

1 [San Francisco Finance Corporation Refunding Lease Revenue Bonds (Library Projects)]

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3 **Ordinance approving the issuance and sale of refunding lease revenue bonds by the**  
4 **City and County of San Francisco Finance Corporation (the “Corporation”) to refinance**  
5 **lease revenue bonds previously issued to finance various projects under the Branch**  
6 **Library Improvement Program, as further described herein; approving the form of a**  
7 **First Amendment to Facilities Lease by and between the Corporation and the City and**  
8 **County of San Francisco (the “City”) relating to certain real property described herein;**  
9 **approving the form of a First Amendment to Master Lease by and between the**  
10 **Corporation and the City; approving the form of a First Supplemental Trust Agreement**  
11 **by and between the Corporation and a trustee (including certain indemnities contained**  
12 **therein); approving the form of an Assignment Agreement by and between the**  
13 **Corporation and a trustee; authorizing the sale of the refunding lease revenue bonds**  
14 **by competitive or negotiated sale; approving the form of an Official Notice of Sale and**  
15 **a Notice of Intention to Sell the refunding lease revenue bonds; directing the**  
16 **publication of the Notice of Intention to Sell the refunding lease revenue bonds;**  
17 **approving the form of a Purchase Contract and authorizing the appointment of one or**  
18 **more underwriters for the refunding lease revenue bonds; approving the form of an**  
19 **Official Statement in preliminary and final form; approving the form of a Continuing**  
20 **Disclosure Certificate; authorizing the payment of costs of issuance; granting general**  
21 **authority to City officials to take certain actions in connection with the refunding lease**  
22 **revenue bonds; approving modifications to documents; and ratifying previous actions**  
23 **taken in connection therewith.**

24 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
25 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
**Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
**Board amendment additions** are in double-underlined Arial font.

1 **Board amendment deletions** are in ~~strikethrough~~ Arial font.  
2 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
3 subsections or parts of tables.

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

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6 Section 1. Findings. The Board of Supervisors of the City and County of San  
7 Francisco (the "Board") hereby finds and declares as follows:

8 A. On November 6, 2007, the voters of the City and County of San Francisco (the  
9 "City") approved Proposition ~~0-D~~, which extended the Library Preservation Fund (the "Fund"),  
10 as codified in Section 16.109 of the City's Charter (the "Charter"), and authorized the Board to  
11 issue revenue bonds or other evidences of indebtedness, or to incur lease financing or other  
12 obligations, payable from the Fund and any available funds pledged or appropriated by the  
13 Board for such purpose, the proceeds of which are to be used for the purposes set forth in  
14 Section 16.109(d) of the Charter; and,

15 B. The City and County of San Francisco Finance Corporation (the "Corporation"),  
16 a California nonprofit public benefit corporation, has been formed among other purposes to  
17 facilitate lease financings for the City; and,

18 C. By resolution adopted on October 2, 2008, the San Francisco Public Library  
19 Commission (the "Library Commission") previously requested that the City, acting through the  
20 Corporation, issue a series of lease revenue bonds and, with the approval of this Board and  
21 the Mayor of the City, the Corporation has previously issued, in accordance with Charter  
22 Section 16.109(d), its \$34,265,000 principal amount of Lease Revenue Bonds, Series 2009A  
23 (Branch Library Improvement Program) (the "Series 2009A Bonds") to finance the acquisition,  
24 construction, reconstruction, rehabilitation and/or improvement of real property and/or facilities  
25 operated by the San Francisco Public Library (the "Library") for Library purposes and for the

1 purchase of equipment relating to such real property and/or facilities (the "2009 Project"); and

2 D. At the present time, \$27,030,000 principal amount of such Series 2009A Bonds  
3 remain outstanding and are subject to optional redemption in whole or in part on any date  
4 commencing June 15, 2018, and such outstanding amount of such bonds are referred to in  
5 this Ordinance as the "Refunded Bonds"; and

6 E. By resolution adopted April 21, 2016 (the "Library Commission Resolution 2016-  
7 01"), the Library Commission has requested that the Board authorize the issuance of a series  
8 of refunding lease revenue bonds by the Corporation to redeem and refund the Refunded  
9 Bonds and to refinance the 2009 Project; and,

