

1 [1999 Affordable Housing Bond Sale]

2 AUTHORIZING AND DIRECTING THE SALE OF NOT TO EXCEED \$20,000,000 CITY AND
3 COUNTY OF SAN FRANCISCO TAXABLE GENERAL OBLIGATION BONDS
4 (AFFORDABLE HOUSING) SERIES 1999A; PRESCRIBING THE FORM AND TERMS OF
5 SAID BONDS; AUTHORIZING THE EXECUTION, AUTHENTICATION AND REGISTRATION
6 OF SAID BONDS; PROVIDING FOR THE APPOINTMENT OF DEPOSITORIES AND
7 OTHER AGENTS FOR SAID BONDS; PROVIDING FOR THE ESTABLISHMENT OF
8 ACCOUNTS RELATED THERETO; APPROVING THE FORMS OF OFFICIAL NOTICE OF
9 SALE OF BONDS AND NOTICE OF INTENTION TO SELL BONDS; DIRECTING THE
10 PUBLICATION OF NOTICE OF SALE AND NOTICE OF INTENTION TO SELL BONDS;
11 APPROVING THE FORM AND EXECUTION OF THE OFFICIAL STATEMENT RELATING
12 THERETO; APPROVING THE FORM OF THE CONTINUING DISCLOSURE CERTIFICATE;
13 APPROVING MODIFICATIONS TO DOCUMENTS; RATIFYING CERTAIN ACTIONS
14 PREVIOUSLY TAKEN; AND GRANTING GENERAL AUTHORITY TO CITY OFFICIALS TO
15 TAKE NECESSARY ACTIONS IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE
16 SALE AND DELIVERY OF SAID BONDS.

17 WHEREAS, By Resolution No. 570-96 adopted by the Board of Supervisors of the City
18 and County of San Francisco (the "Board of Supervisors") on June 17, 1996, and signed by
19 the Mayor on June 19, 1996, it was determined and declared that public interest and
20 necessity demand the financing of the development of housing affordable to low-income
21 households and downpayment assistance to low and moderate income first-time homebuyers
22 (the "Program") by the City and County of San Francisco (the "City"); and,

23 WHEREAS, By Ordinance No. 296-96, finally passed by the Board of Supervisors on
24 July 22, 1996 and signed by the Mayor on July 22, 1996, the Board of Supervisors duly called
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1 a special election to be held on November 5, 1996, for the purpose of submitting to the
2 electors of the City a proposition to incur bonded indebtedness for the Program; and,

3 WHEREAS, A special election was held in the City on November 5, 1996, for the
4 purpose of submitting to the qualified voters of the City the following proposition ("Proposition
5 A") for incurring bonded indebtedness of the City in the aggregate principal amount of
6 \$100,000,000 to finance the Program:

7 AFFORDABLE HOUSING BONDS, to incur \$100,000,000 of bonded indebtedness for
8 the financing of (1) the development of housing affordable to low income households and
9 (2) down payment assistance to low and moderate income first-time homebuyers, and all
10 other costs necessary or convenient for the foregoing purposes.

11 WHEREAS, At the special election held on November 5, 1996, more than two-thirds of
12 the qualified voters of the City voting on said Proposition A approved the issuance by the City
13 of its general obligation bonds in an amount not to exceed \$100,000,000 to finance the
14 Program; and,

15 WHEREAS, The Registrar of Voters of the City duly and regularly canvassed the return
16 of said election and, as the result of such canvass, certified to the Board of Supervisors that
17 more than two-thirds of the votes cast on said proposition favored the incurring of such
18 bonded indebtedness; and,

19 WHEREAS, By Ordinance No. 449-97 adopted on November 24, 1997 and signed by
20 the Mayor of the City on December 5, 1997, the Board of Supervisors authorized the issuance
21 of its City and County of San Francisco General Obligation Bonds (Affordable Housing) (the
22 "Ordinance"); and,

23 WHEREAS, On March 4, 1998 the City issued \$20,000,000 of City and County of
24 San Francisco General Obligation Bonds (Affordable Housing) Series 1998A pursuant to the
25 Ordinance; and,

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1 WHEREAS, The Board of Supervisors has determined, and does hereby declare that it
2 is necessary and desirable to issue a portion of said general obligation bonds in a second
3 series designated as City and County of San Francisco Taxable General Obligation Bonds
4 (Affordable Housing) Series 1999A (the "Bonds"); and,

5 WHEREAS, The Bonds are being issued pursuant to the Ordinance and the Charter of
6 the City and a duly held election and will be payable from proceeds of the annual tax levy
7 provided for in the Ordinance; and,

8 WHEREAS; The issuance of the Bonds does not cause the aggregate amount of
9 general obligation bond indebtedness of the City to exceed three percent (3%) of the
10 assessed value of all taxable real and personal property located within the City and does not
11 violate any applicable debt limitation contained in the City's Administrative Code, including
12 Section 2.60 thereof or any similar provision; and,

13 WHEREAS, By Resolution No. 1047-97 adopted by the Board of Supervisors on
14 November 24, 1997, and signed by the Mayor on December 5, 1997, the Board of
15 Supervisors approved regulations for the Program (the "Regulations") in accordance with
16 Section 81.6 of the City's Administrative Code; and

17 WHEREAS, The Board of Supervisors desires that the proceeds of the Bonds, as
18 allocated herein, be applied in accordance with the Ordinance and the Regulations; and

19 WHEREAS, The City has determined that moneys advanced to pay the expenditures
20 incurred prior to the execution and delivery of the Bonds are to be available only for a
21 temporary period and it is necessary to reimburse the City for said expenditures from
22 proceeds of the Bonds; and,

23 WHEREAS, The adoption of this Resolution (the "Resolution") shall constitute
24 authorization of the Bonds within the meaning of Section 864 of the California Code of Civil
25 Procedure.

