

[Taxable and/or Tax Exempt Certificates of Participation (HOPE SF) - Not to Exceed \$38,000,000]

Ordinance authorizing the execution and delivery of Taxable and/or Tax Exempt Certificates of Participation (HOPE SF) in an aggregate principal amount not to exceed \$38,000,000 to finance certain capital improvement projects; approving the form of a Trust Agreement between the City and County of San Francisco and the trustee (including certain indemnities contained therein); granting authorization for the selection of a trustee; approving the form of a Property Lease between the City and the Trustee named therein relating to certain property generally known as the Mission Police Station, certain property generally known as the Bayview Station of the San Francisco Police Department and certain other City-owned property; approving the form of a Project Lease between the City and the Trustee (including certain indemnities contained therein); delegating to the Director of Public Finance the authority to sell the Certificates of Participation by either a competitive or negotiated sale; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF), if sold by competitive sale; authorizing certain actions relating to the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF), if sold by negotiated sale including approving the form of a Purchase Contract between the City and an underwriter named therein; approving the form of an Official Statement in preliminary form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF); approving

1 **modifications to documents; and ratifying previous actions taken in connection**
2 **therewith.**

3
4 WHEREAS, The City established the HOPE SF program in 2007 to rebuild its severely
5 distressed public housing sites, while increasing affordable housing and ownership
6 opportunities and improving the quality of life for existing residents and the surrounding
7 communities; and

8 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
9 "Board of Supervisors" or the "Board") desires to provide for the financing of a portion of the
10 HOPE SF program (the "Project") with proceeds from the sale of taxable and/or tax exempt
11 certificates of participation (the "Certificates"), and to authorize the delivery in the form of
12 taxable Build America Bonds, as defined herein, of all or a portion of any taxable Certificates
13 delivered; and

14 WHEREAS, In connection with the Certificates, the City shall enter into a property
15 lease, a project lease, a trust agreement and certain other related documents; and

16 WHEREAS, The Certificates will be payable from rental payments paid by the City for
17 the use and occupancy of certain land and facilities subject to the project lease; and

18 WHEREAS, This Board has been presented with the form of certain documents
19 referred to herein relating to the Certificates, and the Board has examined and is approving
20 each document and desires to authorize and direct the execution of such documents and the
21 consummation of such financing; and

22 WHEREAS, The adoption of this Ordinance shall constitute authorization of the
23 Certificates as obligations within the meaning of Section 864 of the California Code of Civil
24 Procedure and Section 53511 of the Government Code and any Validation Act that is effective
25 after this Ordinance is adopted; and

1 WHEREAS, The Certificates may be sold by competitive sale pursuant to an official
2 notice of sale and a notice of intention to sell or, in accordance with certain procedures, by
3 negotiated sale pursuant to a purchase contract; and

4 Be it ordained by the People of the City and County of San Francisco, as follows:

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

6 Section 2. Conditions Precedent. All conditions, things and acts required by law to
7 exist, to happen and to be performed precedent to the execution and delivery of the
8 Certificates shall exist, have happened and have been performed in due time, form and
9 manner in accordance with applicable law, and the City is authorized pursuant to its charter
10 and applicable law to enter into the transactions described herein in the manner and form
11 provided in this Ordinance.

12 Section 3. File Documents. The documents presented to this Board and on file with the
13 Clerk of the Board or a designee of said clerk (collectively and individually, the "Clerk of the
14 Board") are contained in File No. 101158.

15 Section 4. Approval of the Certificates. The Board hereby approves the execution and
16 delivery of the Certificates, which shall be executed and delivered on or before June 30, 2013
17 and in accordance with the Trust Agreement, defined below, between the City and the trustee
18 named therein (the "Trustee"), as the same is finally executed and delivered. The proceeds of
19 the Certificates will be used to (i) finance the Project; (ii) fund a reserve fund or the costs of a
20 reserve surety policy, if any, as the Controller of the City or a designee of the controller
21 (collectively and individually, the "Controller") shall determine; (iii) fund capitalized interest
22 when due, if necessary or desirable; and (iv) pay costs of execution and delivery of the
23 Certificates. The Certificates shall be designated as "City and County of San Francisco
24 Certificates of Participation (HOPE SF)" or such other designation as deemed appropriate by
25 the Director of Public Finance of the City or a designee of said director (collectively and

1 individually, the "Director of Public Finance"). The Certificates, if sold and delivered in both
2 taxable and tax exempt form and/or as Build America Bonds, may be designated as separate
3 series. "Build America Bonds" means any taxable Certificates issued in the manner
4 authorized by the American Recovery and Reinvestment Act of 2009, as hereafter revised or
5 amended, and in compliance with the provisions of Section 54AA of the Internal Revenue
6 Code of 1986 (the "Code"), to finance capital expenditures.

