

1 [2000 Affordable Housing Bond Sale]

2 AUTHORIZING AND DIRECTING THE SALE OF NOT TO EXCEED \$20,000,000 CITY AND
3 COUNTY OF SAN FRANCISCO GENERAL OBLIGATION BONDS (AFFORDABLE
4 HOUSING) SERIES 2000D; PRESCRIBING THE FORM AND TERMS OF SAID BONDS;
5 AUTHORIZING THE EXECUTION, AUTHENTICATION AND REGISTRATION OF SAID
6 BONDS; PROVIDING FOR THE APPOINTMENT OF DEPOSITORIES AND OTHER
7 AGENTS FOR SAID BONDS; PROVIDING FOR THE ESTABLISHMENT OF ACCOUNTS
8 RELATED THERETO; APPROVING THE FORMS OF OFFICIAL NOTICE OF SALE OF
9 BONDS AND NOTICE OF INTENTION TO SELL BONDS; DIRECTING THE PUBLICATION
10 OF THE NOTICE OF INTENTION TO SELL BONDS; APPROVING THE FORM AND
11 EXECUTION OF THE OFFICIAL STATEMENT RELATING THERETO; APPROVING THE
12 FORM OF THE CONTINUING DISCLOSURE CERTIFICATE; APPROVING
13 MODIFICATIONS TO DOCUMENTS; RATIFYING CERTAIN ACTIONS PREVIOUSLY
14 TAKEN; AND GRANTING GENERAL AUTHORITY TO CITY OFFICIALS TO TAKE
15 NECESSARY ACTIONS IN CONNECTION WITH THE AUTHORIZATION, ISSUANCE, SALE
16 AND DELIVERY OF SAID BONDS.

17 WHEREAS, By Resolution No. 570-96 adopted by the Board of Supervisors (the
18 "Board of Supervisors") of the City and County of San Francisco (the "City") on June 17,
19 1996, and signed by the Mayor of the City (the "Mayor") on June 19, 1996, it was determined
20 and declared that public interest and necessity demand the financing of the development of
21 housing affordable to low-income households and downpayment assistance to low and
22 moderate income first-time homebuyers (the "Program") by 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, The Registrar of Voters of the City duly and regularly canvassed the return
12 of said election and, as the result of such canvass, certified to the Board of Supervisors that
13 more than two-thirds of the votes cast on said proposition favored the incurring of such
14 bonded indebtedness; and,

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

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

22 WHEREAS, On June 10, 1999 the City issued \$20,000,000 of City and County of San
23 Francisco Taxable General Obligation Bonds (Affordable Housing) Series 1999A (the "Series
24 1999A Bonds") pursuant to the 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 third series
3 designated as City and County of San Francisco General Obligation Bonds (Affordable
4 Housing) Series 2000D (the "Bonds"); and,

5 WHEREAS, The Bonds are being issued pursuant to the Ordinance, the Charter of the
6 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 Charter and Administrative Code,
12 including 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 expects to pay certain expenditures in connection with the
20 development of two senior rental housing projects (a 93-unit project at 301 Ellis Street and a
21 91-unit project including a senior center and a child care facility at 500 Raymond Street)
22 incurred prior to the issuance and sale of the Bonds, and the City intends to reimburse itself
23 and to pay third parties for such prior expenditures from the proceeds of the Bonds; and,

24 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
25 Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to declare its

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1 reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent
2 borrowing; and,

3 WHEREAS, The Treasury Regulations require that any reimbursement allocation of
4 proceeds of the Bonds to be made with respect to expenditures incurred prior to the issuance
5 of the Bonds will occur not later than eighteen (18) months after the later of (i) the date on
6 which the expenditure is paid or (ii) the date on which the facilities are placed in service, but in
7 no event later than three (3) years after the expenditure is paid; and,

8 WHEREAS, Certain of the projects to be financed by the Bonds consist of those
9 projects more particularly described in the Notice (defined below) (the "Project"); and,

10 WHEREAS, The interest on the Bonds may qualify for tax exemption under Section
11 103 of the Internal Revenue Code of 1986, as amended (the "Code"), only if the Bonds are
12 approved in accordance with Section 147(f) of the Code; and,

