

1 [Sale of General Obligation Bonds - Earthquake Safety and Emergency Response Bonds -  
2 Not to Exceed \$111,060,000]

3 **Resolution authorizing and directing the sale of not to exceed \$111,060,000 aggregate**  
4 **principal amount of City and County of San Francisco General Obligation Bonds**  
5 **(Earthquake Safety and Emergency Response Bonds, 2014), Series 2016D; prescribing**  
6 **the form and terms of said bonds; authorizing the execution, authentication, and**  
7 **registration of said bonds; providing for the appointment of depositories and other**  
8 **agents for said bonds; providing for the establishment of accounts related to said**  
9 **bonds; providing for the manner of sale of said bonds by competitive sale; approving**  
10 **the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the**  
11 **publication of the Notice of Intention to Sell Bonds; approving the form of the**  
12 **Preliminary Official Statement and the form and execution of the Official Statement**  
13 **relating to the sale of said Bonds; approving the form of the Continuing Disclosure**  
14 **Certificate; authorizing and approving modifications to documents, as defined herein;**  
15 **declaring the City’s intent to reimburse certain expenditures; ratifying certain actions**  
16 **previously taken, as defined herein; and granting general authority to City officials to**  
17 **take necessary actions in connection with the authorization, issuance, sale, and**  
18 **delivery of said bonds, as defined herein.**

19  
20 WHEREAS, By Resolution No. 34-14, adopted by the Board of Supervisors (the “Board  
21 of Supervisors”) of the City and County of San Francisco (the “City”) on February 4, 2014, and  
22 signed by the Mayor of the City (the “Mayor”) on February 14, 2014, it was determined that  
23 public interest and necessity demands the construction, acquisition, improvement, and  
24 retrofitting of earthquake safety and emergency responsiveness facilities and infrastructure  
25 therein described (the “Project”); and

1           WHEREAS, By Ordinance No. 16-14, passed by the Board of Supervisors on  
2 February 14, 2014 (the “Bond Ordinance”), the Board of Supervisors duly called a special  
3 election to be held on June 3, 2014 (the “Bond Election”), for the purpose of submitting to the  
4 electors of the City a proposition to incur bonded indebtedness in the amount of \$400,000,000  
5 to finance the Project, and such proposition was approved by not less than a two-thirds vote of  
6 the qualified electors of the City voting on such proposition; and

7           WHEREAS, By Resolution No. 313-14, adopted by the Board of Supervisors on  
8 July 29, 2014, and signed by the Mayor on August 7, 2014 (the “Authorizing Resolution”),  
9 the City was authorized to issue its General Obligation Bonds (Earthquake Safety and  
10 Emergency Response Bonds, 2014) (the “Bonds”); and

11           WHEREAS, By Resolution No. 308-14, adopted by the Board of Supervisors on  
12 July 29, 2014, and signed by the Mayor on August 7, 2014, the City was authorized to issue  
13 its General Obligation Bonds (Earthquake Safety and Emergency Response Bonds, 2014),  
14 Series 2014D in an aggregate principal amount not to exceed \$106,095,000, which Series  
15 2014D Bonds were subsequently issued in the aggregate principal amount of \$100,670,000;  
16 and

17           WHEREAS, The City has issued and sold, to date, a total of \$100,670,000 of the  
18 Bonds; and there remains \$299,330,000 of authorized and unissued Bonds; and

19           WHEREAS, It is necessary and desirable to issue an aggregate principal amount of the  
20 Bonds not to exceed \$111,060,000 (the “Series 2016D Bonds”), to finance a portion of the  
21 costs of the Project (as defined in the Authorizing Resolution); and

22           WHEREAS, The Series 2016D Bonds are being issued pursuant to the Authorizing  
23 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government  
24 Code, the Charter of the City (the “Charter”), the Bond Ordinance and the Bond Election; and  
25

1           WHEREAS, The City has paid and expects to pay certain expenditures in connection  
2 with the Project to be financed by the Series 2016D Bonds prior to the issuance and sale of  
3 the Series 2016D Bonds, and the City intends to reimburse itself and to pay third parties for  
4 such prior expenditures from the proceeds of the Series 2016D Bonds; and

5           WHEREAS, Section 1.150-2 of the Treasury Regulations (the “Reimbursement  
6 Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the  
7 “Code”) requires the City to declare its reasonable official intent to reimburse prior  
8 expenditures with the proceeds of a subsequent borrowing; and

9           WHEREAS, The Reimbursement Regulations require that any reimbursement  
10 allocation of proceeds of the Series 2016D Bonds to be made with respect to expenditures  
11 incurred prior to the issuance of the Series 2016D Bonds will occur not later than eighteen  
12 (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on  
13 which the facilities are placed in service, but in no event later than three (3) years after the  
14 expenditure is paid; and

15           WHEREAS, The Citizens’ General Obligation Bond Oversight Committee shall conduct  
16 an annual review of bond spending and shall provide an annual report on the management of  
17 the program to the Mayor and the Board of Supervisors, and, to the extent permitted by law,  
18 one-tenth of one percent (0.1%) of the gross proceeds of the Series 2016D Bonds shall be  
19 deposited in a fund established by the Controller’s Office and appropriated by the Board of  
20 Supervisors at the direction of the Citizens’ General Obligation Bond Oversight Committee to  
21 cover the costs of such Committee and its review process; and

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

24           Section 1. Recitals. All of the recitals in this Resolution are true and correct.

25

1           Section 2. Conditions Precedent. All conditions, things and acts required by law to  
2 exist, to happen and to be performed precedent to and in connection with the issuance of  
3 the Series 2016D Bonds exist, have happened and have been performed in due time,  
4 form and manner in accordance with applicable law, and the City is now authorized  
5 pursuant to the Bond Election, the Charter and applicable law to incur indebtedness in  
6 the manner and form provided in this Resolution.

7           Section 3. Documents. The documents presented to the Board of Supervisors and  
8 on file with the Clerk of the Board of Supervisors or his or her designee (the “Clerk of the  
9 Board of Supervisors”) are contained in File No. \_\_\_\_\_.