7 The Trustee shall be authorized to cause the execution and delivery of the Certificates
8 in an aggregate principal amount not to exceed \$38,000,000, with an interest rate not to
9 exceed 12 percent per annum. The Certificates shall be subject to prepayment as set forth in
10 the Trust Agreement. To the extent deemed necessary or desirable by the Director of Public
11 Finance, this Board authorizes the procurement of credit enhancement for the Certificates,
12 including, but not limited to, municipal bond insurance or a debt service reserve fund surety
13 policy, if any. Notwithstanding Section 16 hereof, the documents authorized herein may be
14 modified or amended to permit the procurement of credit enhancement for the Certificates, to
15 the extent deemed necessary or desirable by the Director of Public Finance, upon
16 consultation with the City Attorney.

17 Section 5. Approval of the Trust Agreement; Authorization for Selection of Trustee. The
18 form of a trust agreement (the "Trust Agreement") between the City and the Trustee, as
19 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
20 approved. The Mayor of the City or a designee of the Mayor (collectively, the "Mayor") is
21 hereby authorized to execute the Trust Agreement, and the Clerk of the Board is hereby
22 authorized to attest to and affix the seal of the City on the Trust Agreement, with such
23 changes, additions and modifications as the Mayor may make or approve in accordance with
24 Section 16 hereof. The Director of Public Finance is hereby authorized to select the Trustee
25 in accordance with City policies and procedures, including but not limited to, the City's policy

1 to provide locally disadvantaged minority business enterprises and women enterprises equal
2 opportunity to participate in the performance of all City contracts.

3 In connection with any Build America Bonds, the Director of Public Finance is
4 authorized to make any necessary or desirable changes to the Trust Agreement, including but
5 not limited to any election required so that the City is entitled, with respect to such Certificates,
6 to receive interest subsidy payments pursuant to Section 6431 of the Code. If such election is
7 made, the Director of Public Finance is further authorized to approve language to be inserted
8 into the Trust Agreement, and/or to enter into a separate agreement with the Trustee, to
9 require the Trustee to file any documentation or certificates with the Internal Revenue Service
10 required in connection with any such interest subsidy payments.

11 Section 6. Approval of the Property Lease. The form of a property lease (the "Property
12 Lease") between the City and the Trustee, as presented to this Board, a copy of which is on
13 file with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to
14 execute the Property Lease, and the Clerk of the Board, is hereby authorized to attest to and
15 affix the seal of the City on the Property Lease, with such changes, additions and
16 modifications as the Mayor may make or approve in accordance with Section 16 hereof.

17 Section 7. Approval of the Project Lease; Approval of Base Rental Payments. The form
18 of a project lease between the City and the Trustee (the "Project Lease"), providing for the
19 financing of the Project, as presented to this Board, a copy of which is on file with the Clerk of
20 the Board, is hereby approved. The Mayor is hereby authorized to execute the Project Lease,
21 and the Clerk of the Board is hereby authorized to attest and to affix the seal of the City on the
22 Project Lease with such changes, additions and modifications as the Mayor may make or
23 approve in accordance with Section 16 hereof, provided however, that the maximum Base
24 Rental (as defined in the Project Lease) scheduled to be paid under the Project Lease for the
25 use and occupancy of certain land and facilities (the "Leased Property"), in any fiscal year

1 shall not exceed \$4.5 million and the term of the Project Lease shall not extend beyond 35
2 years.

3 Section 8. Approval of the Leased Property. The Board hereby approves of the use
4 and occupancy of all or a portion of the Leased Property by the City. The Board also hereby
5 approves of the payment by the City of the Base Rental for the use and occupancy of all or a
6 portion of the following Leased Property: Mission Police Station, located at 630 Valencia
7 Street in the City, Bayview Station of the San Francisco Police Department, located at 201
8 Williams Avenue in the Bayview District of the City, and certain other City-owned property not
9 specifically named herein.

10 Section 9. Sale and Award of Certificates by Competitive Sale. In the event the Director
11 of Public Finance determines to sell the Certificates by competitive sale, the Director of Public
12 Finance, on behalf of the Controller, is hereby authorized and directed to receive bids for the
13 purchase of the Certificates, and the Controller is hereby authorized and directed to award the
14 Certificates to the bidder whose bid represents the lowest true interest cost to the City, all in
15 accordance with the procedures described in the Official Notice of Sale (as defined herein).