13 WHEREAS, The Project is located wholly within the City; and,

14 WHEREAS, On April 22, 2000, the City caused a notice (the "Notice") stating that a
15 public hearing with respect to the issuance of the Bonds would be held by the Mayor's Office
16 of Public Finance on May 9, 2000, to appear in *The Independent*, which is a newspaper of
17 general circulation in the City; and

18 WHEREAS, The Mayor's Office of Public Finance held the public hearing described
19 above on May 9, 2000, and an opportunity was provided for persons to comment on the
20 issuance of the Bonds and the Project; and,

21 WHEREAS, This Board is the elected legislative body of the City and is the applicable
22 elected representative required to approve the issuance of the Bonds within the meaning of
23 Section 147(f) of the Code; and,

24 WHEREAS, In order to accomplish the purposes for which the Series 1998A Bonds and
25 the Series 1999A Bonds were issued, it is necessary to transfer certain proceeds of those bonds

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1 from the Development Account to the Downpayment Assistance Loan Program Account; and,
2 WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds
3 within the meaning of Section 864 of the California Code of Civil Procedure; now, therefore, be it
4 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
5 follows:

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

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

12 Section 3. Documents. The documents presented to this Board of Supervisors and on
13 file with the Clerk of the Board of Supervisors are contained in File No. 000786.

14 Section 4. Issuance and Sale of Bonds. The Board of Supervisors hereby authorizes
15 the issuance and sale of a third series of bonds in an aggregate principal amount not to
16 exceed \$20,000,000 as authorized by and for the purposes set forth in Proposition A. It is the
17 purpose and intent of this Board that this Resolution constitute approval of the Bonds by the
18 applicable elected representative of the governmental unit having jurisdiction over the area in
19 which the Project is located, in accordance with Section 147(f) of the Code.

20 Said series of such bonds shall be designated as "City and County of San Francisco
21 General Obligation Bonds (Affordable Housing) Series 2000D" or such other series
22 designation as shall be specified by the Director of Public Finance of the City (the "Director of
23 Public Finance"). Sale of the Bonds may be aggregated with other general obligation bonds
24 being issued by the City as authorized from time to time by the Board of Supervisors.

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1 Section 5. Execution, Authentication and Registration of Bonds. The Bonds shall be in
2 fully registered form without coupons in denominations of \$5,000 or any integral multiple
3 thereof. The officers of the City are hereby directed to cause the Bonds to be prepared in
4 sufficient quantity for delivery to the purchaser thereof and the Director of Public Finance is
5 hereby directed to cause the blanks therein to be completed in accordance with the
6 Resolution. The Mayor and the Treasurer of the City (the "Treasurer") are each hereby
7 authorized to approve and to execute the Bonds; and the Clerk and the Deputy Clerk of the
8 Board of Supervisors are each hereby authorized to countersign the Bonds.

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

16 The Bonds and the Treasurer's certificate of authentication and registration and the
17 form of assignment to appear thereon shall be substantially in the form attached hereto as
18 Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and which is
19 hereby declared to be a part of this Resolution as if fully set forth herein) with necessary or
20 appropriate variations, omissions and insertions as permitted or required by this Resolution.

21 In case any of such officers whose signature or countersignature appears on the Bonds
22 shall cease to be such officer before the delivery of such Bonds to the purchaser, such
23 signature or countersignature shall nevertheless be valid and sufficient for all purposes as if
24 such officer had remained in office until the delivery of the Bonds.

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

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

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

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

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

22 Whenever any Bond shall be surrendered for transfer or exchange, the designated City
23 officials shall execute (as provided in Section 5 hereof) and the Treasurer shall authenticate
24 and deliver a new Bond or Bonds of the same interest rate and maturity in a like aggregate
25 principal amount. The Treasurer shall require the payment by the Owner of any Bond

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1 requesting any such transfer of any tax or other governmental charge required to be paid with
2 respect to such transfer or exchange.