10          Section 4. Issuance and Sale of Series 2016D Bonds; Determination of Certain Terms;  
11 Designation. The Board of Supervisors authorizes the issuance and sale of not to exceed  
12 \$111,060,000 in aggregate principal amount of Bonds to be designated as “City and County of  
13 San Francisco General Obligation Bonds (Earthquake Safety and Emergency Response  
14 Bonds, 2014), Series 2016D,” for the purposes set forth in the Bond Ordinance and  
15 Proposition A approved by the voters at the Bond Election.

16          The Director of Public Finance of the City or designee thereof (the “Director of Public  
17 Finance”) is authorized to determine, for the Series 2016D Bonds, the sale date, the interest  
18 rates, the definitive principal amount, the maturity dates and the redemption dates, if any, and  
19 the terms of any optional or mandatory redemption, subject to the other specific provisions of  
20 this Resolution, including the following terms and conditions: (i) the Series 2016D Bonds shall  
21 not have a true interest cost in excess of 12% as such term is defined in the Official Notice of  
22 Sale (as defined in Section 13)); and (ii) the Series 2016D Bonds shall not have a final  
23 maturity date after June 15, 2035. The Director of Public Finance is further authorized to give  
24 the Series 2016D Bonds such additional or other series designation, or to modify such series  
25

1 designation, as may be necessary or appropriate to distinguish the Series 2016D Bonds from  
2 every other series of Bonds and from other bonds issued by the City.

3 Section 5. Execution, Authentication and Registration of the Series 2016D Bonds.

4 Each of the Series 2016D Bonds shall be in fully registered form without coupons in  
5 denominations of \$5,000 or any integral multiple of that amount. The officers of the City are  
6 directed to cause the Series 2016D Bonds to be prepared in sufficient quantity for delivery to  
7 or for the account of their purchaser and the Controller of the City or designee thereof (the  
8 “Controller”) is directed to cause the blanks in the Series 2016D Bonds to be completed in  
9 accordance with the Authorizing Resolution and the Bond Award (as defined in Section 13), to  
10 procure their execution by the proper officers of the City (including by facsimile signature if  
11 necessary or convenient, excluding any facsimile signature for the Clerk of the Board, which  
12 shall be required to be signed manually) and authentication as provided in this Section, and to  
13 deliver the Series 2016D Bonds when so executed and authenticated to said purchaser in  
14 exchange for their purchase price, all in accordance with the Authorizing Resolution.

15 The Series 2016D Bonds and the certificate of authentication and registration, to be  
16 manually executed by the Treasurer of the City or designee thereof (the “City Treasurer”), and  
17 the form of assignment to appear on the Series 2016D Bonds shall be substantially in the form  
18 attached as Exhibit A (a copy of which is on file with the Clerk of the Board of Supervisors and  
19 which is declared to be a part of this Resolution as if fully set forth in this Resolution), with  
20 necessary or appropriate variations, omissions and insertions as permitted or required by this  
21 Resolution.

22 Only Series 2016D Bonds bearing a certificate of authentication and registration  
23 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the  
24 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City  
25 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the

1 Series 2016D Bonds so authenticated have been duly authenticated and delivered under, and  
2 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

3 The Controller shall assign a distinctive letter, or number, or letter and number to each  
4 Series 2016D Bond authenticated and registered by the City Treasurer and shall maintain a  
5 record thereof which shall be available for inspection.

6 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at  
7 the office of the City Treasurer or at the designated office of any registrar appointed by the  
8 City Treasurer, separate and sufficient books for the registration and transfer of Series  
9 2016D Bonds, which books shall at all times be open to inspection, and upon presentation  
10 for such purpose, the City Treasurer shall, under such reasonable regulations as he or she  
11 may prescribe, register or transfer or cause to be registered or transferred, on said books,  
12 Series 2016D Bonds as provided in this Resolution. The City and the City Treasurer may  
13 treat the registered owner of each Series 2016D Bond as its absolute owner for all  
14 purposes, and the City and the City Treasurer shall not be affected by any notice to the  
15 contrary.

16 Section 7. Transfer or Exchange of Series 2016D Bonds. Any Series 2016D Bond may,  
17 in accordance with its terms, be transferred upon the books required to be kept pursuant to  
18 the provisions of Section 6, by the person in whose name it is registered, in person or by the  
19 duly authorized attorney of such person in writing, upon surrender of such Series 2016D Bond  
20 for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a  
21 form approved by the City Treasurer.

22 Any Series 2016D Bond may be exchanged at the office of the City Treasurer for a like  
23 aggregate principal amount of other authorized denominations of the same interest rate and  
24 maturity.

1           Whenever any Series 2016D Bond shall be surrendered for transfer or exchange, the  
2 designated City officials shall execute (as provided in Section 5) and the City Treasurer shall  
3 authenticate and deliver a new Series 2016D Bond of the same interest rate and maturity in a  
4 like aggregate principal amount. The City Treasurer shall require the payment by any bond  
5 owner requesting any such transfer of any tax or other governmental charge required to be  
6 paid with respect to such transfer or exchange.

7           No transfer or exchange of Series 2016D Bonds shall be required to be made by the  
8 City Treasurer during the period from the Record Date (as defined in Section 8(b)) next  
9 preceding each interest payment date to such interest payment date or after a notice of  
10 redemption shall have been mailed with respect to such Series 2016D Bonds.

11           Section 8. Terms of the Series 2016D Bonds; General Redemption Provisions.

12           (a)     Date of the Series 2016D Bonds. The Series 2016D Bonds shall be dated the  
13 date of their delivery or such other date (the "Dated Date") as is specified in the Bond Award.

14           (b)     Payment of the Series 2016D Bonds. The principal of the Series 2016D Bonds  
15 shall be payable in lawful money of the United States of America to their owners, upon  
16 surrender at maturity or earlier redemption at the office of the City Treasurer. The interest on  
17 the Series 2016D Bonds shall be payable in like lawful money to the person whose name  
18 appears on the bond registration books of the City Treasurer as the owner as of the close of  
19 business on the last day of the month immediately preceding an interest payment date (the  
20 "Record Date"), whether or not such day is a Business Day (as defined below).