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1 NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and
2 County of San Francisco, as follows:

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

4 Section 2. Conditions Precedent. All conditions, things and acts required by law to
5 exist, to happen and to be performed precedent to and in the issuance of the Bonds exist,
6 have happened and have been performed in due time, form and manner in accordance with
7 applicable law, and the City is now authorized pursuant to its Charter and applicable law to
8 incur indebtedness in the manner and form provided in this Resolution.

9 Section 3. Documents. The documents presented to this Board of Supervisors and on
10 file with the Clerk of the Board of Supervisors are contained in File No. 990684.

11 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes
12 the issuance and sale of a second series of bonds in an aggregate principal amount not to
13 exceed \$20,000,000 as authorized by and for the purposes set forth in Proposition A.

14 Said series of such bonds shall be designated as "City and County of San Francisco
15 Taxable General Obligation Bonds (Affordable Housing), Series 1999A" (the "Bonds") or such
16 other series designation as shall be specified by the Director of Public Finance of the City (the
17 "Director of Public Finance"). Sale of the Bonds may be aggregated with other general
18 obligation bonds being issued by the City as authorized from time to time by the Board of
19 Supervisors.

20 In accordance with Section 5(f) of the Ordinance, the Board of Supervisors declares
21 that it does not intend or expect that the interest paid on the Bonds will be exempt from
22 taxation under federal income tax laws and no covenants or provisions will be made by the
23 City with respect to the Bonds to provide for such exemption.

24 Section 5. Execution, Authentication and Registration of Bonds. The officers of the
25 City are hereby directed to cause the Bonds to be prepared in sufficient quantity for delivery to

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1 the purchaser thereof and the Director of Public Finance is hereby directed to cause the
2 blanks therein to be completed in accordance with the Resolution. The Mayor of the City (the
3 "Mayor") and the Treasurer of the City (the "Treasurer") are each hereby authorized to
4 approve and to execute the Bonds; and the Clerk and the Deputy Clerk of the Board of
5 Supervisors are each hereby authorized to countersign the Bonds.

6 Except for the countersignature of a Deputy Clerk of the Board of Supervisors which
7 shall be a manual signature, all signatures referred to hereinabove may be facsimile or
8 manual. The Treasurer is hereby authorized to authenticate the Bonds, by manual signature
9 and the Clerk of the Board of Supervisors is authorized to cause the official seal of the City to
10 be reproduced or impressed on the Bonds and to deliver the Bonds, when so executed and
11 authenticated, to the purchaser in exchange for the purchase price thereof.

12 The Bonds and the Treasurer's certificate of authentication and registration and the
13 form of assignment to appear thereon shall be substantially in the form attached hereto as
14 Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and which is
15 hereby declared to be a part of this Resolution as if fully set forth herein) with necessary or
16 appropriate variations, omissions and insertions as permitted or required by this Resolution
17 (provided that if a portion of the text of the Bonds is printed on the reverse of the Bonds, the
18 following legend shall be printed on the face of the Bonds: "THE PROVISIONS OF THIS
19 BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED
20 PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH
21 FULLY SET FORTH HERE.")

22 In case any of such officers whose signature or countersignature appears on the Bonds
23 shall cease to be such officer before the delivery of such Bonds to the purchaser, such

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1 signature or countersignature shall nevertheless be valid and sufficient for all purposes as if
2 such officer had remained in office until the delivery of the Bonds.

3 Only Bonds that bear a certificate of authentication and registration in the form
4 hereinafter recited, executed by the Treasurer, shall be valid or obligatory for any purpose or
5 entitled to the benefits of this Resolution, and such certificate of the Treasurer shall be
6 conclusive evidence that the Bonds so authenticated have been duly authenticated and
7 delivered hereunder and are entitled to the benefits of this Resolution.

8 The Treasurer shall assign a distinctive letter, or number, or letter and number to each
9 Bond authenticated and registered by him or her and shall maintain a record thereof which
10 shall be available for inspection.

11 Section 6. Registration Books. The Treasurer shall keep or cause to be kept, at the
12 office of the Treasurer, sufficient books for the registration and transfer of the Bonds, which
13 shall at all times be open to inspection, and, upon presentation for such purpose, the
14 Treasurer shall, under such reasonable regulations as he or she may prescribe, register or
15 transfer or cause to be registered or transferred, on said books, Bonds as herein provided.

16 Section 7. Transfer or Exchange of Bonds. Any Bond may, in accordance with its
17 terms, be transferred upon the books required to be kept pursuant to the provisions of
18 Section 6 hereof, by the person in whose name it is registered, in person or by the duly
19 authorized attorney of such person in writing, upon surrender of such Bond for cancellation,
20 accompanied by delivery of a duly executed written instrument of transfer in a form approved
21 by the Treasurer.

22 Any Bonds may be exchanged at the office of the Treasurer for a like aggregate
23 principal amount of other authorized denominations of the same interest rate and maturity.

24 Whenever any Bond shall be surrendered for transfer or exchange, the designated City
25 officials shall execute (as provided in Section 5 hereof) and the Treasurer shall authenticate

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1 and deliver a new Bond or Bonds of the same interest rate and maturity in a like aggregate
2 principal amount. The Treasurer shall require the payment by any bond owner requesting any
3 such transfer of any tax or other governmental charge required to be paid with respect to such
4 transfer or exchange.

5 No transfer or exchange of Bonds shall be required to be made by the Treasurer during
6 the period from the Record Date (as defined herein) next preceding each interest payment
7 date to such interest payment date or after a notice of redemption shall have been mailed with
8 respect to such Bond.

