

1 [Administrative Code - Airport Revenue Bonds]

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3 **Ordinance amending the Administrative Code to provide that Section 54522 of the**
4 **California Government Code, which requires annual publication of year-end financial**
5 **statements not more than 120 days after the close of each fiscal year, shall not apply to**
6 **airport revenue bonds.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

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12 Be it ordained by the People of the City and County of San Francisco:

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14 Section 1. Background and Findings.

15 (a) The Airport Commission issues airport revenue bonds from time to time pursuant to
16 its Resolution No. 91-0210, as amended (the “1991 Master Bond Resolution”). The Airport
17 Commission adopted Resolution No. 22-0096 (the “Twenty-Fourth Supplemental Resolution”),
18 which would amend the 1991 Master Bond Resolution to allow the Commission’s audited
19 financial statements to be provided to the bond trustee within 210 days after the end of each
20 of its fiscal years, instead of 120 days after. Airport Department staff reported to the Airport
21 Commission that additional time is needed to coordinate among City staff and the City’s
22 outside auditors and actuary in implementing Governmental Accounting Standards Board
23 financial reporting requirements that have been adopted since 2017, and Airport Department
24 staff anticipate that more than 120 days will be needed to complete the audited financial
25 statements going forward, including for Fiscal Year 2021/22. The Twenty-Fourth

1 Supplemental Resolution provides that it shall not become effective until the City has enacted
2 an ordinance amending Section 2.62(a) of the Administrative Code to provide that the
3 provisions of Section 54522 of the California Government Code shall not apply to the airport
4 revenue bonds issued pursuant to said Section 2.62.

5 (b) The Airport Commission issues airport revenue bonds under the 1991 Master Bond
6 Resolution and pursuant to (a) Sections 4.115 and 9.107(4) of the Charter and (b) Section
7 2.62 of the Administrative Code. Section 2.62 provides, among other things, that revenue
8 bonds shall be issued by the Commission in accordance with the Revenue Bond Law of 1941
9 (California Government Code sections 54300 and following). Finally, Section 2.62 states that
10 certain provisions of the Revenue Bond Law of 1941 (namely, Sections 54380 through 54387,
11 inclusive, of the California Government Code) do not apply to the issuance and sale of airport
12 revenue bonds.

13 (c) The Revenue Bond Law of 1941, at Section 54522, requires annual publication of
14 year-end financial statements not more than 120 days after the close of each fiscal year. In
15 order to allow the proposed amendment in the Twenty-Fourth Supplemental Resolution to
16 become effective, it is necessary to amend Section 2.62 to provide that Section 54522 of the
17 California Government Code does not apply to the issuance and sale of airport revenue
18 bonds.

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20 Section 2. Chapter 2, Article VII of the Administrative Code is hereby amended by
21 revising Section 2.62, to read as follows:

22 **SEC. 2.62. AIRPORT REVENUE BONDS.**

23 (a) Subject to the approval, amendment, or rejection of the Board of Supervisors in
24 each instance, the Airport Commission shall have authority to issue airport revenue bonds for
25 the purpose of acquiring, constructing, improving, or developing airports or airports facilities

1 under its jurisdiction under such terms and conditions as the Commission may authorize by
2 appropriate resolution. Such revenue bonds shall be issued in accordance with the Revenue
3 Bond Law of 1941 as it now reads or may hereafter be amended. The provisions of Sections
4 54380 through 54387, inclusive, *and Section 54522* of the *California* Government Code shall not
5 apply to the issuance and sale of such revenue bonds.

6 (b) Revenue bonds issued pursuant to this Section 2.62 shall bear a rate of interest
7 not to exceed that which may be fixed and prescribed by the Airport Commission subject to
8 the approval or rejection of the Board of Supervisors without regard to the limitations
9 contained in the Revenue Bond Law of 1941. The bonds issued by the Commission pursuant
10 to the provisions of this Section shall not constitute or evidence indebtedness of the City and
11 County but shall constitute and evidence only indebtedness of the said Commission payable
12 solely out of revenues received by the Commission from airports or airport facilities operated
13 or controlled by it.

14 (c) Airport revenue bonds issued for such purposes pursuant to this Section 2.62 shall
15 not be included in the bonded debt limit provided for in Section 2.60 of this Code. Nothing in
16 this Section 2.62 shall prevent the City and County from issuing general obligation bonds for
17 the purpose of acquiring, constructing, improving, or developing airports or airport facilities
18 under the Commission's jurisdiction, subject to the bond issue procedure provided for in the
19 Charter.

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21 Section 3. Effective Date. This ordinance shall become effective 30 days after
22 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
23 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
24 of Supervisors overrides the Mayor's veto of the ordinance.

1 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the
4 Administrative Code that are explicitly shown in this ordinance as additions, deletions, Board
5 amendment additions, and Board amendment deletions in accordance with the “Note” that
6 appears under the official title of the ordinance.

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9 APPROVED AS TO FORM:
10 DAVID CHIU, City Attorney

11 By: *Brooke D. Abola /s/*
12 BROOKE D. ABOLA
13 Deputy City Attorney

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