21           Except as may be otherwise provided in connection with any book-entry only system  
22 applicable to the Series 2016D Bonds, payment of the interest on any Series 2016D Bond  
23 shall be made by check mailed on the interest payment date to such owner at such owner's  
24 address as it appears on the registration books as of the Record Date; provided, that if any  
25 interest payment date occurs on a day that banks in California or New York are closed for

1 business or the New York Stock Exchange is closed for business, then such payment shall be  
2 made on the next succeeding day that banks in both California and New York are open for  
3 business and the New York Stock Exchange is open for business (each, a "Business Day");  
4 and provided, further, that the registered owner of an aggregate principal amount of at least  
5 \$1,000,000 of Series 2016D Bonds may submit a written request to the City Treasurer on or  
6 before a Record Date preceding an interest payment date for payment of interest on the next  
7 succeeding interest payment date and thereafter by wire transfer to a commercial bank  
8 located within the United States of America.

9 For so long as any Series 2016D Bonds are held in book-entry form by a securities  
10 depository selected by the City pursuant to Section 11, payment shall be made to the  
11 registered owner of the Series 2016D Bonds designated by such securities depository by wire  
12 transfer of immediately available funds.

13 (c) Interest on the Series 2016D Bonds. The Series 2016D Bonds shall bear  
14 interest at rates to be determined upon the sale of the Series 2016D Bonds, calculated on the  
15 basis of a 360-day year comprised of twelve 30-day months, payable on June 15, 2016 (or  
16 such other date as may be designated in the Bond Award), and semiannually thereafter on  
17 December 15 and June 15 of each year. Each Series 2016D Bond shall bear interest from the  
18 interest payment date next preceding the date of its authentication unless it is authenticated  
19 as of a day during the period from the Record Date next preceding any interest payment date  
20 to the interest payment date, inclusive, in which event it shall bear interest from such interest  
21 payment date, or unless it is authenticated on or before the first Record Date, in which event it  
22 shall bear interest from the Dated Date; provided, that if, at the time of authentication of any  
23 Series 2016D Bond, interest is in default on the Series 2016D Bonds, such Series 2016D  
24 Bond shall bear interest from the interest payment date to which interest has previously been  
25



1 paid or made available for payment on the Series 2016D Bonds or from the Dated Date if the  
2 first interest payment is not made.

3 (d) Optional Redemption. The Series 2016D Bonds shall be subject to optional  
4 redemption prior to maturity as provided in the Official Notice of Sale or the Bond Award.

5 (e) Mandatory Redemption. The Series 2016D Bonds shall be subject to mandatory  
6 redemption at par, by lot, in any year in which the purchaser has designated that the principal  
7 amount payable with respect to that year shall constitute a mandatory sinking fund payment  
8 as permitted by the Official Notice of Sale. Any Series 2016D Bonds subject to mandatory  
9 redemption shall be designated as such in the Official Notice of Sale or the Bond Award.

10 The principal of and interest on the Series 2016D Bonds subject to mandatory  
11 redemption shall be paid from the Series 2016D Bond Account (as defined in Section 9),  
12 pursuant to Section 9. In lieu of any such mandatory redemption for Series 2016D Bonds, at  
13 any time prior to the selection of Series 2016D Bonds for mandatory redemption, the City may  
14 apply amounts on deposit in the Series 2016D Bond Account to make such payment to the  
15 purchase, at public or private sale, of Series 2016D Bonds subject to such mandatory  
16 redemption, and when and at such prices not in excess of the principal amount thereof  
17 (including sales commission and other charges but excluding accrued interest), as the City  
18 may determine.

19 (f) Selection of Series 2016D Bonds for Redemption. Whenever less than all of the  
20 outstanding Series 2016D Bonds are called for redemption on any date, the City Treasurer will  
21 select the maturities of the Series 2016D Bonds to be redeemed in the sole discretion of the  
22 City Treasurer. Whenever less than all of the outstanding Series 2016D Bonds maturing on  
23 any one date are called for redemption on any one date, the City Treasurer will select the  
24 Series 2016D Bonds or portions thereof, in denominations of \$5,000 or any integral multiple  
25

1 thereof, to be redeemed from the outstanding Series 2016D Bonds maturing on such date not  
2 previously selected for redemption, by lot, in any manner which the City Treasurer deems fair.

3 (g) Notice of Redemption. The date on which Series 2016D Bonds that are called  
4 for redemption are to be presented for redemption is called the "Redemption Date." The  
5 City Treasurer shall mail, or cause to be mailed, notice of any redemption of Series 2016D  
6 Bonds, postage prepaid, to the respective registered owners at the addresses appearing  
7 on the bond registration books not less than twenty (20) nor more than sixty (60) days prior  
8 to the Redemption Date. The notice of redemption shall (a) state the Redemption Date; (b)  
9 state the redemption price; (c) state the maturity dates of the Series 2016D Bonds to be  
10 redeemed and, if less than all of any such maturity is called for redemption, the distinctive  
11 numbers of the Series 2016D Bonds of such maturity to be redeemed, and in the case of  
12 any Series 2016D Bonds to be redeemed in part only, the respective portions of the  
13 principal amount to be redeemed; (d) state the CUSIP number, if any, of each Series  
14 2016D Bond to be redeemed; (e) require that such Series 2016D Bonds be surrendered by  
15 the owners at the office of the City Treasurer or his or her agent; and (f) give notice that  
16 interest on such Series 2016D Bonds or portions of Series 2016D Bonds to be redeemed  
17 will cease to accrue after the Redemption Date. Notice of optional redemption may be  
18 conditional upon receipt of funds or other event specified in the notice of redemption as  
19 provided in subsection (j) of this Section 8.

20 The actual receipt by the owner of any Series 2016D Bond of notice of such  
21 redemption shall not be a condition precedent to redemption, and failure to receive such  
22 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings  
23 for the redemption of such Series 2016D Bonds or the cessation of accrual of interest on such  
24 Series 2016D Bonds on the Redemption Date.