9 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall
10 each be dated the date of issuance of the Bonds or such other date (the "Dated Date") as
11 specified in the award to be made by motion of the Finance Committee of the Board of
12 Supervisors pursuant to Section 16 hereof (the "Finance Committee Award) and shall be
13 substantially in the form set forth as Exhibit A hereto. The Bonds shall bear interest from the
14 date thereof until paid at rates not to exceed twelve percent (12%) per annum (the exact rates
15 to be determined upon sale of the Bonds) calculated on the basis of a 360-day year
16 comprised of twelve 30-day months, payable on December 15, 1999, and semiannually
17 thereafter on June 15 and December 15 (or such other dates as may be designated in the
18 Finance Committee Award) of each year. The Bonds shall be in fully registered form without
19 coupons in denominations of \$5,000 or any integral multiple thereof and shall either mature or
20 be subject to mandatory redemption (as hereinafter provided) on June 15 (or such other date
21 as may be designated in the Finance Committee Award) of the years, and in the amounts, as
22 set forth in the Official Statement relating to the Bonds, provided that no Bonds shall mature
23 later than June 15, 2024.

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1 The costs incurred with the issuance of the Bonds (excluding underwriters' discount
2 and any cost of credit enhancement) shall not exceed two percent (2%) of the principal
3 amount of the Bonds and shall be paid as specified in Section 10 hereof.

4 The Bonds shall be issued in book-entry form and initially shall be registered in the
5 name of Cede & Co. as nominee of the Depository Trust Company. For so long as Cede &
6 Co. or its registered assigns is the registered owner of all of the Bonds, payment shall be
7 made by wire transfer of immediately available funds to Cede & Co. The principal of the
8 Bonds shall be payable in lawful money of the United States of America to the owner thereof,
9 upon the surrender thereof at maturity or earlier redemption at the office of the Treasurer.
10 The interest on the Bonds shall be payable in like lawful money to the person whose name
11 appears on the bond registration books of the Treasurer as the owner thereof as of the close
12 of business on the last day of the month immediately preceding an interest payment date (the
13 "Record Date"), whether or not such day is a Business Day (as hereinafter defined).

14 Each Bond shall bear interest from the interest payment date next preceding the date
15 of authentication thereof unless it is authenticated as of a day during the period from the
16 Record Date next preceding any interest payment date to the interest payment date, inclusive,
17 in which event it shall bear interest from such interest payment date, or unless it is
18 authenticated on or before November 30, 1999 (or such other date as may be designated in
19 the Finance Committee Award), in which event it shall bear interest from the Dated Date of
20 the Bonds; provided, however, that if, at the time of authentication of any Bond, interest is in
21 default on the Bonds, such Bond shall bear interest from the interest payment date to which
22 interest has previously been paid or made available for payment on the Bonds or from the
23 Dated Date of the Bonds if the first interest payment is not made. Payment of the interest on
24 any Bond shall be paid by check mailed to such owner at such owner's address as it appears
25 on the registration books as of the Record Date; provided, however, if any interest payment

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1 occurs on a day that banks in California and New York are closed for business, then such
2 payment shall be made on the next succeeding day that banks in both California and New
3 York are open for business (a "Business Day"); and provided, further, that the registered
4 owner of an aggregate principal amount of at least \$1,000,000 of the Bonds may submit a
5 written request to the Treasurer on or before a Record Date preceding an interest payment
6 date for payment of interest by wire transfer to a commercial bank located within the
7 continental United States.

8 The Bonds shall be subject to mandatory redemption, by lot, in any year for which the
9 successful bidder therefor has designated that the principal amount payable with respect to
10 that year shall constitute a mandatory sinking fund payment as permitted by the Official Notice
11 of Sale (as more fully described in Section 14 hereof). Any such mandatory redemptions shall
12 be designated in the Finance Committee Award. In lieu of any such mandatory redemption, at
13 any time prior to the selection of the Bonds for redemption, the City may apply such amounts
14 on deposit in the Debt Service Account (as defined in the Ordinance) to make such payment
15 to the purchase of Bonds subject to such redemption at public or private sale, as and when
16 and at such prices not in excess of the principal amount thereof (including brokerage and
17 other charges, but excluding accrued interest), as the City may determine.

18 As used herein, "redemption date" shall mean date on which any Bonds are called for
19 redemption.

20 The Bonds maturing on or before June 15, 2007 (or such other dates as may be
21 designated in the Finance Committee Award) shall not be subject to optional redemption prior
22 to maturity. The Bonds maturing on or after June 15, 2008 (or such other dates as may be
23 designated in the Finance Committee Award) are subject to optional redemption prior to their
24 respective stated maturities, at the option of the City, from any source of available funds, as a
25 whole or in part on any date (with the maturities to be redeemed to be determined by the City

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1 and by lot within a maturity) on or after June 15, 2007 (or such other dates as may be
2 designated in the Finance Committee Award), at redemption prices equal to 102% of the
3 principal amount redeemed in the first year the Bonds are subject to optional redemption (with
4 such redemption price declining to 100% at the rate of one percent annually), together with
5 accrued interest to the date of redemption.

6 Prior to the time the Treasurer or the Controller determines to optionally call and
7 redeem any of the Bonds, the Treasurer shall establish a Redemption Account to be
8 described as the "Taxable General Obligation Bonds (Affordable Housing) Series 1999A
9 Redemption Account" and prior to or on the redemption date there must be set aside in said
10 Redemption Account moneys available for the purpose and sufficient to redeem, as provided
11 in this Resolution, the Bonds designated in said notice of redemption. Said moneys must be
12 set aside in said account solely for such purpose and shall only be applied on or after the
13 redemption date to payment of the Bonds to be redeemed upon presentation and surrender of
14 such Bonds. Any interest due on or prior to the redemption date shall be paid from the Debt
15 Service Account. If, after all of the Bonds have been redeemed and cancelled or paid and
16 cancelled, there are moneys remaining in said Redemption Account, said moneys shall be
17 transferred to the General Fund of the City as permitted by law; provided, however, that if said
18 moneys are part of the proceeds of refunding bonds, said moneys shall be transferred to the
19 fund or account created for the payment of principal and interest on such refunding bonds.
20 When notice of optional redemption has been given as provided below, and when the amount
21 necessary for the redemption of the Bonds called for redemption (principal and premium, if
22 any) is set aside for that purpose in said Redemption Account, as provided herein, the Bonds
23 designated for redemption shall become due and payable on the date fixed for redemption
24 thereof, and upon presentation and surrender of said Bonds at the place specified in the
25 notice of redemption, such Bonds shall be redeemed and paid at the stated redemption price

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1 out of said Redemption Account. No interest will accrue on such Bonds called for redemption
2 after the redemption date and the registered owners of such Bonds shall look for payment of
3 such Bonds only to said Redemption Account. All Bonds redeemed shall be cancelled
4 forthwith by the Treasurer and shall not be reissued.