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

7 Section 8. Terms of the Bonds; General Redemption Provisions. The Bonds shall
8 each be dated the date of issuance of the Bonds or such other date (the "Dated Date") as
9 specified in the award to be made by motion of the Finance Committee of the Board of
10 Supervisors pursuant to Section 16 hereof (the "Finance Committee Award"). The Bonds
11 shall bear interest from the date thereof until paid at rates to be determined upon sale of the
12 Bonds, calculated on the basis of a 360-day year comprised of twelve 30-day months,
13 payable on December 15, 2000, and semiannually thereafter on June 15 and December 15
14 (or such other dates as may be designated in the Finance Committee Award) of each year
15 and shall either mature or be subject to mandatory redemption (as hereinafter provided) on
16 June 15 (or such other date as may be designated in the Finance Committee Award) of the
17 years, and in the amounts, as set forth in the Official Statement relating to the Bonds,
18 provided that no Bonds shall mature later than June 15, 2025.

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

22 The Bonds shall be issued in book-entry form and initially shall be registered in the
23 name of Cede & Co. as nominee of the Depository Trust Company. For so long as Cede &
24 Co. or its registered assignee is the registered Owner of all of the Bonds, payment shall be
25 made by wire transfer of immediately available funds to Cede & Co. The principal of the

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1 Bonds shall be payable in lawful money of the United States of America to the Owner thereof,
2 upon the surrender thereof at maturity or earlier redemption at the office of the Treasurer.

3 The interest on the Bonds shall be payable in like lawful money to the person whose name
4 appears on the bond registration books of the Treasurer as the Owner thereof as of the close
5 of business on the last day of the month immediately preceding an interest payment date (the
6 "Record Date"), whether or not such day is a Business Day (as hereinafter defined).

7 Each Bond shall bear interest from the interest payment date next preceding the date
8 of authentication thereof unless it is authenticated as of a day during the period from the
9 Record Date next preceding any interest payment date to the interest payment date, inclusive,
10 in which event it shall bear interest from such interest payment date, or unless it is
11 authenticated on or before the last day of the month preceding the initial interest payment
12 date, in which event it shall bear interest from the Dated Date of the Bonds; provided,
13 however, that if, at the time of authentication of any Bond, interest is in default on the Bonds,
14 such Bond shall bear interest from the interest payment date to which interest has previously
15 been paid or made available for payment on the Bonds or from the Dated Date of the Bonds if
16 the first interest payment is not made. Payment of the interest on any Bond shall be made by
17 check mailed to such Owner at such Owner's address as it appears on the registration books
18 as of the Record Date; provided, however, if any interest payment is due on a day that banks
19 in California and New York are closed for business, then such payment shall be made on the
20 next succeeding day that banks in both California and New York are open for business (a
21 "Business Day"); and provided, further, that the registered Owner of an aggregate principal
22 amount of at least \$1,000,000 of the Bonds may submit a written request to the Treasurer on
23 or before a Record Date preceding an interest payment date for payment of interest by wire
24 transfer to a commercial bank located within the United States.

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

11 As used herein, "redemption date" shall mean date on which any Bonds called for early
12 redemption are to be paid consistent with the Notice of Redemption.

13 The Bonds maturing on or before June 15, 2008 (or such other dates as may be
14 designated in the Finance Committee Award) shall not be subject to optional redemption prior
15 to maturity. The Bonds maturing on or after June 15, 2009 (or such other dates as may be
16 designated in the Finance Committee Award) are subject to optional redemption prior to their
17 respective stated maturities, at the option of the City, from any source of available funds, as a
18 whole or in part on any date (with the maturities to be redeemed to be determined by the City
19 and by lot within a maturity) on or after June 15, 2008 (or such other dates as may be
20 designated in the Finance Committee Award), at redemption prices equal to 102% of the
21 principal amount redeemed in the first year the Bonds are subject to optional redemption (with
22 such redemption price declining to 100% at the rate of one percent (1%) annually), together
23 with accrued interest to the date of redemption, or at such other redemption prices as may be
24 designated in the Finance Committee Award.