10 F. In order to refinance the costs of the 2009 Project, the Board now desires to  
11 authorize the issuance and sale of refunding lease revenue bonds (the "Bonds") by the  
12 Corporation pursuant to Section 16.109 of the Charter and in accordance with Section  
13 9.108(2) of the Charter, which refunding Bonds are expected to result in net debt service  
14 savings to the Corporation and to the City on a present value basis of at least 3% of the par  
15 value of the Refunded Bonds on a net present value basis, using the True Interest Cost (or  
16 "TIC," as defined in the Debt Policy of the City (the "Debt Policy") of the Bonds as the discount  
17 rate; and,

18 G. The Board has selected certain City-owned facilities and property(ies) under the  
19 jurisdiction of the Library (as set forth and further described in Section 4, below, the  
20 "Property") for purposes of leasing in connection with the issuance and sale of the Bonds;  
21 and,

22 H. Pursuant to a First Amendment to Facilities Lease between the City and the  
23 Corporation (the "First Amendment to Facilities Lease" and, together with the Facilities Lease,  
24 dated as of March 1, 2009, by and between the City as lessor and the Corporation as lessee  
25 (the form of which having been previously approved by ordinance of this Board), the "Facilities

1 Lease”), the City shall lease certain City-owned facilities and property (as further described in  
2 Section 4, below, the “Facilities”) to the Corporation, and the Corporation shall make an  
3 advance rental payment to the City from the proceeds of the Bonds; and,

4 I. Pursuant to a First Supplemental Trust Agreement between the Corporation and  
5 U.S. Bank National Association, as Trustee (together with Master Trust Agreement, dated as  
6 of March 1, 2009, by and between the Corporation and U.S. Bank National Association as  
7 successor Trustee (the form of which having been previously approved by ordinance of this  
8 Board), the “Trust Agreement”), the Corporation shall issue the Bonds and use a portion of the  
9 proceeds thereof to make an advance rental payment to the City under the Facilities Lease,  
10 which the City will in turn use to prepay its payment obligations under the Original Master  
11 Lease (defined below); and,

12 J. Pursuant to a First Amendment to Master Lease between the Corporation and  
13 the City (the “First Amendment to Lease” and, together with the Master Lease, dated as of  
14 March 1, 2009 (the “Original Master Lease”), by and between the City as lessee and the  
15 Corporation as lessor (the form of which having been previously approved by ordinance of this  
16 Board), the “Lease”), the Corporation shall lease back the Facilities to the City, and the City  
17 shall make certain periodic rental payments to the Corporation; and,

18 K. Pursuant to an Assignment Agreement (the “Assignment Agreement”), between  
19 the Corporation and the Trustee, the Corporation shall assign to the Trustee its right to  
20 receive such periodic rental payments in order to provide funds to repay the Bonds; and,

21 L. In connection with the sale of the Bonds, the City will enter into a Continuing  
22 Disclosure Certificate (the “Continuing Disclosure Certificate”) and certain other related  
23 agreements; and,

24 M. As delegated to the Director of Public Finance herein, the sale of the Bonds will  
25 be conducted either by negotiated sale pursuant to a Purchase Contract by and among the

1 Corporation, the City and one or more underwriters (the "Purchase Contract"), or by  
2 competitive sale in accordance with the terms of an Official Notice of Sale (the "Official Notice  
3 of Sale"), in which case the competitive sale will be publicized by means of a Notice of  
4 Intention to Sell Bonds (the "Notice of Intention").

5 Section 2. Recitals. All of the recitals herein are true and correct.

6 Section 3. Approval of the Bonds. The Board hereby approves the issuance and  
7 sale of the Bonds by the Corporation in accordance with the Trust Agreement and the  
8 redemption and refunding of the Refunded Bonds, subject to the provisions of Section 18 of  
9 this Ordinance. The Bonds shall be comprised of, and designated as, the "City and County of  
10 San Francisco Finance Corporation Refunding Lease Revenue Bonds, Series 2018B (Branch  
11 Library Improvement Program)" or such other designation as determined by the Director of  
12 Public Finance of the City or her designee (together with the Director of Public Finance of the  
13 City, the "Director of Public Finance"). The Director of Public Finance is hereby authorized to  
14 approve the sale date, the manner of sale, the maturity dates, the redemption provisions and  
15 all other terms of the Bonds, subject to the following additional limitations: the Bonds shall be  
16 in an aggregate principal amount not to exceed \$26,530,000 and shall bear interest at a rate  
17 not to exceed twelve percent (12%) per annum.