5 The City shall have the right to rescind any optional redemption by written notice to the
6 owner of any Bond previously called for redemption prior to the redemption date. Any notice
7 of optional redemption shall be cancelled and annulled if for any reason funds are not
8 available on the date fixed for redemption of the payment in full of the Bonds then called for
9 redemption. Notice of rescission of redemption, whether resulting from the exercise of the City's
10 discretion or from the unavailability of sufficient funds, shall be mailed in the same manner
11 notice of redemption was originally provided. The actual receipt by the owner of any Bond of
12 notice of such rescission shall not be a condition precedent to rescission, and failure to receive
13 such notice or any defect in such notice shall not affect the validity of the rescission.

14 Notice of any redemption of Bonds shall be mailed, postage prepaid, to the respective
15 registered owners thereof at the addresses appearing on the bond registration books not less
16 than thirty (30) nor more than sixty (60) days prior to the redemption date. The notice of
17 redemption shall (a) state the redemption date; (b) state the redemption price; (c) state the
18 dates of maturity of the Bonds and, if less than all of any such maturity is called for
19 redemption; the distinctive numbers of the Bonds of such maturity to be redeemed, and in the
20 case of Bonds redeemed in part only, the respective portions of the principal amount thereof,
21 to be redeemed; (d) state the CUSIP number, if any, of each Bond to be redeemed;
22 (e) require that such Bonds be surrendered by the owners at the office of the Treasurer; and
23 (f) give notice that interest on such Bonds will cease to accrue after the designated
24 redemption date.

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1 The actual receipt by the owner of any Bond of notice of such redemption shall not be a
2 condition precedent to redemption, and failure to receive such notice, or any defect in such
3 notice shall not affect the validity of the proceedings for the redemption of such Bonds or the
4 cessation of accrual of interest on the redemption date.

5 At least five (5) days before the above notice date, notice also shall be given by
6 (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission or
7 (iii) overnight delivery service, to each of the following securities depositories and information
8 services or their successors, or such other depositories and/or information services as may
9 hereafter be designated by the City:

10 Securities Depositories

- 11 (1) The Depository Trust Company
12 711 Stewart Avenue
13 Garden City, New York 11503
14 Facsimile transmission:
(516) 227-4039
(516) 227-4190
- 15 (2) Midwest Securities Trust Company Capital
16 Structured-Call Notification
17 400 South LaSalle Street
Chicago, Illinois 60605
Facsimile transmission: (312) 663-2343
- 18 (3) Philadelphia Depository Trust Company
19 Reorganization Division
20 1900 Market Street
Philadelphia, Pennsylvania 19103
Facsimile transmission: (215) 596-5058

21 Information Services

- 22 (1) Financial Information, Inc.'s Financial
23 Daily Called Bond Service
24 30 Montgomery Street, 10th Floor
Jersey City, New Jersey 07302
Attention: Editor

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- 1 (2) Interactive Data Corporation's Bond Service
2 22 Cortland Street
3 New York, New York 10007
- 4 (3) Kenny Information Service's Called Bond Service
5 55 Broad Street, 28th Floor
6 New York, New York 10004
- 7 (4) Moody's Investor's Service
8 5250 77 Center Drive, Suite 150
9 Charlotte, North Carolina 28217
10 Attention: Call Bond Department
- 11 (5) Standard & Poor's Called Bond Record
12 25 Broadway, 3rd Floor
13 New York, New York 10004
- 14 (6) The Bond Buyer
15 One State Street Plaza
16 New York, New York 10004
17 Attention: Bond Notices

18 The notice or notices required for redemption shall be given by the Treasurer, or any
19 agent appointed by the City. A certificate of the Treasurer or such other appointed agent of
20 the City that notice of redemption has been given to the Owner of any Bonds in accordance
21 with this Resolution shall be conclusive against all parties.

22 Section 9. Housing Account. All of the proceeds of the sale of the Bonds, excluding
23 any premium or accrued interest received thereon, shall be deposited by the Treasurer to the
24 credit of the Affordable Housing Bond Housing Account (the "Housing Account") created by
25 the Controller of the City (the "Controller") pursuant to Section 81.3 of the City's Administrative
Code. Amounts deposited to the credit of the Housing Account shall be disbursed as follows:
(i) two percent (2%) of such deposit to the credit of the Costs of Issuance Account created
pursuant to Section 10 hereof and (ii) eight-five percent (85%) of such deposit remaining after
the disbursement specified in (i) to the credit of the Development Account within the Housing
Account and fifteen percent (15%) of such deposit remaining after the disbursement specified

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1 in (i) to the credit of the Downpayment Assistance Loan Account within the Housing Account.
2 Amounts on deposit in the Housing Account shall be applied exclusively to the objects and
3 purposes specified in the Ordinance, the Regulations adopted pursuant to the Ordinance, and
4 Section 10 hereof. Any bid premium and accrued interest received upon sale of the Bonds
5 shall be deposited into the Debt Service Account pursuant to Section 8 of the Ordinance.