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1 Prior to the time the Treasurer or the Controller of the City (the "Controller") determines
2 to optionally call and redeem any of the Bonds, the Treasurer shall establish a Redemption
3 Account to be described as the "General Obligation Bonds (Affordable Housing) Series 2000D
4 Redemption Account" (the "Series 2000D Redemption Account") and prior to or on the
5 redemption date there must be set aside in said Series 2000D Redemption Account moneys
6 available for the purpose and sufficient to redeem, as provided in this Resolution, the Bonds
7 designated in said notice of redemption. Said moneys must be set aside in said account
8 solely for the purpose of, and shall only be applied on or after the redemption date to,
9 payment of the redemption price of the Bonds to be redeemed upon presentation and
10 surrender of such Bonds. Any interest due on or prior to the redemption date may be paid
11 from the Debt Service Account. If, after all of the Bonds have been redeemed and cancelled
12 or paid and cancelled, there are moneys remaining in the Series 2000D Redemption Account,
13 said moneys shall be transferred to the General Fund of the City as permitted by law;
14 provided, however, that if said moneys are part of the proceeds of refunding bonds, said
15 moneys shall be transferred to the fund or account created for the payment of principal and
16 interest on such refunding bonds.

17 When notice of optional redemption has been given as provided below, and when the
18 amount necessary for the redemption of the Bonds called for redemption (principal and
19 premium, if any) is set aside for that purpose in said Series 2000D Redemption Account, as
20 provided herein, the Bonds designated for redemption shall become due and payable on the
21 date fixed for redemption thereof, and upon presentation and surrender of said Bonds at the
22 place specified in the notice of redemption, such Bonds shall be redeemed and paid at the
23 stated redemption price out of said Series 2000D Redemption Account. No interest will
24 accrue on such Bonds called for redemption after the redemption date and the registered
25 Owners of such Bonds shall look for payment of such Bonds only to said Series 2000D

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1 Redemption Account. All Bonds redeemed shall be cancelled forthwith by the Treasurer and
2 shall not be reissued.

3 The City may rescind any optional redemption and notice thereof for any reason on any
4 date prior to the date fixed for redemption by causing written notice of the rescission to be
5 given to the Owners of all Bonds so called for redemption. Any optional redemption and
6 notice thereof shall be rescinded if for any reason on the date fixed for redemption funds are
7 not available in the Series 2000D Redemption Account in an amount sufficient to pay in full on
8 said date the principal of, interest, and any premium due on the Bonds called for redemption.
9 Notice of rescission of redemption shall be given in the same manner notice of redemption
10 was originally given. The actual receipt by the Owner of any Bond of notice of such rescission
11 shall not be a condition precedent to rescission, and failure to receive such notice or any
12 defect in such notice shall not affect the validity of the rescission.

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

24 The actual receipt by the Owner of any Bond of notice of such redemption shall not be
25 a condition precedent to redemption, and failure to receive such notice, or any defect in such

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1 notice, shall not affect the validity of the proceedings for the redemption of such Bonds or the
2 cessation of accrual of interest on the redemption date.

3 At least five (5) days before the above notice date, notice also shall be given by
4 (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission or
5 (iii) overnight delivery service, to (i) all organizations registered with the Securities and
6 Exchange Commission as securities depositories, (ii) to at least two information services of
7 national recognition which disseminate redemption information with respect to municipal
8 securities, and (iii) as may be further required in accordance with the Continuing Disclosure
9 Certificate described in Section 18 hereof.

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

14 Section 9. Housing Account. All of the proceeds of the sale of the Bonds, excluding
15 any premium or accrued interest received thereon, shall be deposited by the Treasurer to the
16 credit of the Affordable Housing Bond Housing Account (the "Housing Account") created by
17 the Controller pursuant to Section 81.3 of the City's Administrative Code. Pursuant to Section
18 7 of the Ordinance, a Tax-Exempt Subaccount shall be created within the Development
19 Account (the "Tax-Exempt Subaccount"). Amounts deposited to the credit of the Housing
20 Account shall be disbursed as follows: (i) an amount to be specified in the Finance
21 Committee Award shall be deposited the credit of the Costs of Issuance Account created
22 pursuant to Section 10 hereof and (ii) all of such deposit remaining after the disbursement
23 specified in (i) to the credit of the Tax-Exempt Subaccount. Amounts currently on deposit in
24 the Development Account in an amount to be specified in the Finance Committee Award, from
25 proceeds of the sale of the Series 1998A Bonds and/or the Series 1999A Bonds, shall be

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1 transferred to the Downpayment Assistance Loan Program Account in accordance with
2 Section 7(e) of the Ordinance. Amounts on deposit in the Housing Account shall be applied
3 exclusively to the objects and purposes specified in the Ordinance, the Regulations adopted
4 pursuant to the Ordinance, and Section 10 hereof. Any bid premium and accrued interest
5 received upon sale of the Bonds shall be deposited into the Debt Service Account pursuant to
6 Section 8 of the Ordinance.

