

FILE NO. 99-1593

RESOLUTION NO. 842-99

1 [1999 Mortgage Revenue Drawdown Bonds]
2 AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF CITY AND COUNTY OF SAN
3 FRANCISCO SINGLE FAMILY MORTGAGE REVENUE REFUNDING BONDS,
4 DRAWDOWN SERIES 1999, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
5 \$25,000,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE
6 AND A PURCHASE CONTRACT; PROVIDING FOR THE EXECUTION OF DOCUMENTS IN
7 CONNECTION THEREWITH AND RATIFYING PREVIOUS ACTIONS TAKEN IN
8 CONNECTION THEREWITH.

9 WHEREAS, Pursuant to the Charter (the "Charter") of the City and County of San
10 Francisco (the "City"), including Section 9.107(3) thereof, and the Residential Mortgage
11 Revenue Bond Law (Chapter 43 of the City's Administrative Code) enacted pursuant to
12 Ordinance No. 245-81, adopted by the Board of Supervisors (the "Board") of the City on May
13 13, 1981, as supplemented by Chapters 1-5 of Part 5 of Division 31 of the Health and Safety
14 Code of the State of California (collectively, the "Law"), the City is authorized to incur
15 indebtedness for the purpose of financing home mortgages authorized by the Law; and,

16 WHEREAS, The Board hereby finds and declares that it is necessary, essential and a
17 public purpose for the City to finance homes pursuant to the Law, in order to increase the
18 housing supply in the City for persons and families within the income limitations established
19 by the Law; and,

20 WHEREAS, The City adopted a home mortgage finance program (the "Program") for
21 such purpose, and has determined to borrow money for such purpose by the issuance of
22 revenue bonds as authorized by the Law; and,

23 WHEREAS, The City desires to issue its Single Family Mortgage Revenue Refunding
24 Bonds, Drawdown Series 1999 (the "Bonds"), in an aggregate principal amount not to exceed
25 \$25,000,000 pursuant to a Trust Indenture to be dated as of September 1, 1999 (the

SUPERVISOR, *BIERMAN, Teng*
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1 "Indenture") between the City and a trustee to be selected prior to the issuance of the Bonds,
2 as trustee (the "Trustee"), to make amounts available through the refunding of the City's
3 previously issued single family mortgage revenue bonds by the Bonds and the refunding of
4 the Bonds by qualified single family mortgage revenue bonds to be hereafter issued by the
5 City to finance home mortgages for persons of low and moderate income in accordance with
6 the terms and conditions of the Law; and,

7 WHEREAS, The Bonds will be issued under the provisions of the Indenture pursuant to
8 which the City will assign to the Trustee, for the benefit of the owners of the Bonds, the
9 revenues and receipts to be derived from the investment agreements, the Bonds and other
10 money and securities held by the Trustee under the terms of the Indenture; and,

11 WHEREAS, Merrill Lynch Portfolio Management Inc., as purchaser (the "Purchaser"),
12 has agreed to purchase the Bonds upon the proposed terms and conditions set forth in the
13 purchase contract (the "Purchase Contract") from the Purchaser to be accepted and approved
14 by the City; and,

15 WHEREAS, The City anticipates that, on or about October 1, 1999, the City and
16 County of San Francisco 1982 Single Family Revenue Bonds (the "1982 Bonds") will be
17 defeased under the terms of the Indenture for said 1982 Bonds by and between the City and
18 County of San Francisco as Issuer and Bank of America as Trustee (the "Prior Indenture"),
19 and that funds held under the Prior Indenture will be paid to the City by the Trustee free and
20 clear of the Prior Indenture; and,

21 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
22 103 of the Internal Revenue Code, as amended (the "Code") only if the Bonds are approved in
23 accordance with Section 147(f) of the Code; and,

24 WHEREAS, On August 23, 1999, the City caused a notice stating that a public hearing
25 with respect to the issuance of the Bonds would be held by the Mayor's Office of Housing on

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1 September 7, 1999, to appear in The Examiner, which is a newspaper of general circulation in
2 the City; and,

3 WHEREAS, The Mayor's Office of Housing has held the public hearing described
4 above on September 7, 1999, and an opportunity was provided for persons to comment on
5 the issuance of the Bonds and the Program; and

6 WHEREAS, This Board is the elected legislative body of the City and is the applicable
7 elected representative required to approve the issuance of the Bonds within the meaning of
8 Section 147(f) of the Code; now, therefore, be it

9 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
10 follows:

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

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

18 Section 3. Documents. The documents presented to this Board of Supervisors and on
19 file with the Clerk of the Board of Supervisors are contained in File No. 99-1593.