6 Section 10. Payment of Costs of Issuance. Pursuant to Section 7 of the Ordinance, a
7 Costs of Issuance Account shall be created within the Housing Account (the "Costs of
8 Issuance Account"). In accordance with Section 9 hereof, upon the sale of the Bonds, 2% of
9 the proceeds of the Bonds (excluding any bid premium and accrued interest) shall be
10 deposited in the Costs of Issuance Account. The Treasurer is hereby authorized to pay or
11 cause to be paid on behalf of the City, the costs of issuance associated with the Bonds.
12 Amounts in the Costs of Issuance Account may be applied to the payment of any costs of
13 issuance of the Bonds, including, without limitation, bond and financial printing expenses,
14 mailing and publication expenses, rating agency fees, and the fees and expenses of paying
15 agents, registrars, financial consultants and bond counsel. Six months after the date of
16 issuance of the Bonds, any funds remaining in the Costs of Issuance Account shall be
17 transferred to the Development Account and the Downpayment Assistance Account in the
18 percentages specified in Section 9 hereof. Any costs of issuance paid after this date shall be
19 paid from the Housing Account.

20 Section 11. Appointment of Depositories and Other Agents. The Treasurer is hereby
21 authorized and directed to appoint from time to time one or more depositories as he or she
22 may deem desirable. The Depository Trust Company is hereby appointed initial depository for
23 the Bonds. The City will not have any responsibility or obligation to any purchaser of a
24 beneficial ownership interest in any Bonds or to any participants in such a depository with
25 respect to (i) the accuracy of any records maintained by such securities depository or any

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1 participant therein; (ii) any notice that is permitted or required to be given to the owners of the
2 Bonds under this Resolution; (iii) the selection by such securities depository or any participant
3 therein of any person to receive payment in the event of a partial redemption of the Bonds;
4 (iv) the payment by such securities depository or any participant therein of any amount with
5 respect to the principal or redemption premium, if any, or interest due with respect to the
6 Bonds; (v) any consent given or other action taken by such securities depository as the owner
7 of the Bonds; or (vi) any other matter.

8 The Treasurer is hereby further authorized to appoint from time to time one or more
9 agents as he or she may deem necessary or desirable. To the extent permitted by applicable
10 law, and under the supervision of the Treasurer, such agents may serve as paying agent,
11 fiscal agent or registrar for the Bonds or may assist the Treasurer in performing any or all of
12 such functions and other duties as the Treasurer may determine. Such agents shall serve
13 under the terms and conditions (including compensation for such agents) as the Treasurer
14 may determine. The Treasurer may remove or replace agents appointed pursuant to this
15 section at any time.

16 Section 12. Retention of Other Agents; Payment of Compensation to Such Agents.

17 The Director of Public Finance is hereby authorized to retain the services of other agents,
18 including but not limited to, rating agencies, financial advisors, financial printers, financial
19 advisors and bond insurers as he or she may deem necessary or desirable to facilitate the
20 issuance of the Bonds. The Director of Public Finance is hereby further authorized to enter
21 into any agreements and to compensate such agents for services rendered. Such agents
22 shall serve under such terms and conditions as the Director of Public Finance shall determine.
23 The Director of Public Finance may remove or replace agents appointed pursuant to this
24 paragraph at any time.

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1 Section 13. Defeasance Provisions. Payment of all or any portion of the Bonds may
2 be provided for prior to maturity by irrevocably depositing with the Treasurer (or any
3 commercial bank or trust company designated by the Treasurer to act as escrow agent with
4 respect thereto):

5 (a) An amount of cash equal to the principal amount of all of such Bonds or
6 portion thereof, and all unpaid interest thereon to maturity, except that in the case of Bonds
7 which are to be redeemed prior to maturity and in respect of which notice of such redemption
8 shall have been given as provided in Section 8 hereof or an irrevocable election to give such
9 notice shall have been made by the City, the amount to be deposited shall be the principal
10 amount thereof, all unpaid interest thereon to the redemption date, and any premium due on
11 such redemption date; or

12 (b) Defeasance Securities (as hereinafter defined) not subject to call,
13 maturing and paying interest at such times and in such amounts, together with cash, if
14 required, as will, without reinvestment, as certified by an independent certified public
15 accountant, be fully sufficient to pay the principal and all unpaid interest to maturity, or to the
16 redemption date, as the case may be, and any premium due, on the Bonds to be paid or
17 redeemed, as such principal and interest come due.

18 Upon the deposit in accordance with the previous paragraph, all obligations of the City
19 with respect to said outstanding Bonds shall cease and terminate, except only the obligation
20 of the City to pay or cause to be paid from the funds deposited pursuant to paragraphs (a) or
21 (b) of this Section 13, to the owners of said Bonds all sums due with respect thereto; provided,
22 that the City shall have received an opinion of nationally recognized bond counsel, that
23 provision for the payment of said Bonds has been made in accordance with this Section 13.
24 In the case of the Bonds which are to be redeemed prior to maturity, notice of such

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1 redemption shall be given as provided in Section 8 hereof or an irrevocable election to give
2 such notice shall have been made by the City.

3 For purpose of this Section 13, "Defeasance Securities" shall mean any of the following
4 which at the time are legal investments under the laws of the State of California for the
5 moneys proposed to be invested therein:

6 (1) United States Obligations (as hereinafter defined); and

7 (2) Pre-refunded fixed interest rate municipal obligations meeting the
8 following conditions: (a) the municipal obligations are not subject to redemption prior to
9 maturity, or the trustee has been given irrevocable instructions concerning their calling and
10 redemption and the issuer has covenanted not to redeem such obligations other than as set
11 forth in such instructions; (b) the municipal obligations are secured by cash and/or United
12 States Obligations; (c) the principal of and interest on the United States Obligations (plus any
13 cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations;
14 (d) the United States Obligations serving as security for the municipal obligations are held by
15 an escrow agent or trustee; (e) the United States Obligations are not available to satisfy any
16 other claims, including those against the trustee or escrow agent; and (f) the municipal
17 obligations are rated "AAA" by S&P and "Aaa" by Moody's.