7 Section 10. Payment of Costs of Issuance. In accordance with Section 9 hereof, upon
8 the sale of the Bonds, certain proceeds of the Bonds (excluding any bid premium and accrued
9 interest) shall be deposited in the Costs of Issuance Account within the Housing Account.
10 The Treasurer is hereby authorized to pay or cause to be paid on behalf of the City, the costs
11 of issuance associated with the Bonds. Amounts in the Costs of Issuance Account may be
12 applied to the payment of any costs of issuance of the Bonds, including, without limitation,
13 bond and financial printing expenses, mailing and publication expenses, rating agency fees,
14 and the fees and expenses of paying agents, registrars, financial consultants and bond
15 counsel. Six months after the date of issuance of the Bonds, any funds remaining in the
16 Costs of Issuance Account shall be transferred to the Tax-Exempt Subaccount. Any costs of
17 issuance paid after this date shall be paid from the Housing Account but shall not exceed the
18 amount transferred from the Costs of Issuance Account pursuant to the preceding sentence.

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

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

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

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

16 The Director of Public Finance is hereby authorized to retain the services of other agents,
17 including but not limited to, rating agencies, financial advisors, financial printers and bond
18 insurers as he or she may deem necessary or desirable to facilitate the issuance of the
19 Bonds. The Director of Public Finance is hereby further authorized to enter into any
20 agreements and to compensate such agents for services rendered. Such agents shall serve
21 under such terms and conditions as the Director of Public Finance shall determine. The
22 Director of Public Finance may remove or replace agents appointed pursuant to this Section
23 12 at any time.

24 Section 13. Defeasance Provisions. Payment of all or any portion of the Bonds may
25 be provided for prior to maturity by irrevocably depositing with the Treasurer (or any

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1 commercial bank or trust company designated by the Treasurer to act as escrow agent with
2 respect thereto):

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

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

16 Upon the deposit in accordance with the previous paragraph, all obligations of the City
17 with respect to said outstanding Bonds shall cease and terminate, except only the obligation
18 of the City to pay or cause to be paid from the funds deposited pursuant to paragraphs (a) or
19 (b) of this Section 13, to the Owners of said Bonds all sums due with respect thereto;
20 provided, that the City shall have received an opinion of nationally recognized bond counsel,
21 that provision for the payment of said Bonds has been made in accordance with this
22 Section 13. In the case of the Bonds which are to be redeemed prior to maturity, notice of
23 such redemption shall be given as provided in Section 8 hereof or an irrevocable election to
24 give such notice shall have been made by the City.

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

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

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

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

22 Section 14. Official Notice of Sale. The form of proposed Official Notice of Sale
23 inviting bids for the Bonds is hereby approved and adopted as the Official Notice of Sale
24 inviting bids for the Bonds with such changes as may be made in accordance with Section 20
25 hereof.

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1 The Director of Public Finance is hereby authorized and directed to determine a date,
2 time and place for the sale of the Bonds. The Director of Public Finance is hereby authorized
3 and directed to cause to be distributed to prospective bidders for the Bonds copies of said
4 Official Notice of Sale, subject to such changes as may be acceptable to the Director of Public
5 Finance.

6 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
7 Notice of Intention to Sell Bonds is hereby approved and adopted as the Notice of Intention to
8 Sell Bonds, and the Director of Public Finance is hereby authorized and directed to cause said
9 Notice of Intention to Sell Bonds, subject to such changes as may be made in accordance
10 with Section 20 hereof, to be published once at least fifteen (15) days before the date of sale
11 in The Bond Buyer, or another financial publication generally circulated throughout the State
12 of California.

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

18 The Finance Committee of the Board of Supervisors is hereby authorized to award the
19 Bonds to the bidder whose bid represents the lowest true interest cost to the City, provided
20 that: (a) the price bid shall not be less than the principal amount of the Bonds, (b) neither the
21 true interest cost, yield or coupon interest rate of the Bonds shall exceed 12%, and (c) the
22 Bonds shall otherwise conform to all provisions set forth herein, all in accordance with the
23 procedures described in the Official Notice of Sale. Proposals shall be received by the Clerk
24 of the Board of Supervisors on the sale date designated by the Director of Public Finance.

