

1 [General Obligation Bonds - Amending Resolution No. 284-14 - Seismic Safety Loan Program
2 - Not to Exceed \$24,000,000]

3 **Resolution amending and supplementing Resolution No. 284-14 to authorize the sale of**
4 **not to exceed \$24,000,000 aggregate principal amount of City and County of San**
5 **Francisco Taxable General Obligation Bonds (Seismic Safety Loan Program, 1992),**
6 **Series 2014C, by private placement to the financial institution identified herein, to**
7 **authorize the execution of a Declaration of Trust and a Continuing Covenant**
8 **Agreement in connection therewith and authorizing and approving modifications to**
9 **said documents, as defined herein; ratifying certain actions previously taken, as**
10 **defined herein; and granting general authority to City officials to take necessary**
11 **actions in connection with the authorization, issuance, sale, and delivery of said**
12 **bonds, as defined herein.**

13
14 WHEREAS, In November 1992 the voters of the City and County of San Francisco (the
15 “City”) approved Proposition A (“Proposition A”), which authorized the issuance of
16 \$350,000,000 aggregate principal amount of general obligation bonds (the “Bonds”) to provide
17 funds for loans to finance the seismic strengthening of unreinforced masonry buildings within
18 the City, of which (a) \$150,000,000 was allocated to affordable housing below market-rate
19 loans, of which \$60,000,000 was allocated for deferred loans, and (b) \$200,000,000 was
20 allocated to market-rate loans for residential, commercial and institutional buildings; and

21 WHEREAS, On July 22, 2014, the Board of Supervisors (the “Board”) adopted
22 Resolution No. 284-14 (“Resolution No. 284-14”), which was signed by the Mayor on July 31,
23 2014, to authorize and direct the sale by the City of not to exceed \$24,000,000 aggregate
24 principal amount of its Taxable General Obligation Bonds (Seismic Safety Loan Program,
25 1992), Series 2014C (the “Series 2014C Bonds”); and

1 WHEREAS, The City has now determined that it is advisable to sell the Series 2014C
2 Bonds by negotiated sale through a private placement of the Bonds with a financial institution
3 selected by the City pursuant to a competitive process; and

4 WHEREAS, It is advisable in connection with such sale by private placement to
5 approve the form of and execution of certain additional documents and the amendment of
6 certain provisions of Resolution No. 284-14 and to amend Resolution No. 284-14 in certain
7 respects (including changing the designation of the Series 2014C Bonds to the Series 2015A
8 Bonds and to provide for the redemption provisions and the mandatory tender provisions of
9 the Series 2015A Bonds through a Declaration of Trust); and

10 WHEREAS, In Resolution No. 284-14, the Board adopted certain findings pertaining to
11 the California Environmental Quality Act, which are unaffected by this amending and
12 supplementing Resolution, which solely affects the terms and manner of sale of the Series
13 2015A Bonds (previously referred to in Resolution No. 284-14 as the Series 2014C Bonds);
14 now, therefore, be it

15 RESOLVED, That the Board of Supervisors of the City and County of San Francisco,
16 as follows:

17 SECTION 1. Recitals. All of the recitals herein are true and correct.

18 SECTION 2. Documents. The documents presented to this Board (which are a
19 Declaration of Trust and a Continuing Covenant Agreement) and on file with the on file with
20 the Clerk of the Board of Supervisors (“Clerk of the Board”) are contained in File No. 150470.

21 SECTION 3. Amendment to Update Bond Series Designation. Any references in
22 Resolution No. 284-14 to the “Series 2014C Bonds” are hereby amended to refer instead to
23 the “Series 2015A Bonds”, and the names of any accounts authorized by Resolution No. 284-
24 14 to be established by the Treasurer shall bear a name corresponding to the final series
25 designation of the Series 2015A Bonds.

1 SECTION 4. Approval of Declaration of Trust; Forms of Bonds. The proposed form of
2 a Declaration of Trust (the "Declaration of Trust") setting forth certain terms of the Series
3 2015A Bonds, on file with the Clerk of the Board, is hereby approved. The Mayor, the
4 Controller, and the Treasurer are hereby authorized and directed, for and in the name and on
5 behalf of the City, to execute and deliver the Declaration of Trust in substantially said form,
6 with such changes, additions and modifications as may be made in accordance with Section
7 8.