18 For purposes of this Section 13, "United States Obligations" shall mean direct and
19 general obligations of the United States of America, or obligations that are unconditionally
20 guaranteed as to principal and interest by the United States of America, including without
21 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds
22 which have been stripped by request to the Federal Reserve Bank of New York in book-entry
23 form.

24 Section 14. Official Notice of Sale. The form of proposed Official Notice of Sale
25 inviting bids for the Bonds (a copy of which is on file with the Clerk of the Board of Supervisors

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

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1 and which is hereby declared to be a part of this Resolution as if fully set forth herein), is
2 hereby approved and adopted as the Official Notice of Sale inviting bids for the Bonds with
3 such changes, additions and completions as may be made in accordance with Section 20
4 hereof and the Board hereby finds and determines that said Official Notice of Sale is in
5 substantially the form required by Section 2.50 of the San Francisco Administrative Code.
6 The Director of Public Finance is hereby authorized, as the Director of Public Finance
7 determines may be necessary or desirable, to cause the Official Notice of Sale to be
8 published once, no later than five (5) days before the initial sale date of the Bonds as
9 designated by the Director of Public Finance, and thereafter as the Director of Public Finance
10 determines may be necessary or desirable, in a newspaper published and circulated in the
11 City or such other newspaper as the City may designate.

12 The Director of Public Finance is hereby authorized and directed to determine a date,
13 time and place for the sale of the Bonds. The Director of Public Finance is hereby authorized
14 and directed to cause to be mailed to prospective bidders for the Bonds copies of said Official
15 Notice of Sale, subject to such corrections, revisions or additions as may be acceptable to the
16 Director of Public Finance.

17 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
18 Notice of Intention to Sell Bonds (a copy of which is on file with the Clerk of the Board of
19 Supervisors and which is hereby declared to be a part of this Resolution as if fully set forth
20 herein), is hereby approved and adopted as the Notice of Intention to Sell Bonds, and the
21 Director of Public Finance is hereby authorized and directed to cause said Notice of Intention
22 to Sell Bonds, subject to such corrections, revisions or additions as may be made in
23 accordance with Section 20 hereof, to be published once at least fifteen days before the date
24 of sale in The Bond Buyer, or a financial publication generally circulated throughout the State
25 of California.

SUPERVISOR BIERMAN
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1 Section 16. Receipt of Bids; Award of Bonds. The Bonds shall be sold at a
2 competitive public sale as described in this Section and in the Official Notice of Sale. The
3 Board of Supervisors hereby authorizes the receipt of bids for the purchase of not to exceed
4 \$20,000,000 principal amount of the Bonds at such time, date and place as determined by the
5 Director of Public Finance.

6 The Finance Committee of the Board of Supervisors is hereby authorized to award the
7 Bonds to the bidder whose bid represents the lowest true interest cost to the City, provided
8 that: (a) the price bid shall not be less than the principal amount of the Bonds, (b) the true
9 interest cost of the Bonds shall not exceed 12%, and (c) the Bonds shall otherwise conform to
10 all provisions set forth herein, all in accordance with the procedures described in the Official
11 Notice of Sale. Proposals shall be received by the Clerk of the Board of Supervisors on the
12 sale date designated by the Director of Public Finance.

13 Section 17. Official Statement. The form of proposed Official Statement describing the
14 Bonds (a copy of which is on file with the Clerk of the Board of Supervisors and which is
15 hereby declared to be a part of this Resolution as if fully set forth herein) submitted to the
16 Board of Supervisors is hereby approved and adopted as the Official Statement describing the
17 Bonds, with such additions, corrections and revisions as may be determined to be necessary
18 or desirable made in accordance with Section 20 hereof. The Controller is hereby authorized
19 to cause the distribution of a Preliminary Official Statement deemed final for purposes of Rule
20 15c2-12 of the Securities and Exchange Act of 1934, as amended, and to sign a certificate to
21 that effect. The Controller is further hereby authorized and directed to sign the final Official
22 Statement and to cause to be printed and mailed to prospective bidders
23 for the Bonds copies of the Official Statement in substantially the form of the Preliminary
24 Official Statement approved and adopted hereby as supplemented, corrected or revised.

25 ///

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 Section 18. Continuing Disclosure Certificate. The form of Continuing Disclosure
2 Certificate intended to permit the original purchasers of the Bonds to comply with Securities
3 and Exchange Commission Rule 15c2-12 (the "Rule") promulgated under the Securities
4 Exchange Act of 1934, as amended (a copy of which is on file with the Clerk of the Board of
5 Supervisors and which is hereby declared to be a part of this Resolution as if fully set forth
6 herein), submitted to the Board of Supervisors is hereby approved and adopted as the
7 Continuing Disclosure Certificate of the City with respect to the Bonds, with such additions,
8 corrections and revisions as may be determined to be necessary or desirable made in
9 accordance with Section 20 hereof. The Controller is hereby authorized and directed to
10 execute and deliver the Continuing Disclosure Certificate on behalf of the City to the original
11 purchasers of the Bonds.

12 Section 19. Modification to Documents. Any City official authorized by this Resolution
13 to execute any document is hereby further authorized, in consultation with the City Attorney,
14 to approve and make such changes, additions, amendments or modifications to the document
15 or documents such official is authorized to execute as may be necessary or advisable
16 (provided that such changes, additions, amendments or modifications shall not authorize an
17 aggregate principal amount of Bonds in excess of \$20,000,000). The approval of any change,
18 addition, amendment or modification to any of the aforementioned documents shall be
19 evidenced conclusively by the execution and delivery of the document in question.