20 Section 4. Issuance of the Bonds. Pursuant to the Law and the Indenture, revenue
21 bonds of the City, designated as "City and County of San Francisco Single Family Mortgage
22 Revenue Refunding Bonds, Drawdown Series 1999 (the "Bonds") in an aggregate principal
23 amount not to exceed \$25,000,000 are hereby authorized to be issued. The Bonds shall be
24 executed by the manual or facsimile signature of the Mayor of the City (the "Mayor") and by
25 the manual or facsimile countersignature of the Clerk of the Board of Supervisors, in the form

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1 set forth in and otherwise in accordance with the Indenture described in Section 5 hereof.

2 The seal of the City may be impressed or reproduced by facsimile on the Bonds.

3 It is the purpose and intent of this Board that this Resolution constitute approval of the
4 Bonds by the applicable elected representative of the issuer of the Bonds and the applicable
5 elected representative of the governmental unit having jurisdiction over the area in which the
6 Program is located, in accordance with Section 147(f) of the Code.

7 Section 5. Indenture. The form of the proposed Indenture, (a copy of which is on file
8 with the Clerk of the Board of Supervisors and which is hereby declared to be a part of the
9 Resolution as if fully set forth herein), is hereby approved. The Mayor and the Clerk of the
10 Board of Supervisors are authorized and directed, for and in the name and on behalf of the
11 City, to execute and attest, respectively, and deliver said Indenture in substantially said form,
12 with such additions or changes thereto that hereafter become necessary or desirable in the
13 interest of the City and which are approved by the City Attorney (provided that such additions
14 or changes shall not authorize an aggregate principal amount of Bonds in excess of
15 \$25,000,000 or a final maturity date of the Bonds later than June 1, 2003 or result in an
16 interest rate on any of the Bonds in excess of 80% of LIBOR (as defined in the Indenture)
17 calculated as specified in the Indenture, such approval to be conclusively evidenced by the
18 execution and delivery of such Indenture. Prior to the issuance of the Bonds, the Mayor's
19 Office of Housing will appoint a financial institution to act as Trustee under said Indenture,
20 said Trustee to be compensated in the amounts at such times as shall be agreed upon by the
21 City and the Trustee. The date, maturity dates, interest rate or rates, interest payment dates,
22 denominations, form, registration privileges, manner of execution, place of payment, terms of
23 redemption and other terms of the Bonds shall be as provided in said Indenture as finally
24 executed.

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1 Section 6. Execution, Authentication and Registration of Bonds. The Bonds, when
2 executed, shall be delivered to the Trustee for authentication. The Trustee is hereby required
3 and directed to authenticate the Bonds by executing the Trustee's certificate of authentication
4 and registration appearing thereon, and to deliver the Bonds, when duly executed and
5 authenticated, to the purchasers thereof in accordance with written instructions executed on
6 behalf of the City by the Mayor, which instructions the Mayor is hereby authorized and
7 directed, for and in the name and on behalf of the City, to execute and deliver to the Trustee.
8 Such instructions shall provide for the delivery of the Bonds to the purchasers thereof in
9 accordance with the Purchase Contract described in Section 7 hereof, upon payment of the
10 purchase price thereof.