1 Notice of redemption also shall be given, or caused to be given by the City Treasurer, by  
2 (i) registered or certified mail, postage prepaid, (ii) confirmed facsimile transmission,  
3 (iii) overnight delivery service, or (iv) to the extent acceptable to the intended recipient, email  
4 or similar electronic means, to (a) all organizations registered with the Securities and  
5 Exchange Commission as securities depositories and (b) such other services or organizations  
6 as may be required in accordance with the Continuing Disclosure Certificate described in  
7 Section 19.

8 The notice or notices required for redemption shall be given by the City Treasurer or  
9 any agent appointed by the City. A certificate of the City Treasurer or such other appointed  
10 agent of the City that notice of redemption has been given to the owner of any Series 2016D  
11 Bond to be redeemed in accordance with this Resolution shall be conclusive against all  
12 parties.

13 (h) Series 2016D Redemption Account. At the time the City Treasurer or the  
14 Controller determines to optionally call and redeem any of the Series 2016D Bonds, the City  
15 Treasurer or his or her agent shall establish a redemption account to be described or known  
16 as the "General Obligation Bonds, Series 2016D Redemption Account" (the "Series 2016D  
17 Redemption Account"), and prior to or on the Redemption Date there must be set aside in the  
18 Series 2016D Redemption Account moneys available for the purpose and sufficient to  
19 redeem, as provided in this Resolution, the Series 2016D Bonds designated in said notice of  
20 redemption, subject to the provisions of subsection (j) of this Section. Said moneys must be  
21 set aside in the Series 2016D Redemption Account solely for the purpose of, and shall be  
22 applied on or after the Redemption Date to, payment of the redemption price of the Series  
23 2016D Bonds to be redeemed upon presentation and surrender of such Series 2016D Bonds.  
24 Any interest due on or prior to the Redemption Date may be paid from the Series 2016D Bond  
25 Account as provided in Section 9 or from the Series 2016D Redemption Account. Moneys

1 held from time to time in the Series 2016D Redemption Account shall be invested by the City  
2 Treasurer pursuant to the City's policies and guidelines for investment of moneys in the  
3 General Fund of the City. If, after all of the Series 2016D Bonds have been redeemed and  
4 canceled or paid and canceled, there are moneys remaining in the Series 2016D Redemption  
5 Account, said moneys shall be transferred to the General Fund of the City or to such other  
6 fund or account as required by applicable law; provided, that if said moneys are part of the  
7 proceeds of refunding bonds, said moneys shall be transferred pursuant to the resolution  
8 authorizing such refunding bonds.

9 (i) Effect of Redemption. When notice of optional redemption has been given  
10 substantially as provided in this Resolution, and when the amount necessary for the  
11 redemption of the Series 2016D Bonds called for redemption (principal, premium, if any, and  
12 accrued interest to such Redemption Date) is set aside for that purpose in the Series 2016D  
13 Redemption Account, the Series 2016D Bonds designated for redemption shall become due  
14 and payable on the Redemption Date, and upon presentation and surrender of said Series  
15 2016D Bonds at the place specified in the notice of redemption, such Series 2016D Bonds  
16 shall be redeemed and paid at said redemption price out of said Series 2016D Redemption  
17 Account. No interest will accrue on such Series 2016D Bonds called for redemption after the  
18 Redemption Date and the registered owners of such Series 2016D Bonds shall look for  
19 payment of such Series 2016D Bonds only to the Series 2016D Redemption Account. All  
20 Series 2016D Bonds redeemed shall be canceled immediately by the City Treasurer and shall  
21 not be reissued.

22 (j) Conditional Notice of Redemption; Rescission of Redemption. Any notice of  
23 optional redemption given as provided in Section 8(g) may provide that such redemption is  
24 conditioned upon: (i) deposit in the Series 2016D Redemption Account of sufficient moneys to  
25 redeem the Series 2016D Bonds called for optional redemption on the anticipated

1 Redemption Date, or (ii) the occurrence of any other event specified in the notice of  
2 redemption. If conditional notice of redemption has been given substantially as provided in this  
3 subsection (j), and on the scheduled Redemption Date (i) sufficient moneys to redeem the  
4 Series 2016D Bonds called for optional redemption on the Redemption Date have not been  
5 deposited in the Series 2016D Redemption Account, or (ii) any other event specified in the  
6 notice of redemption as a condition to the redemption has not occurred, then (y) the Series  
7 2016D Bonds for which conditional notice of redemption was given shall not be redeemed on  
8 the anticipated Redemption Date and shall remain Outstanding for all purposes of this  
9 Resolution, and (z) the redemption not occurring shall not constitute a default under this  
10 Resolution or the Authorizing Resolution.

11 The City may rescind any optional redemption and notice of it for any reason on  
12 any date prior to any Redemption Date by causing written notice of the rescission to be  
13 given to the owners of all Series 2016D Bonds so called for redemption. Notice of any  
14 such rescission of redemption shall be given in the same manner notice of redemption  
15 was originally given.

16 The actual receipt by the owner of any Series 2016D Bond of notice of such rescission  
17 shall not be a condition precedent to rescission, and failure to receive such notice or any  
18 defect in such notice so mailed shall not affect the validity of the rescission.

19 Section 9. Series 2016D Bond Account. There is established with the City Treasurer a  
20 special subaccount in the General Obligation Bonds (Earthquake Safety and Emergency  
21 Response General Obligation Bonds, 2014) Bond Account (the "Bond Account") created  
22 pursuant to the Authorizing Resolution to be designated the "General Obligation Bonds,  
23 Series 2016D Bond Subaccount" (the "Series 2016D Bond Account"), to be held separate and  
24 apart from all other accounts of the City. All interest earned on amounts on deposit in the  
25 Series 2016D Bond Account shall be retained in the Series 2016D Bond Account.