18 Section 4. Asset Transfer; Description of Property. The execution of the Bonds and  
19 lease financing hereby approved may involve the lease and leaseback by the City of all or any  
20 portion of the Main Library, 100 Larkin Street, San Francisco, California, and any other real  
21 property of the City to be used for library purposes.

22 Section 5. Approval of the Form of First Amendment to Facilities Lease. The form of  
23 the First Amendment to Facilities Lease, as presented to this Board, a copy of which is on file  
24 with the Clerk of the Board, is hereby approved. The Mayor of the City, or his designee  
25 (together with the Mayor of the City, the "Mayor"), is hereby authorized to execute the First

1 Amendment to Facilities Lease, and the Clerk of the Board is hereby authorized to attest to  
2 such execution of the First Amendment to Facilities Lease, with such changes, additions,  
3 modifications or deletions as the Mayor may make or approve in accordance with Section 18  
4 hereof.

5 Section 6. Approval of the Form of First Amendment to Lease. The form of the First  
6 Amendment to Lease, as presented to this Board, a copy of which is on file with the Clerk of  
7 the Board, is hereby approved. The Mayor is hereby authorized to execute the First  
8 Amendment to Lease, and the Clerk of the Board is hereby authorized to attest to such  
9 execution of the First Amendment to Lease, with such changes, additions, modifications or  
10 deletions as the Mayor may make or approve in accordance with Section 18 hereof, provided  
11 however, that the maximum base rental in connection with the Bonds scheduled to be paid  
12 under the Lease in any fiscal year shall not exceed \$26,530,000 and the term of the Lease  
13 shall not be longer than 36 years, except as such date may be extended by future ordinance.

14 Section 7. Approval of the Form of First Supplemental Trust Agreement. The form of  
15 the First Supplemental Trust Agreement, as presented to this Board, a copy of which is on file  
16 with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute  
17 the First Supplemental Trust Agreement, and the Clerk of the Board is hereby authorized to  
18 attest to such execution of the First Supplemental Trust Agreement, with such changes,  
19 additions, modifications or deletions as the Mayor may make or approve in accordance with  
20 Section 18 hereof.

21 Section 8. Approval of the form of Assignment Agreement. The form of the  
22 Assignment Agreement, as presented to this Board, a copy of which is on file with the Clerk of  
23 the Board, is hereby approved. The Mayor is hereby authorized to execute the Assignment  
24 Agreement, and the Clerk of the Board is hereby authorized to attest to such execution of the  
25 Assignment Agreement, with such changes, additions, modifications or deletions as the Mayor

1 may make or approve in accordance with Section 18 hereof.

2 Section 9. Sale of Bonds by Competitive or Negotiated Sale. The Board authorizes  
3 the sale of the Bonds by solicitation of competitive bids or by negotiated sale to one or more  
4 underwriters to be appointed in accordance with City policies, if so determined by the Director  
5 of Public Finance.

6 Section 10. Approval of the Form of Official Notice of Sale; Authorization for  
7 Competitive Sale; Authorization to Award Bonds. The form of the Official Notice of Sale, as  
8 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby  
9 approved. The Director of Public Finance is hereby authorized to approve the distribution of  
10 the Official Notice of Sale, with such changes, additions, modifications or deletions as the  
11 Director of Public Finance may approve upon consultation with the City Attorney; such  
12 approval to be conclusively evidenced by the distribution of the Official Notice of Sale to  
13 potential purchasers of the Bonds. The Director of Public Finance is hereby authorized to sell  
14 the Bonds by competitive sale if the Director of Public Finance determines that such manner  
15 of sale is in the best interest of the City, such determination to be conclusively evidenced by  
16 the receipt of bids and the award of the Bonds in accordance with the Official Notice of Sale. If  
17 the Director of Public Finance determines to sell the Bonds by competitive sale, the Director of  
18 Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids  
19 for the purchase of the Bonds, and the President of the Corporation or the Chief Financial  
20 Officer of the Corporation is each hereby authorized to award the Bonds in accordance with  
21 the procedures described in the Official Notice of Sale; provided, that the Bonds shall be  
22 issued and sold only if the Director of Public Finance determines that the sale of the Bonds  
23 complies with the debt service savings requirement of the City's Debt Policy, such  
24 determination to be conclusively evidenced by the award of the Bonds to the purchaser  
25 thereof in accordance with the terms and conditions set forth in the Official Notice of Sale.