20 Section 20. Ratification. All actions heretofore taken by officials, employees and
21 agents of the City with respect to the sale and issuance of the Bonds are hereby approved,
22 confirmed and ratified.

23 Section 21. General Authority. The Clerk of the Board of Supervisors, the Finance
24 Committee of the Board of Supervisors, the Treasurer, the City Attorney, the Controller and
25 the Director of Public Finance are each hereby authorized and directed in the name and on

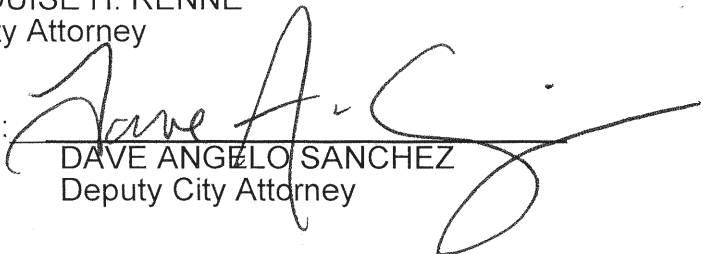
SUPERVISOR BIERMAN
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1 behalf of the City to take any and all steps and to issue and deliver any and all certificates,
2 opinions, requisitions, agreements, notices, consents, and other documents, including but not
3 limited to letters of representations to any depository or depositories which they or any of
4 them might deem necessary or appropriate in order to consummate the lawful issuance, sale
5 and delivery of the Bonds.

6
7 APPROVED AS TO FORM:

8 LOUISE H. RENNE
9 City Attorney

10 By:



11 DAVE ANGELO SANCHEZ
12 Deputy City Attorney

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SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

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EXHIBIT A

[FORM OF BOND]

Number	UNITED STATES OF AMERICA STATE OF CALIFORNIA CITY AND COUNTY OF SAN FRANCISCO TAXABLE GENERAL OBLIGATION BONDS (AFFORDABLE HOUSING) SERIES 1999A	Amount \$ _____
_____	_____	

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE CITY AND COUNTY OF SAN FRANCISCO, State of California (herein called the "City"), acknowledges itself indebted to and promises to pay to the registered owner hereof or registered assigns, on the maturity date set forth above the principal amount set forth above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this bond (unless this bond is authenticated as of the day during the period from the last day of the month next preceding any interest payment date (the "Record Date") to such interest payment date, inclusive, in which event it shall bear interest from such interest payment date, or unless this bond is authenticated on or before [November 30, 1999], in which event it shall bear interest from the Dated Date set forth above) until payment of such principal sum, at the interest rate per annum stated above calculated on the basis of a 360-day year comprised of twelve 30-day months, payable on [December 15, 1999] and semiannually thereafter on June 15 and December 15 in each year; provided, however, if any interest payment date occurs on a day that banks in California and New York are closed for business, then such payment shall be made on the next succeeding day that banks in both California and New York are open for

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1 business (a "Business Day"). The principal hereof is payable to the registered owner hereof
2 upon the surrender hereof at the office of the Treasurer of the City in San Francisco,
3 California (the "Treasurer"). The interest hereon is payable to the person whose name
4 appears on the bond registration books of the Treasurer as the registered owner hereof as of
5 the close of business on the Record Date immediately preceding an interest payment date,
6 whether or not such day is a Business Day, such interest to be paid by check mailed to such
7 registered owner at the owner's address as it appears on such registration books; provided,
8 however, that the registered owner of Bonds in an aggregate principal amount of at least
9 \$1,000,000 may submit a written request to the Treasurer on or before the Record Date
10 preceding any interest payment date for payment of interest hereon by wire transfer. For so
11 long as Cede & Co. or its registered assigns is the registered owner of all of the Bonds,
12 payment shall be made by wire transfer of immediately available funds.

13 This bond is one of a duly authorized issue of bonds of like tenor (except for such
14 variations, if any, as may be required to designate varying numbers, denominations, interest
15 rates and maturities), amounting in the aggregate to \$_____, and is authorized by
16 votes of more than two-thirds of the voters voting at an election duly and legally called, held
17 and conducted in said City on November 5, 1996 and is issued and sold by the City pursuant
18 to and in strict conformity with the provisions of the Constitution and laws of said State, the
19 Charter of the City, Ordinance No. 449-97 (the "Ordinance") finally adopted by the Board of
20 Supervisors of the City (the "Board of Supervisors") on November 24, 1997 and of Resolution
21 No. _____ (the "Resolution") adopted by the Board of Supervisors on _____,
22 1999.

23 The bonds are issuable as fully registered bonds without coupons in the denominations
24 of \$5,000 or any integral multiple thereof, provided that no bond shall have principal maturing
25 on more than one principal maturity date. Subject to the limitations and conditions and upon

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 payment of the charges, if any, as provided in the Resolution, bonds may be exchanged for a
2 like aggregate principal amount of bonds of the same interest rate and maturity of other
3 authorized denominations.

4 This bond is transferable by the registered owner hereof, in person or by attorney duly
5 authorized in writing, at said office of the Treasurer, but only in the manner, subject to the
6 limitations and upon payment of the charges provided in the Resolution, and upon surrender
7 and cancellation of this bond. Upon such transfer, a new bond or bonds of authorized
8 denomination or denominations for the same maturity date, interest rate and same aggregate
9 principal amount will be issued to the transferee in exchange hereof.