1 On or prior to the date on which any payment of principal of or interest on the Series  
2 2016D Bonds is due, including any Series 2016D Bonds subject to mandatory redemption on  
3 said date, the City Treasurer shall allocate to and deposit in the Series 2016D Bond Account,  
4 from amounts held in the Bond Account, an amount which, when added to any available  
5 moneys contained in the Series 2016D Bond Account, is sufficient to pay principal of and  
6 interest on the Series 2016D Bonds on such date.

7 On or prior to the date on which any Series 2016D Bonds are to be redeemed at the  
8 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit in  
9 the Series 2016D Redemption Account, from amounts held in the Bond Account pursuant to  
10 Section 8 of the Authorizing Resolution, an amount which, when added to any available  
11 moneys contained in the Series 2016D Redemption Account, is sufficient to pay principal,  
12 interest and premium, if any, with respect to such Series 2016D Bonds on such date. The City  
13 Treasurer may make such other provision for the payment of principal of and interest and any  
14 redemption premium on the Series 2016D Bonds as is necessary or convenient to permit the  
15 optional redemption of the Series 2016D Bonds.

16 Amounts in the Series 2016D Bond Account may be invested in any investment of the  
17 City in which moneys in the General Fund of the City are invested. The City Treasurer may (i)  
18 commingle any of the moneys held in the Series 2016D Bond Account with other City moneys  
19 or (ii) deposit amounts credited to the Series 2016D Bond Account into a separate fund or  
20 funds for investment purposes only; provided, that all of the moneys held in the Series 2016D  
21 Bond Account shall be accounted for separately notwithstanding any such commingling or  
22 separate deposit by the City Treasurer.

23 Section 10. Series 2016D Project Account. There is established with the City Treasurer  
24 a special subaccount in the General Obligation Bonds (Earthquake Safety and Emergency  
25 Response General Obligation Bonds, 2014) Project Account (the "Project Account") created

1 pursuant to the Authorizing Resolution to be designated the “General Obligation Bonds,  
2 Series 2016D Project Subaccount” (the “Series 2016D Project Account”), to be held separate  
3 and apart from all other accounts of the City. All interest earned on amounts on deposit in the  
4 Series 2016D Project Account shall be retained in the Series 2016D Project Account.  
5 Amounts in the Series 2016D Project Account shall be expended in accordance with the  
6 provisions of the Authorizing Resolution for the acquisition, construction or reconstruction of  
7 the Project (as defined in the Authorizing Resolution).

8           Amounts in the Series 2016D Project Account may be invested in any investment of the  
9 City in which moneys in the General Fund of the City are invested. The City Treasurer may (i)  
10 commingle any of the moneys held in the Series 2016D Project Account with other City  
11 moneys or (ii) deposit amounts credited to the Series 2016D Project Account into a separate  
12 fund or funds for investment purposes only; provided, that all of the moneys held in the Series  
13 2016D Project Account (including interest earnings) shall be accounted for separately  
14 notwithstanding any such comingling or separate deposit by the City Treasurer.

15           The City Treasurer is authorized to pay or cause to be paid from the proceeds of the  
16 Series 2016D Bonds, on behalf of the City, the costs of issuance associated with the Series  
17 2016D Bonds. Costs of issuance of the Series 2016D Bonds shall include, without limitation,  
18 bond and financial printing expenses, mailing and publication expenses, rating agency fees,  
19 the fees and expenses of paying agents, registrars, financial consultants, disclosure counsel  
20 and co-bond counsel, and the reimbursement of departmental expenses in connection with  
21 the issuance of the Series 2016D Bonds.

22           Section 11. Appointment of Depositories and Other Agents. The City Treasurer is  
23 authorized and directed to appoint one or more depositories as he or she may deem desirable  
24 and the procedures set forth in Section 6, Section 7 and Section 8 relating to registration of  
25 ownership of the Series 2016D Bonds and payments and redemption notices to owners of the

1 Series 2016D Bonds may be modified to comply with the policies and procedures of such  
2 depository. The City will not have any responsibility or obligation to any purchaser of a  
3 beneficial ownership interest in any Series 2016D Bonds or to any participants in such a  
4 depository with respect to (i) the accuracy of any records maintained by such securities  
5 depository or any participant therein; (ii) any notice that is permitted or required to be given to  
6 the owners of Series 2016D Bonds under this Resolution; (iii) the selection by such securities  
7 depository or any participant therein of any person to receive payment in the event of a partial  
8 redemption of Series 2016D Bonds; (iv) the payment by such securities depository or any  
9 participant therein of any amount with respect to the principal or redemption premium, if any,  
10 or interest due with respect to Series 2016D Bonds; (v) any consent given or other action  
11 taken by such securities depository as the owner of Series 2016D Bonds; or (vi) any other  
12 matter.

13 The Depository Trust Company (“DTC”) is appointed as depository for the Series  
14 2016D Bonds. The Series 2016D Bonds shall be initially issued in book-entry form. Upon  
15 initial issuance, the ownership of each Series 2016D Bond shall be registered in the bond  
16 register in the name of Cede & Co., as nominee of DTC. So long as each Series 2016D Bond  
17 is registered in book-entry form, each Series 2016D Bond shall be registered in the name of  
18 Cede & Co. or in the name of such successor nominee as may be designated from time to  
19 time by DTC or any successor as depository.

20 The City Treasurer is also authorized and directed to appoint one or more agents as he  
21 or she may deem necessary or desirable. To the extent permitted by applicable law and under  
22 the supervision of the City Treasurer, such agents may serve as paying agent, fiscal agent,  
23 rebate calculation agent, escrow agent or registrar for the Series 2016D Bonds or may assist  
24 the City Treasurer in performing any or all of such functions and such other duties as the City  
25 Treasurer shall determine. Such agents shall serve under such terms and conditions as the



1 City Treasurer shall determine. The City Treasurer may remove or replace agents appointed  
2 pursuant to this paragraph at any time.