1           Section 11. Approval of the Form of Notice of Intention to Sell the Bonds. The form of  
2 the Notice of Intention, as presented to this Board, a copy of which is on file with the Clerk of  
3 the Board, is hereby approved. The Director of Public Finance is hereby authorized to  
4 approve the publication of the Notice of Intention to Sell, with such changes, additions,  
5 modifications or deletions as the Director of Public Finance may approve upon consultation  
6 with the City Attorney; such approval to be conclusively evidenced by the publication of the  
7 Notice of Intention to Sell.

8           Section 12. Official Statement. The form of Preliminary Official Statement related to  
9 the Bonds is hereby approved with such changes, additions, amendments or modifications  
10 made in accordance with Section 13 hereof. The Director of Public Finance is hereby  
11 authorized to approve the distribution of the preliminary Official Statement in substantially said  
12 form, with such changes, additions, modifications or deletions as the Director of Public  
13 Finance may approve upon consultation with the City Attorney and Disclosure Counsel to the  
14 City; such approval to be conclusively evidenced by the distribution of the preliminary Official  
15 Statement to potential bidders for or purchasers of the Bonds. The Controller is hereby  
16 authorized to cause the distribution of the Revised Preliminary Official Statement in  
17 connection with the Bonds, deemed final for purposes of Rule 15c2-12 of the Securities and  
18 Exchange Act of 1934, as amended, and to sign a certificate to that effect. The Controller is  
19 hereby further authorized and directed to prepare and sign a final Official Statement for the  
20 Bonds. The Co-Municipal Advisors to the City, under the direction of the Director of Public  
21 Finance, are hereby authorized and directed to cause to be printed and mailed, or distributed  
22 electronically, to prospective bidders or purchasers, as appropriate, for the Bonds, copies of  
23 the Preliminary Official Statement and the final Official Statement relating to the Bonds.

24           Section 13. Modifications to Preliminary Official Statement. The Controller is further  
25 authorized, in consultation with the City Attorney, to approve and make such changes,



1 additions, amendments or modifications to the Preliminary Official Statement or the final  
2 Official Statement described in Section 12 as may be necessary or advisable. The approval  
3 of any change, addition, amendment or modification to the Revised Preliminary Official  
4 Statement or the final Official Statement shall be evidenced conclusively by the distribution of  
5 the preliminary Official Statement to potential bidders for or purchasers of the Bonds and the  
6 execution and delivery of the final Official Statement.

7 Section 14 .Authorization for Negotiated Sale; Authorization to Select Underwriters;  
8 Approval of the Form of Purchase Contract. The Director of Public Finance is hereby  
9 authorized to sell the Bonds by negotiated sale pursuant to a purchase contract, if the Director  
10 of Public Finance determines that such manner of sale is in the best interest of the City, such  
11 determination to be conclusively evidenced by the execution and delivery of a purchase  
12 contract for the Bonds. The Director of Public Finance is hereby authorized and directed to  
13 appoint one or more investment banking firms to act as underwriters of the Bonds in  
14 accordance with City policies and procedures, including, but not limited to, the City's policy to  
15 provide locally disadvantaged minority business enterprises and women enterprises an equal  
16 opportunity to participate in the performance of all City contracts. The form of the Purchase  
17 Contract, among the City, the Corporation and one or more underwriters selected by the  
18 Director of Public Finance, as presented to this Board, a copy of which is on file with the Clerk  
19 of the Board, is hereby approved. If the Director of Public Finance determines to sell the  
20 Bonds by negotiated sale, the Director of Public Finance is hereby authorized to execute the  
21 Purchase Contract, with such changes, additions, modifications or deletions as the Director of  
22 Public Finance may approve upon consultation with the City Attorney, such approval to be  
23 conclusively evidenced by the execution and delivery of the Purchase Contract.