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1 Section 17. Official Statement. The form of proposed Official Statement describing the
2 Bonds submitted to the Board of Supervisors is hereby approved and adopted as the Official
3 Statement describing the Bonds, with such changes as may be determined to be necessary or
4 desirable made in accordance with Section 20 hereof. The Controller is hereby authorized to
5 cause the distribution of a Preliminary Official Statement deemed final for purposes of Rule
6 15c2-12 of the Securities Exchange Act of 1934, as amended, and to sign a certificate to that
7 effect. The Controller is further hereby authorized and directed to sign the final Official
8 Statement and to cause to be printed and mailed to prospective bidders for the Bonds copies
9 of the Official Statement in substantially the form of the Preliminary Official Statement
10 approved and adopted hereby as supplemented, corrected or revised.

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

21 Section 19. Tax Covenant. (a) The City hereby covenants that the City will not make any
22 use of the proceeds of the Bonds or any other funds of the City which would cause the Bonds to
23 be: (i) "arbitrage bonds," the interest on which will be subject to inclusion in gross income for
24 purposes of federal income taxation by reason of the Code; (ii) "private activity bonds," the
25 interest on which will be subject to inclusion in gross income for purposes of federal income

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1 taxation by reason of Section 141(a) of the Code; or, (iii) obligations the interest on which will be
2 subject to inclusion in gross income for purposes of federal income taxation because they are
3 "federally guaranteed" as provided in Section 149(b) of the Code; and to that end the City, with
4 respect to the proceeds of the Bonds, will comply with all requirements of such sections of the
5 Code and all Treasury Regulations issued thereunder to the extent that such requirements are,
6 at the time, applicable and in effect, and will comply with the provisions of the Tax and Non-
7 Arbitrage Certificate to be entered into by the City, dated the date of issuance of the Bonds, as
8 originally executed and as it may be amended from time to time (herein called the "Tax
9 Certificate").

10 (b) In furtherance of the covenants of the City set forth above, this Board of
11 Supervisors will cause the Controller and the City Treasurer and all other appropriate City
12 officials to comply with the Tax Certificate.

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

20 Section 21. 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 22. Accountability Reports. The Series 2000D Bonds are subject to Article VIII of
24 Chapter 2 of the City's Administrative Code. Accountability report(s) with respect to the Series
25 2000D Bonds shall be submitted at the time(s) and in the manner required by said Article VIII.

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1 Section 23. General Authority. The Clerk of the Board of Supervisors, the Finance
2 Committee of the Board of Supervisors, the Treasurer, the City Attorney, the Controller and
3 the Director of Public Finance are each hereby authorized and directed in the name and on
4 behalf of the City to take any and all steps and to issue and deliver any and all certificates,
5 opinions, requisitions, agreements, notices, consents, and other documents, including but not
6 limited to letters of representations to any depository or depositories which they or any of
7 them might deem necessary or appropriate in order to consummate the lawful issuance, sale
8 and delivery of the Bonds.

9
10 APPROVED AS TO FORM:

11 LOUISE H. RENNE
12 City Attorney

13 By:


14 DAVE ANGELO SANCHEZ
15 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: 000786

Date Passed:

Resolution authorizing and directing the sale of not to exceed \$20,000,000 City and County of San Francisco General Obligation Bonds (Affordable Housing) Series 2000D; 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 the 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.

May 22, 2000 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Teng,
Yaki, Yee

Absent: 1 - Newsom

File No. 000786

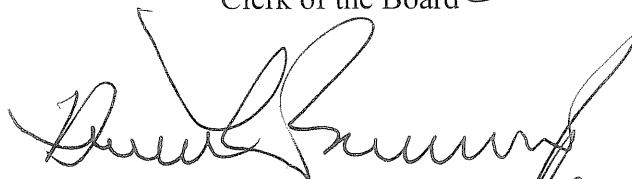
I hereby certify that the foregoing Resolution was ADOPTED on May 22, 2000 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAY 26 2000

Date Approved



Mayor Willie L. Brown Jr.