3 Section 12. Defeasance Provisions. Payment of all or any portion of the Series 2016D  
4 Bonds may be provided for prior to such Series 2016D Bonds' respective stated maturities by  
5 irrevocably depositing with the City Treasurer (or any commercial bank or trust company  
6 designated by the City Treasurer to act as escrow agent with respect thereto):

7 (a) An amount of cash equal to the principal amount of all of such Series 2016D  
8 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case  
9 of Series 2016D Bonds which are to be redeemed prior to such Series 2016D Bonds'  
10 respective stated maturities and in respect of which notice of such redemption shall have been  
11 given as provided in Section 8 hereof or an irrevocable election to give such notice shall have  
12 been made by the City, the amount to be deposited shall be the principal amount thereof, all  
13 unpaid interest thereon to the redemption date, and any premium due on such redemption  
14 date; or

15 (b) Defeasance Securities (as herein defined) not subject to call, except as provided  
16 below in the definition thereof, maturing and paying interest at such times and in such  
17 amounts; together with interest earnings and cash, if required, as will, without reinvestment,  
18 as certified by an independent certified public accountant, be fully sufficient to pay the  
19 principal and all unpaid interest to maturity, or to the redemption date, as the case may be,  
20 and any premium due on the Series 2016D Bonds to be paid or redeemed, as such principal  
21 and interest come due; provided, that, in the case of the Series 2016D Bonds which are to be  
22 redeemed prior to maturity, notice of such redemption shall be given as provided in Section 8  
23 hereof or an irrevocable election to give such notice shall have been made by the City; then,  
24 all obligations of the City with respect to said outstanding Series 2016D Bonds shall cease  
25 and terminate, except only the obligation of the City to pay or cause to be paid from the funds

1 deposited pursuant to paragraphs (a) or (b) of this Section 12, to the owners of said Series  
2 2016D Bonds all sums due with respect thereto; provided, that the City shall have received an  
3 opinion of nationally recognized bond counsel, that provision for the payment of said Series  
4 2016D Bonds has been made in accordance with this Section 12.

5 For purpose of this Section 12, "Defeasance Securities" shall mean any of the following  
6 which at the time are legal investments under the laws of the State of California for the  
7 moneys proposed to be invested therein:

- 8 (1) United States Obligations (as defined below); and
- 9 (2) Pre-refunded fixed interest rate municipal obligations meeting the following  
10 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the  
11 trustee has been given irrevocable instructions concerning their calling and redemption and  
12 the issuer has covenanted not to redeem such obligations other than as set forth in such  
13 instructions; (b) the municipal obligations are secured by cash and/or United States  
14 Obligations; (c) the principal of and interest on the United States Obligations (plus any cash in  
15 the escrow fund or the redemption account) are sufficient to meet the liabilities of the  
16 municipal obligations; (d) the United States Obligations serving as security for the municipal  
17 obligations are held by an escrow agent or trustee; (e) the United States Obligations are not  
18 available to satisfy any other claims, including those against the trustee or escrow agent; and  
19 (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus  
20 sign or other modifier), at the time of original deposit to the escrow fund, by any two of the  
21 three Rating Agencies (as defined herein) not lower than the rating then maintained by the  
22 respective Rating Agency on United States Obligations.

23 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and  
24 general obligations of the United States of America, or obligations that are unconditionally  
25 guaranteed as to principal and interest by the United States of America, including without

1 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds  
2 which have been stripped by request to the Federal Reserve Bank of New York in book-entry  
3 form or (ii) any security issued by an agency or instrumentality of the United States of America  
4 which is selected by the Director of Public Finance that results in the escrow fund being rated  
5 by any two of the three Rating Agencies (as defined herein), at the time of the initial deposit to  
6 the escrow fund and upon any substitution or subsequent deposit to the escrow fund, no lower  
7 than the rating then maintained by the respective Rating Agency on United States Obligations  
8 described in (i) herein.

9 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors  
10 Service Inc. ("Moody's"), Fitch Ratings ("Fitch"), and Standard and Poor's Financial Services  
11 LLC, a part of McGraw-Hill Financial ("S&P"), or any other nationally-recognized bond rating  
12 agency which is the successor to any of the foregoing rating agencies or that is otherwise  
13 established after the date hereof.

14 Section 13. Official Notice of Sale; Receipt of Bids; Bond Award.

15 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids  
16 for the Series 2016D Bonds (the "Official Notice of Sale") submitted to the Board of  
17 Supervisors is approved and adopted as the Official Notice of Sale inviting bids for the Series  
18 2016D Bonds, with such changes, additions and modifications as may be made in accordance  
19 with Section 20. The Director of Public Finance is authorized and directed to cause to be  
20 mailed or otherwise circulated to prospective bidders for the Series 2016D Bonds copies of the  
21 Official Notice of Sale, subject to such corrections, revisions or additions as may be acceptable  
22 to the Director of Public Finance.

23 (b) Receipt of Bids. Bids shall be received on the date designated by the Director of  
24 Public Finance pursuant to Section 4.

1 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any  
2 and all bids received for any reason. The Controller is authorized to award the Series 2016D  
3 Bonds to the responsible bidder whose bid (a) is timely received and conforms to the Official  
4 Notice of Sale, except to the extent informalities and irregularities are waived by the City as  
5 permitted by the Official Notice of Sale, and (b) represents the lowest true interest cost to the  
6 City in accordance with the procedures described in the Official Notice of Sale. The award, if  
7 made, shall be set forth in a certificate signed by the Controller setting forth the terms of the  
8 Series 2016D Bonds and the original purchasers (the "Bond Award"). The Controller shall  
9 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board of  
10 Supervisors and the Director of Public Finance; provided, that failure to provide such copy  
11 shall not affect the validity of the Bond Award.

12 Section 14. Publication of Notice of Intention to Sell Bonds. The form of proposed  
13 Notice of Intention to Sell the Series 2016D Bonds (the "Notice of Intention to Sell Bonds")  
14 submitted to the Board of Supervisors is approved and adopted as the Notice of Intention to  
15 Sell the Series 2016D Bonds, and the Director of Public Finance is authorized and directed to  
16 cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions  
17 as may be made in accordance with Section 20, to be published once in *The Bond Buyer* or  
18 another financial publication generally circulated throughout the State of California.