24 Section 15. Approval of the Form of Continuing Disclosure Certificate. The form of the  
25 Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is on

1 file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to  
2 execute the Continuing Disclosure Certificate, with such changes, additions, modifications or  
3 deletions as the Controller may approve upon consultation with the City Attorney; such  
4 approval to be conclusively evidenced by the execution and delivery of the Continuing  
5 Disclosure Certificate.

6 Section 16. Payment of Cost of Issuance. The Board hereby authorizes the  
7 expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of  
8 issuance incurred in connection with the issuance and sale of the Bonds.

9 Section 17. General Authority. The Mayor, the City Attorney, the Controller, the  
10 Director of Public Finance, the City Librarian, the Director of Real Estate, the Clerk of the  
11 Board and other officers of the City and their duly authorized deputies and agents are hereby  
12 authorized and directed, jointly and severally, to take such actions and to execute and deliver  
13 such certificates, agreements, requests or other documents, as they may deem necessary or  
14 desirable to facilitate the issuance, sale and delivery of the Bonds, to obtain title and other  
15 insurance with respect to the Facilities, and otherwise to carry out the provisions of this  
16 Ordinance.

17 Section 18. Modifications, Changes and Additions. The Mayor is hereby authorized to  
18 approve and make such modifications, changes, additions or deletions to the Facilities Lease  
19 or the Lease or to any of the documents approved herein, upon consultation with the City  
20 Attorney, as may be necessary or desirable in the interests of the City, and which changes do  
21 not materially increase the obligations of the City thereunder. The Mayor's approval of such  
22 modifications, changes, additions or deletions shall be conclusively evidenced by the  
23 execution and delivery by the Mayor and the Clerk of the Board of the First Amendment to  
24 Facilities Lease, the First Amendment to Lease, the First Supplemental Trust Agreement or  
25 any of the documents approved herein. Any such actions are solely intended to further the

1 purposes of this Ordinance and are subject in all respects to the terms of this Ordinance. No  
2 such actions shall increase the risk to the City or require the City to spend any resources not  
3 otherwise granted herein. Final versions of any such documents shall be provided to the Clerk  
4 of the Board for inclusion in the official file within 30 days (or as soon thereafter as final  
5 documents are available) of execution by all parties.

6 Section 19. Ratification of Prior Actions. All actions authorized and directed by this  
7 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.


8 Section 20. File Documents. All documents referred to as on file with the Clerk of the  
9 Board are in File No. [180363].

10 Section 21. Immediate Effect. Pursuant to Section 2.105 of the Charter, this  
11 Ordinance shall take effect immediately following the date of passage.

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

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16 By:   
17 Kenneth David Roux  
18 Deputy City Attorney  
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# City and County of San Francisco

## Tails Ordinance

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

**File Number:** 180363

**Date Passed:** June 05, 2018

Ordinance approving the issuance and sale of refunding lease revenue bonds by the City and County of San Francisco Finance Corporation (the "Corporation"), in an amount not to exceed \$26,530,000, to refinance lease revenue bonds previously issued to finance various projects under the Branch Library Improvement Program, as further described herein; approving the form of a First Amendment to Facilities Lease by and between the Corporation and the City and County of San Francisco (the "City") relating to certain real property described herein; approving the form of a First Amendment to Master Lease by and between the Corporation and the City; approving the form of a First Supplemental Trust Agreement by and between the Corporation and a trustee (including certain indemnities contained therein); approving the form of an Assignment Agreement by and between the Corporation and a trustee; authorizing the sale of the refunding lease revenue bonds by competitive or negotiated sale; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the refunding lease revenue bonds; directing the publication of the Notice of Intention to Sell the refunding lease revenue bonds; approving the form of a Purchase Contract and authorizing the appointment of one or more underwriters for the refunding lease revenue bonds; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; authorizing the payment of costs of issuance; granting general authority to City officials to take certain actions in connection with the refunding lease revenue bonds; approving modifications to documents; and ratifying previous actions taken in connection therewith.

May 10, 2018 Budget and Finance Sub-Committee - AMENDED

May 10, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

May 22, 2018 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

June 05, 2018 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180363

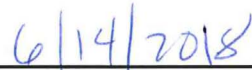
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 6/5/2018 by the Board of Supervisors of the City and County of San Francisco.



for Angela Calvillo  
Clerk of the Board



for Mark E. Farrell  
Mayor



Date Approved