8 To the extent that any series of the Series 2015A Bonds is issued with a variable
9 interest rate, the Board hereby acknowledges, and expressly authorizes, that in accordance
10 with prevailing market conditions, the variable interest rate is established under the
11 Declaration of Trust at a specified rate for a limited initial term of five years (or such other
12 period as set forth in the Declaration of Trust), and thereafter, the Declaration of Trust
13 provides for amortization of principal over a period significantly shorter than the then
14 remaining term through the stated maturity of such series of Series 2015A Bonds. The Board
15 hereby further authorizes the Director of Public Finance, in his or her discretion, to exercise
16 any extension of the variable rate mode provided in the Declaration of Trust, the Continuing
17 Covenant Agreement (as defined herein), or otherwise in connection with such series of
18 Series 2015A Bonds; provided that such extension does not increase the Index Rate Spread
19 (as defined in the Declaration of Trust) by more than ten (10) basis points from the Index Rate
20 Spread set forth in the executed Declaration of Trust, and provided further that the Director of
21 Public Finance shall provide within thirty (30) days a summary to the Board of Supervisors of
22 any such change to the Index Rate Spread and an estimate of the cost impact of such change
23 for the next twelve (12) month period.

24 SECTION 5. Selection of Purchaser of the Series 2015A Bonds. Each of the
25 Controller and the Director of Public Finance, acting singly, is authorized to select one or more

1 financial institutions (the “Purchaser”) to purchase the Series 2015A Bonds through a private
2 placement sale. The Controller or the Director of Public Finance shall provide the name of the
3 financial institution selected at the earliest practical Board meeting occurring after the
4 selection thereof, together with the results of the sale, in accordance with Government Code
5 Section 53509.5.

6 SECTION 6. Continuing Covenant Agreement; Negotiated Sale Through Private
7 Placement. Each of the Controller and the Director of Public Finance, acting singly, is
8 authorized to sell the Series 2015A Bonds by negotiated sale through a private placement
9 pursuant to the form of Continuing Covenant Agreement (the “Continuing Covenant
10 Agreement”), by and between the City and the Purchaser of the Series 2015A Bonds,
11 submitted with this Resolution and on file with the Clerk of the Board. The Board hereby
12 determines that a negotiated sale through a private placement is expected to provide a lower
13 cost of financing and more flexibility than a competitive sale. The proposed form of the
14 Continuing Covenant Agreement, on file with the Clerk of the Board, is hereby approved.
15 Each of the Mayor, the Controller, and the Treasurer are hereby authorized and directed, for
16 and in the name and on behalf of the City, to execute and deliver the Continuing Covenant
17 Agreement in substantially said form, with such changes, additions and modifications as may
18 be made in accordance with Section 8 hereof. Costs associated with the issuance of the
19 Series 2015A Bonds, described in more detail in the Declaration of Trust, are estimated to
20 range from approximately \$400,000 to approximately \$500,000. In connection with the
21 negotiated sale of the Series 2015A Bonds, Schiff Hardin LLP and Richards, Watson &
22 Gershon, A Professional Corporation, shall serve as co-bond counsel, and Public Resources
23 Advisory Group and Ross Financial shall serve as co-financial advisors.

24 SECTION 7. Relationship of Declaration of Trust to Resolution No. 284-14.
25 Notwithstanding any provisions to the contrary in Resolution No. 284-14 setting forth certain

1 terms of the Series 2015A Bonds, so long as the Declaration of Trust approved under this
2 Resolution remains in effect its terms and provisions relative to the 2015A Bonds shall control
3 and be binding on the holders of such obligations.

4 SECTION 8. Modification to Documents. Any City official authorized by this Resolution
5 to execute any document is hereby further authorized, in consultation with the City Attorney,
6 to approve and make such changes, additions, amendments or modifications to the document
7 or documents approved by this Resolution as may be necessary or advisable (provided that
8 such changes, additions, amendments or modifications shall not authorize an aggregate
9 principal amount of Series 2015A Bonds in excess of \$24,000,000 or conflict with the terms of
10 Proposition A or the provisions of Section 4 of Resolution No. 284-14). The approval of any
11 change, addition, amendment or modification to any of the aforementioned documents shall
12 be evidenced conclusively by the execution and delivery of the document in question, and
13 provided further that the Director of Public Finance shall provide a copy (marked to show
14 changes) to the Clerk of the Board of the executed form of any such documents within 30
15 days of the closing of the transaction authorized hereby.

16 SECTION 9. Continued Effectiveness of Resolution No. 284-14. Except as amended
17 and supplemented by this Resolution, Resolution No. 284-14 shall remain and continue in full
18 force and effect. The provisions of Sections 22 through 25 (inclusive), 27, and 28 of
19 Resolution No. 284-14 shall be deemed incorporated herein by reference, provided that the
20 Accountability Report referenced in Section 24 of Resolution No. 284-14 shall be submitted by
21 May 11, 2015, and the Board hereby consents to submission by such date.

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SECTION 10. Effective Date. This resolution should take effect immediately upon adoption.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
MARK BLAKE
Deputy City Attorney
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