10 Bonds maturing on or before [June 15, 2007] are not subject to redemption prior to
11 maturity. Bonds maturing on or after [June 15, 2008] are subject to optional redemption prior
12 to their respective maturities, at the option of the City from any source of available funds, as a
13 whole or in part on any date (with the maturities to be redeemed to be determined by the City
14 and by lot within a maturity), on and after [June 15, 2007], at the following redemption prices
15 expressed as a percentage of the principal amount thereof, together with accrued interest to
16 the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
June 15, 2007, through June 14, 2008	102%
June 15, 2008, through June 14, 2009	101
June 15, 2009 and thereafter	100

21 [The bonds are further subject to mandatory sinking fund redemption prior to their
22 respective stated maturities on _____ of each year specified below, by lot within the
23 maturity if less than all of the bonds of such maturity are to be redeemed, upon payment of
24 the principal amount thereof and accrued interest thereon to the date fixed for redemption,
25 ///

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 without premium, but only in amounts equal to and in accordance with the schedule shown
2 below.

Mandatory Sinking Fund Payment Date (_____)	Mandatory Sinking Fund Payment
20__	\$_____
20__	_____
20__ (final maturity)	_____]

8 Notice of redemption shall be given by mail not less than thirty (30) nor more than sixty
9 (60) days prior to the redemption date to the registered owner thereof, but neither failure to
10 receive such notice nor any defect in the notice so mailed shall affect the sufficiency of the
11 proceedings for redemption.

12 The City shall have the right to rescind any optional redemption by written notice prior
13 to the redemption date. Any notice of redemption shall be cancelled and annulled if for any
14 reason funds are not available on the date fixed for redemption of the payment in full of the
15 Bonds then called for redemption. Notice of rescision of redemption, whether resulting from
16 the exercise of the City's discretion or from the unavailability of sufficient funds, shall be
17 mailed in the same manner notice of redemption was originally provided. The actual receipt
18 by the owner of any Bond of notice of such rescision shall not be a condition precedent to
19 rescision, and failure to receive such notice or any defect in such notice shall not affect the
20 validity of the rescision.

21 If this bond is called for redemption and payment is duly provided therefor, interest
22 shall cease to accrue hereon from and after the date fixed for redemption.

23 The City and the Treasurer may treat the registered owner hereof as the absolute
24 owner hereof for all purposes, and the City and the Treasurer shall not be affected by any
25 notice to the contrary.

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 The Board of Supervisors hereby certifies and declares that the total amount of
2 indebtedness of said City, including the amount of this bond, is within the limit provided by
3 law, that all acts, conditions and things required by the law to be done or performed precedent
4 to and in the issuance of this bond have been done and performed in strict conformity with the
5 laws authorizing the issuance of the bond, that this bond is in the form prescribed by order of
6 the Board of Supervisors duly made and entered on its minutes and shall be payable out of
7 the Debt Service Account (as defined in the Ordinance), and the money for the redemption of
8 this bond, and the payment of interest thereon, shall be raised by taxation upon the taxable
9 property of said City.

10 This bond shall not be entitled to any benefit under the Resolution, or become valid or
11 obligatory for any purpose, until the certificate of authentication and registration hereon
12 endorsed shall have been signed by the Treasurer.

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SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 IN WITNESS WHEREOF the Board of Supervisors of the City and County of San
2 Francisco has caused this bond to be executed under the official seal of the City and County
3 of San Francisco or a facsimile thereof by the Mayor of the City and County of San Francisco
4 and the Treasurer of the City and County of San Francisco, to be countersigned by the Clerk
5 of said Board, which signature is to be countersigned by a Deputy Clerk of said Board all as of
6 _____, 199__.

7
8
9 _____
Mayor of the City and
County of San Francisco

10 [SEAL]

11
12 _____
Treasurer of the City and
County of San Francisco

13
14 Countersigned:

15
16
17 _____
Clerk of the Board
of Supervisors

[All signatures may be facsimile except
except Deputy Clerk's signature hereon]

18
19
20 Countersigned:

21
22
23 _____
Deputy Clerk of the
Board of Supervisors

24
25
SUPERVISOR BIERMAN
BOARD OF SUPERVISORS

1 [FORM OF TREASURER'S CERTIFICATE
2 OF AUTHENTICATION TO APPEAR ON BONDS]
3

4 This is one of the Bonds described in the within-mentioned Resolution and
5 authenticated and registered _____.

6
7 TREASURER OF THE CITY AND
8 COUNTY OF SAN FRANCISCO

9 By: _____

10 [signature must be manual per Section 5 of Resolution]
11

12 [FORM OF ASSIGNMENT]
13

14 For value received the undersigned do(es) hereby sell, assign and transfer unto
15 _____ the within-mentioned registered Bond and hereby irrevocably
16 constitute(s) and appoint(s) _____ attorney, to transfer the same on the
17 books of the Treasurer with full power of substitution in the premises.

18 Dated: _____

19 NOTE: The signature(s) on this Assignment must
20 correspond with the name(s) as written on the face of the within registered Bond in every
21 particular, without alteration or enlargement or any change whatsoever.

22 Signature Guarantee:
23
24

25 _____ Tax ID Number: _____

SUPERVISOR BIERMAN
BOARD OF SUPERVISORS



City and County of San Francisco

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

Tails

Resolution

File Number: 990684

Date Passed:


Resolution authorizing and directing the sale of not to exceed \$20,000,000 City and County of San Francisco taxable general obligation bonds (Affordable Housing) Series 1999A; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; approving the forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of notice of sale and notice of intention to sell bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to city officials to take necessary actions in connection with the authorization, issuance sale and delivery of said bonds.

April 26, 1999 Board of Supervisors — ADOPTED

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

File No. 990684

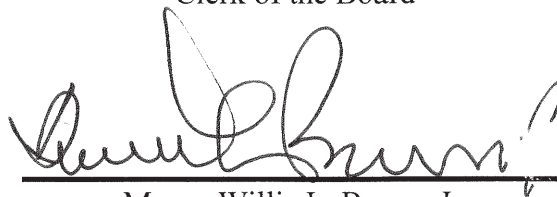
I hereby certify that the foregoing Resolution was ADOPTED on April 26, 1999 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAY - 7 1999

Date Approved



Mayor Willie L. Brown Jr.

File No. 990684 continued...