS, In order to finance the purchase price of the Proposition 1A Receivable
12 from the Seller and the purchase price of other Proposition 1A Receivables from other local
13 agencies, the Purchaser will issue its bonds (the “Bonds”) pursuant to Section 6590 of the
14 California Government Code and an Indenture (the “Indenture”), by and between the
15 Purchaser and Wells Fargo Bank, National Association, as trustee (the “Trustee”), which
16 Bonds will be payable solely from the proceeds of the Seller’s Proposition 1A Receivable and
17 other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with
18 the issuance of the Bonds; and

19 WHEREAS, The Seller acknowledges that (i) any transfer of its Proposition 1A
20 Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute
21 sale and transfer of the property so transferred and not as a pledge or grant of a security
22 interest by City and County of San Francisco to secure a borrowing, (ii) any such sale of its
23 Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need
24 for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9
25 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to

1 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A
2 Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to
3 the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will
4 thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent
5 appointed by the Purchaser; and

6 WHEREAS, The Seller acknowledges that the Purchaser will grant a security interest in
7 the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of
8 the Bonds; and

9 WHEREAS, A portion of the proceeds of the Bonds will be used by the Purchaser to,
10 among other things, pay the purchase price of the Proposition 1A Receivable; and

11 WHEREAS, The Seller will use the proceeds received from the sale of the Proposition
12 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;
13 now, therefore, be it

14 RESOLVED, By the Board of Supervisors of the City and County of San Francisco as
15 follows:

16 Section 1. All of the recitals set forth above are true and correct, and this Board
17 hereby so finds and determines.

18 Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to
19 the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the
20 Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement
21 presented to the Board of Supervisors is hereby approved. An Authorized Officer (as set forth
22 in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is
23 hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the
24 Seller, which shall be in the form presented at this meeting.

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1 Section 3. Any Authorized Officer is hereby authorized and directed to send, or to
2 cause to be sent, an irrevocable written instruction to the State Controller (the “Irrevocable
3 Written Instruction”) notifying the State of the sale of the Proposition 1A Receivable and
4 instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of
5 the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable
6 Written Instruction shall be in the form presented at this meeting.

7 Section 4. The Authorized Officers and such other Seller officers, as appropriate,
8 are hereby authorized and directed, jointly and severally, to do any and all things and to
9 execute and deliver any and all documents, including but not limited to, if required,
10 appropriate escrow instructions relating to the delivery into escrow of executed documents
11 prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement
12 or the Indenture, which any of them may deem necessary or desirable in order to implement
13 the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and
14 intent of this Resolution; and all such actions heretofore taken by such officers are hereby
15 ratified, confirmed and approved.

16 Section 5. All consents, approvals, notices, orders, requests and other actions
17 permitted or required by any of the documents authorized by this Resolution, whether before
18 or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including
19 without limitation any of the foregoing that may be necessary or desirable in connection with
20 any default under or amendment of such documents, may be given or taken by an Authorized
21 Officer without further authorization by this Board of Supervisors, and each Authorized Officer
22 is hereby authorized and directed to give any such consent, approval, notice, order or request,
23 to execute any necessary or appropriate documents or amendments, and to take any such
24 action that such Authorized Officer may deem necessary or desirable to further the purposes
25 of this Resolution.

1 Section 6. The Board of Supervisors acknowledges that, upon execution and
2 delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A
3 Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have
4 any option to revoke its approval of the Sale Agreement or to determine not to perform its
5 obligations thereunder.

6 Section 7. This Resolution shall take effect from and after its adoption and approval.
7 following vote.

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9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA, City Attorney
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13 By: _____
14 KENNETH DAVID ROUX
15 Deputy City Attorney
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1 APPENDIX A

2 CITY AND COUNTY OF SAN FRANCISCO

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4 Authorized Officers:

5
6 Gavin Newsom

Mayor

7 Ben Rosenfield

Controller

8 Angela Calvillo

Clerk of Board of Supervisors

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10 any designee of any of them, as appointed in a written certificate of such Authorized Officer
11 delivered to the Trustee.