19 Section 15. Sale of Series 2016D Bonds: Solicitation of Competitive Bids. The Board of  
20 Supervisors authorizes the sale of the Series 2016D Bonds by solicitation of competitive bids  
21 for the purchase of the Series 2016D Bonds on the date and at the place determined in  
22 accordance with the Official Notice of Sale and Section 4.

23 Section 16. Disposition of Proceeds of Sale. The proceeds of sale of the Series 2016D  
24 Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any, shall be  
25 deposited into the Series 2016D Bond Account; (b) premium, if any, shall be deposited into

1 the Series 2016D Bond Account; and (iii) remaining proceeds of sale shall be deposited into  
2 the Series 2016D Project Account.

3 Section 17. Official Statement. The form of proposed Preliminary Official Statement  
4 describing the Series 2016D Bonds (the "Preliminary Official Statement") submitted to the  
5 Board of Supervisors is approved and adopted as the Preliminary Official Statement  
6 describing the Series 2016D Bonds, with such additions, corrections and revisions as may  
7 be determined to be necessary or desirable made in accordance with Section 20. The  
8 Controller is authorized to cause the distribution of a Preliminary Official Statement  
9 deemed final for purposes of Securities and Exchange Commission Rule 15c2-12  
10 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), and to  
11 sign a certificate to that effect. The Director of Public Finance is authorized and directed  
12 to cause to be printed and mailed or electronically distributed to prospective bidders for  
13 the Series 2016D Bonds the Preliminary Official Statement in substantially the form of the  
14 Preliminary Official Statement approved and adopted by this Resolution, as completed,  
15 supplemented, corrected or revised. The Controller is authorized and directed to approve,  
16 execute, and deliver the final Official Statement with respect to the Series 2016D Bonds,  
17 which final Official Statement shall be in the form of the Preliminary Official Statement,  
18 with such additions, corrections and revisions as may be determined to be necessary or  
19 desirable made in accordance with Section 20 and as are permitted under the Rule. The  
20 Director of Public Finance is authorized and directed to cause to be printed and mailed or  
21 electronically distributed the final Official Statement to all actual initial purchasers of the  
22 Series 2016D Bonds.

23 Section 18. Tax Covenants.

24 (a) General. The City covenants with the holders of the Series 2016D Bonds that,  
25 notwithstanding any other provisions of this Resolution, it shall not take any action, or fail to

1 take any action, if any such action or failure to take action would adversely affect the exclusion  
2 from gross income of interest on the Series 2016D Bonds under Section 103 of the Code, and  
3 the regulations issued thereunder, as the same may be amended from time to time, and any  
4 successor provisions of law. Reference to a particular section of the Code shall be deemed to  
5 be a reference to any successor to any such section. The City shall not, directly or indirectly,  
6 use or permit the use of proceeds of the Series 2016D Bonds or any of the property financed  
7 or refinanced with proceeds of the Series 2016D Bonds, or any portion thereof, by any person  
8 other than a governmental unit (as such term is used in Section 141 of the Code), in such  
9 manner or to such extent as would result in the loss of exclusion of interest on the Series  
10 2016D Bonds from gross income for federal income tax purposes.

11 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if  
12 any such action or failure to take action would cause the Series 2016D Bonds to be “private  
13 activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof,  
14 shall not make any use of the proceeds of the Series 2016D Bonds or any of the property  
15 financed or refinanced with proceeds of the Series 2016D Bonds, or any portion thereof, or  
16 any other funds of the City, that would cause the Series 2016D Bonds to be “private activity  
17 bonds” within the meaning of Section 141 of the Code. To that end, so long as any Series  
18 2016D Bonds are outstanding, the City, with respect to such proceeds and property and such  
19 other funds, will comply with applicable requirements of the Code and all regulations of the  
20 United States Department of the Treasury issued thereunder, to the extent such requirements  
21 are, at the time, applicable and in effect. The City shall establish reasonable procedures  
22 necessary to ensure continued compliance with Section 141 of the Code and the continued  
23 qualification of the Series 2016D Bonds as “governmental bonds.”

24 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any  
25 proceeds of the Series 2016D Bonds, or of any property financed or refinanced by the Series

1 2016D Bonds, or other funds of the City, or take or omit to take any action, that would cause  
2 the Series 2016D Bonds to be “arbitrage bonds” within the meaning of Section 148 of the  
3 Code. To that end, the City shall comply with all requirements of Section 148 of the Code and  
4 all regulations of the United States Department of the Treasury issued thereunder to the  
5 extent such requirements are, at the time, in effect and applicable to the Series 2016D Bonds.

6 (d) Federal Guarantee. The City shall not make any use of the proceeds of the  
7 Series 2016D Bonds or any other funds of the City, or take or omit to take any other action,  
8 that would cause the Series 2016D Bonds to be “federally guaranteed” within the meaning of  
9 Section 149(b) of the Code.

10 (e) Information Reporting. The City shall take or cause to be taken all necessary  
11 action to comply with the information reporting requirement of Section 149(e) of the Code with  
12 respect to the Series 2016D Bonds.

13 (f) Hedge Bonds. The City shall not make any use of the proceeds of the Series  
14 2016D Bonds or any other amounts or property, regardless of the source, or take any action  
15 or refrain from taking any action that would cause the Series 2016D Bonds to be considered  
16 “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all  
17 necessary action to assure compliance with the requirements of Section 149(g) of the Code.

18 (g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants  
19 of this Section 18, the City covenants that it will comply with the provisions of the Tax  
20 Certificate to be executed by the City with respect to the Series 2016D Bonds, dated the date  
21 of issuance of the Series 2016D Bonds, as such Tax Certificate may be amended from time to  
22 time. This covenant shall survive payment in full or defeasance of the Series 2016D Bonds.