16 Section 10. Approval of Form of Official Notice of Sale. The form of an official notice of
17 sale relating to the Certificates (the "Official Notice of Sale"), as presented to this Board, a
18 copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public
19 Finance is hereby authorized to approve the distribution of an Official Notice of Sale for the
20 Certificates, with such changes, additions modifications or deletions as the Director of Public
21 Finance may approve upon consultation with the City Attorney; such approval to be
22 conclusively evidenced by the distribution of the Official Notice of Sale to potential purchasers
23 of the Certificates.

24 Section 11. Approval of Notice of Intention to Sell Relating to the Certificates. The form
25 of a notice of intention to sell relating to the Certificates (the "Notice of intention to Sell"), as

1 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
2 approved. The Director of Public Finance is hereby authorized to approve the publication of
3 the Notice of Intention to Sell relating to the Certificates, with such changes, additions,
4 modifications or deletions as the Director of Public Finance may approve upon consultation
5 with the City Attorney; such approval to be conclusively evidenced by the publication of the
6 Notice of Intention to Sell relating to the Certificates.

7 Section 12. Authorization for Negotiated Sale; Approval of Purchase Contract;
8 Selection of Underwriters. The Director of Public Finance, in consultation with the Controller,
9 is hereby authorized to sell the Certificates by negotiated sale pursuant to one or more
10 purchase contracts (the "Purchase Contract") by and between the City and the underwriter(s)
11 named therein, if the Director determines that such manner of sale is in the best interest of the
12 City, such determination to be conclusively evidenced by the execution and delivery of a
13 purchase contract for the Certificates. The form of such Purchase Contract as presented to
14 this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
15 Controller is hereby authorized to execute the Purchase Contract with such charges, additions
16 and modifications as the Controller may make or approve in accordance with Section 16
17 hereof; provided however, that the Underwriters' discount under any such Purchase Contract
18 shall not exceed 2.00% of the principal amount of the Certificates. In order to facilitate the
19 sale of the Certificates by negotiated sale, the Director of Public Finance is hereby authorized
20 and directed to appoint one or more financial institutions to act as underwriter for the
21 Certificates in accordance with City policies and procedures, including, but not limited to, the
22 City's policy to provide locally disadvantaged minority business enterprises and women
23 enterprises an equal opportunity to participate in the performance of all City contracts.

24 Section 13. Approval of the Official Statement in Preliminary and Final Form. The form
25 of an official statement relating to the Certificates (the "Official Statement"), as presented to

1 this Board, a copy of which is on file in preliminary form with the Clerk of the Board, is hereby
2 approved. The Director of Public Finance and the Controller, each, is hereby authorized to
3 approve the preliminary Official Statement in said form, with such changes, additions,
4 modifications or deletions as either officer may approve upon consultation with the City
5 Attorney, and to deem the preliminary Official Statement final for purposes of Rule 15c2-12 of
6 the Securities and Exchange Act of 1934, as amended, to execute a certificate to that effect,
7 and to cause the preliminary Official Statement to be delivered, in printed or electronic form, to
8 potential purchasers of the Certificates, such approval to be conclusively evidenced by the
9 delivery of said deemed-final certificate. The Controller is hereby further authorized and
10 directed to sign the Official Statement in final form. The Controller or the Director are hereby
11 authorized to direct the Co-Financial Advisors to cause to be printed and mailed, or distributed
12 electronically, to prospective bidders, copies of the Preliminary Official Statement and the final
13 Official Statement.

14 Section 14. Approval of the Continuing Disclosure Certificate. The form of a Continuing
15 Disclosure Certificate of the City, as presented to this Board, a copy of which is on file with the
16 Clerk of the Board, is hereby approved. The Controller is hereby authorized to execute the
17 Continuing Disclosure Certificate, with such changes, additions, modifications or deletions as
18 the Controller may approve upon consultation with the City Attorney; such approval to be
19 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

20 Section 15. General Authority. The Mayor, the City Attorney, the Controller, the Director
21 of Public Finance, the Clerk of the Board and other officers of the City and their duly
22 authorized deputies and agents are hereby authorized and directed, jointly and severally, to
23 take such actions and to execute and deliver such certificates, agreements, requests or other
24 documents as they may deem necessary or desirable to accomplish the proposed financing
25 through the execution and delivery of the Certificates, to enter into the Trust Agreement,

1 Property Lease, Purchase Contract, if any, and Project Lease, to facilitate the execution and
2 delivery of the Certificates, to prepare and deliver or cause to be prepared and delivered such
3 certificates and documents necessary in connection with the Build America Bonds, including
4 any elections or determinations required in connection therewith, to obtain bond insurance or
5 other credit enhancements with respect to the financing of the Project, to obtain title
6 insurance, clear any encumbrances to title, survey property and carry out other title work and
7 otherwise to carry out the provisions of this Ordinance.