11 Section 7. Purchase Contract. The form of the proposed Purchase Contract (a copy of
12 which is on file with the Clerk of the Board of Supervisors and which is hereby declared to be
13 a part of the Resolution as if fully set forth herein) is hereby approved. The Mayor or other
14 appropriate officer is hereby authorized and directed, for and in behalf of the City, to effect the
15 sale of the Bonds to the Purchaser and to execute the Purchase Contract in substantially said
16 form, with such additions or changes thereto that hereafter become necessary or desirable in
17 the interest of the City and which are approved by the City Attorney, such approval to be
18 conclusively evidenced by the execution and delivery thereof.

19 Section 8. Proceeds of Prior Bond Issues. The Director of the Mayor's Office of
20 Housing is hereby directed, upon defeasance or final payment of any single-family housing
21 bond issue and receipt of any funds from the trustee for such bonds, to allocate such funds as
22 follows: (i) to pay costs of issuance for any single-family housing bond issue, including the
23 Bonds and any Drawings; and (ii) to deposit all remaining funds from any such defeased bond
24 issue into the Home Ownership Assistance Loan Fund established under Section 10.117-76
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1 of the San Francisco Administrative Code, to be expended for the purposes and according to
2 the procedures specified for said fund.

3 Section 9. Officers Authorized to Take Action. The officers of the City authorized and
4 directed to perform on behalf of the City the actions authorized hereby shall perform such
5 actions in such manner as will promote, to the extent consistent with sound financial planning,
6 the public purposes of the Program, including, without limitation, the making of subsequent
7 Drawings (as defined in the Indenture), the execution of instructions relating to the investment
8 of funds and use of Bond proceeds and all other documents and certificates relating to the
9 tax-exempt status of interest on the tax-exempt Bonds.

10 Section 10. Ratification of Prior Actions. All actions heretofore taken by the officers
11 and agents of the City with respect to the establishment of the Program and the sale and
12 issuance of the Bonds are hereby approved, confirmed and ratified. The proper officers of the
13 City are hereby authorized and directed, for and in the name and on behalf of the City, to do
14 any and all things and take any and all actions and execute and deliver any and all
15 certificates, agreements and other documents, including but not limited to those described in
16 the Indenture, the Purchase Contract, any investment agreement provided that the provider
17 thereof shall have a credit rating in not less than one of the two highest rating categories of a
18 nationally recognized rating agency, or any other documents herein approved, which they, or
19 any of them, may deem necessary or advisable in order to consummate the lawful issuance
20 and delivery of the Bonds in accordance with this Resolution and resolutions heretofore
21 adopted by the City and in order to carry out the Program.

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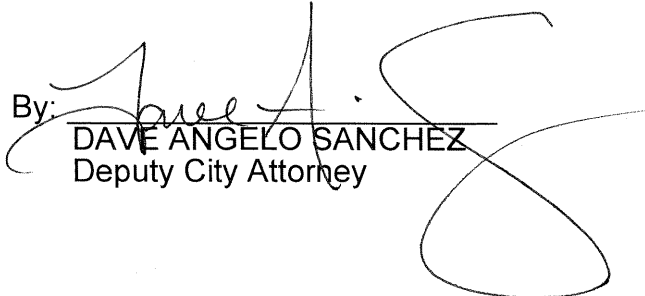
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1 Section 11. Effective Date. This Resolution shall take effect immediately upon its
2 adoption.

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4 APPROVED AS TO FORM:

5 LOUISE H. RENNE
6 City Attorney

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8 By: 
9 DAVE ANGELO SANCHEZ
10 Deputy City Attorney
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City and County of San Francisco

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

Tails

Resolution

File Number: 991593

Date Passed:

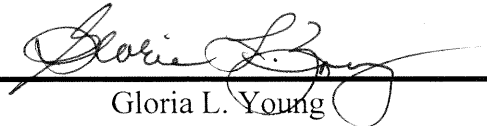
Resolution authorizing the issuance, sale and delivery of City and County of San Francisco Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999, in an aggregate principal amount not to exceed \$25,000,000; authorizing the execution and delivery of a trust indenture and a purchase contract; providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

September 21, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 991593

I hereby certify that the foregoing Resolution was ADOPTED on September 21, 1999 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

SEP 28 1999

Date Approved



Mayor Willie L. Brown Jr.