23 Section 19. Continuing Disclosure Certificate. The form of Continuing Disclosure  
24 Certificate (the “Continuing Disclosure Certificate”), to be signed by the City to permit the  
25 original purchasers of the Series 2016D Bonds to comply with the Rule, submitted to the

1 Board of Supervisors is approved and adopted as the Continuing Disclosure Certificate, with  
2 such additions, corrections and revisions as may be determined to be necessary or desirable  
3 made in accordance with Section 20. The Controller is authorized and directed to execute the  
4 Continuing Disclosure Certificate on behalf of the City and deliver the Continuing Disclosure  
5 Certificate to the original purchasers of the Series 2016D Bonds.

6 Section 20. Modification to Documents. Any City official authorized by this Resolution to  
7 execute any document is further authorized, in consultation with the City Attorney and co-bond  
8 counsel, to approve and make such changes, additions, amendments or modifications to the  
9 document or documents such official is authorized to execute as may be necessary or  
10 advisable (provided, that such changes, additions, amendments or modifications shall not  
11 authorize an aggregate principal amount of Series 2016D Bonds in excess of \$111,060,000 or  
12 conflict with the provisions of Section 4). The approval of any change, addition, amendment or  
13 modification to any of the aforementioned documents shall be evidenced conclusively by the  
14 execution and delivery of the document in question.

15 Section 21. Ratification. All actions previously taken by officials, employees and agents  
16 of the City with respect to the sale and issuance of the Series 2016D Bonds, consistent with  
17 any documents presented and this Resolution, are approved, confirmed and ratified.

18 Section 22. Relationship to Authorizing Resolution. In the event of any conflict between  
19 this Resolution and the Authorizing Resolution, the terms of this Resolution shall control.  
20 Without limiting the foregoing and notwithstanding the provisions of the Authorizing  
21 Resolution, the City is not obligated to transfer money from the General Fund of the City to the  
22 Bond Account to pay the principal of or interest on the Series 2016D Bonds.

23 Section 23. Reimbursement. The City declares its official intent to reimburse prior  
24 expenditures of the City incurred prior to the issuance and sale of the Series 2016D Bonds in  
25 connection with the Project or portions thereof to be financed by the Series 2016D Bonds. The



1 Board of Supervisors declares the City's intent to reimburse the City with the proceeds of the  
2 Series 2016D Bonds for the expenditures with respect to the Project (the "Expenditures" and  
3 each an "Expenditure") made on and after that date that is no more than 60 days prior to  
4 adoption of this Resolution. The City reasonably expects on the date of adoption of this  
5 Resolution that it will reimburse the Expenditures with the proceeds of the Series 2016D  
6 Bonds.

7 Each Expenditure was and will be either (a) of a type properly chargeable to a  
8 capital account under general federal income tax principles (determined in each case as of  
9 the date of the Expenditure), (b) a cost of issuance with respect to the Series 2016D  
10 Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d)  
11 a grant to a party that is not related to or an agent of the City so long as such grant does  
12 not impose any obligation or condition (directly or indirectly) to repay any amount to or for  
13 the benefit of the City. The maximum aggregate principal amount of the Series 2016D  
14 Bonds expected to be issued for the Project is \$111,060,000. The City shall make a  
15 reimbursement allocation, which is a written allocation by the City that evidences the City's  
16 use of proceeds of the Series 2016D Bonds to reimburse an Expenditure, no later than 18  
17 months after the later of the date on which the Expenditure is paid or the Project is placed  
18 in service or abandoned, but in no event more than three years after the date on which the  
19 Expenditure is paid. The City recognizes that exceptions are available for certain  
20 "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by  
21 "small issuers" (based on the year of issuance and not the year of expenditure) and  
22 expenditures for construction projects of at least 5 years.

23 Section 24. Accountability Reports. The Series 2016D Bonds are subject to  
24 accountability requirements under the City's Administrative Code and the Bond Ordinance.  
25

1 The accountability report with respect to the Series 2016D Bonds is on file with the Clerk of  
2 the Board of Supervisors.

3 Section 25. Citizens' Oversight Committee. The Series 2016D Bonds are subject to,  
4 and incorporate by reference, the applicable provisions of the San Francisco Administrative  
5 Code Sections 5.30-5.36 (the "Citizens' General Obligation Bond Oversight Committee"), and,  
6 to the extent permitted by law, one tenth of one percent (0.1%) of the gross proceeds of the  
7 Series 2016D Bonds shall be deposited into a fund established by the Controller's Office and  
8 appropriated by the Board of Supervisors at the direction of the Citizens' General Obligation  
9 Bond Oversight Committee to cover the costs of such committee.

10 Section 26. CEQA Determination. The Board of Supervisors hereby reaffirms and  
11 incorporates by reference the CEQA findings and determinations set forth in Ordinance 40-10  
12 as if set forth in full herein. The use of bond proceeds to finance any identified project or  
13 portion of any identified project will be subject, as necessary, to approval of the Board of  
14 Supervisors upon completion of planning and any further required environmental review under  
15 CEQA for the individual facilities and projects.

16 Section 27. General Authority. The Clerk of the Board of Supervisors, the Mayor, the  
17 City Treasurer, the Director of Public Finance, the City Attorney and the Controller are each  
18 authorized and directed in the name and on behalf of the City to take any and all steps and to  
19 issue, deliver or enter into any and all certificates, requisitions, agreements, notices,  
20 consents, and other documents as may be necessary to give effect to the provisions of this  
21 Resolution, including but not limited to letters of representations to any depository or  
22 depositories, which they or any of them might deem necessary or appropriate in order to  
23 consummate the lawful issuance, sale and delivery of the Series 2016D Bonds. Any such  
24 actions are solely intended to further the purposes of this Resolution, and are subject in all  
25 respects to the terms of this Resolution. No such actions shall increase the risk to the City or

1 require the City to spend any resources not otherwise granted herein. Final versions of any  
2 such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the  
3 official file within 30 days (or as soon thereafter as final documents are available) of execution  
4 by all parties.

5

6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA City Attorney

8

9 By: \_\_\_\_\_

10 Mark D. Blake  
11 Deputy City Attorney  
12 n:\legana\as2016\1600405\01085127.docx

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25