8 Section 16. Modifications, Changes and Additions. The Mayor or the Controller is
9 hereby authorized to approve and make such modifications, changes or additions to the Trust
10 Agreement, Property Lease, Continuing Disclosure Certificate, Purchase Contract or the
11 Project Lease, upon consultation with the City Attorney, as may be necessary or desirable in
12 the interests of the City, and which changes do not materially increase the obligations of the
13 City under the Trust Agreement, Property Lease, Purchase Contract or the Project Lease. The
14 Mayor's or the Controller's approval of such modifications, changes or additions shall be
15 conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the Board
16 of the Trust Agreement, Property Lease and the Project Lease and by the execution and
17 delivery by the Controller of the Continuing Disclosure Certificate and Purchase Contract, if
18 any.

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1 Section 17. Ratification of Prior Actions. All actions authorized and directed by this
2 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

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4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA
6 City Attorney

7 By: Kenneth David Roux
8 KENNETH DAVID ROUX
9 Deputy City Attorney



City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 101158

Date Passed: October 26, 2010

Ordinance authorizing the execution and delivery of Taxable and/or Tax Exempt Certificates of Participation (HOPE SF) in an aggregate principal amount not to exceed \$38,000,000 to finance certain capital improvement projects; approving the form of a Trust Agreement between the City and County of San Francisco and the trustee (including certain indemnities contained therein); granting authorization for the selection of a trustee; approving the form of a Property Lease between the City and the Trustee named therein relating to certain property generally known as the Mission Police Station, certain property generally known as the Bayview Station of the San Francisco Police Department and certain other City-owned property; approving the form of a Project Lease between the City and the Trustee (including certain indemnities contained therein); delegating to the Director of Public Finance the authority to sell the Certificates of Participation by either a competitive or negotiated sale; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF), if sold by competitive sale; authorizing certain actions relating to the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF), if sold by negotiated sale including approving the form of a Purchase Contract between the City and an underwriter named therein; approving the form of an Official Statement in preliminary form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Taxable and/or Tax Exempt Certificates of Participation (HOPE SF); approving modifications to documents; and ratifying previous actions taken in connection therewith.

October 13, 2010 Budget and Finance Committee - RECOMMENDED

October 19, 2010 Board of Supervisors - PASSED ON FIRST READING

Ayes: 10 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

Noes: 1 - Daly

October 26, 2010 Board of Supervisors - FINALLY PASSED

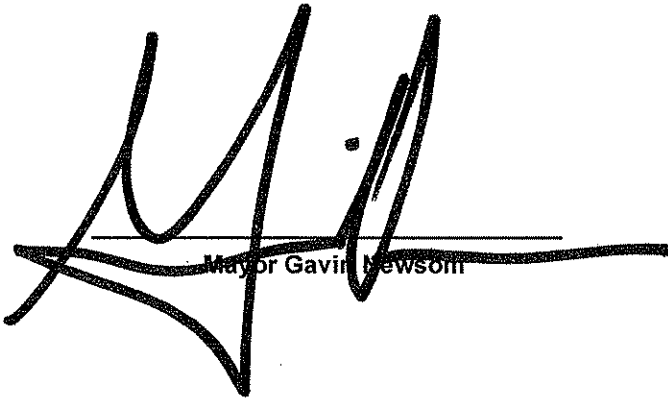
Ayes: 9 - Avalos, Campos, Chiu, Chu, Dufty, Elsbernd, Mar, Maxwell and Mirkarimi

Noes: 1 - Daly

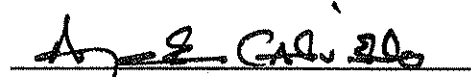
Excused: 1 - Alioto-Pier

File No. 101158

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
10/26/2010 by the Board of Supervisors of
the City and County of San Francisco.



Mayor Gavin Newsom



Angela Calvillo
Clerk of the Board

November 5, 2010
Date Approved