

1 [Issuance - Clean and Safe Neighborhood Parks General Obligation Bonds, 2012, Series  
2013A - Not to Exceed \$195,000,000]

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3 **Resolution providing for the issuance of not to exceed \$195,000,000 aggregate**  
4 **principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds,**  
5 **2012, Series 2013A; authorizing the execution, authentication and registration of said**  
6 **Bonds; providing for the levy of a tax to pay the principal and interest thereof;**  
7 **providing for the appointment of depositories and other agents for said Bonds;**  
8 **providing for the establishment of accounts related thereto; ratifying certain actions**  
9 **previously taken; and granting general authority to city officials to take necessary**  
10 **actions in connection with the authorization, issuance, sale and delivery of said Bonds.**

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12 WHEREAS, By Resolution 256-12 adopted by the Board of Supervisors (the “Board of  
13 Supervisors”) of the City and County of San Francisco (the “City”) on July 10, 2012, and  
14 signed by the Mayor on July 12, 2012, the Board of Supervisors determined that the public  
15 interest and necessity demand improving the safety and quality of neighborhood parks and  
16 waterfront open spaces across the City as therein described (collectively, the “Project”); and

17 WHEREAS, By Ordinance No. 161-12, finally passed by the Board of Supervisors on  
18 July 17, 2012, and signed by the Mayor on July 24, 2012 (the “Bond Ordinance”), the Board of  
19 Supervisors duly called a special election to be held on November 6, 2012 (the “Bond  
20 Election”), for the purpose of submitting to the electors of the City a proposition to incur  
21 bonded indebtedness in the amount of \$195,000,000 to finance the Project; and

22 WHEREAS, The Registrar of Voters of the City duly and regularly canvassed the  
23 returns of said election and, as the result of such canvass, certified to the Board of  
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1 Supervisors that more than two-thirds of the votes cast on said proposition favored the  
2 incurring of such bonded indebtedness; and

3 WHEREAS, This Board of Supervisors has determined, and does hereby declare that it  
4 is necessary and desirable that all of said Bonds designated generally as City and County of  
5 San Francisco General Obligation Bonds (Clean and Safe Neighborhood Parks Bonds, 2012)  
6 (the "Bonds") (each series to bear such additional or other designation as may be necessary  
7 or appropriate to distinguish such series from every other series and from other bonds issued  
8 by the City) in the aggregate principal amount of \$195,000,000, be issued and sold in series  
9 from time to time, for the purposes authorized and on the conditions set forth in this  
10 Resolution of the Board of Supervisors; and

11 WHEREAS, The City expects to pay certain expenditures in connection with the  
12 projects to be financed by the Bonds prior to the issuance and sale of the Bonds, and the City  
13 intends to reimburse itself and to pay third parties for such prior expenditures from the  
14 proceeds of the Bonds; and

15 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the  
16 Internal Revenue Code of 1986 (the "Treasury Regulations") requires the City to declare its  
17 reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent  
18 borrowing; and

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

24 WHEREAS, The Bonds will be payable from proceeds of the voter-approved special ad  
25 valorem tax levy described herein; and,

1           WHEREAS, The Bonds are being issued pursuant to a resolution duly adopted by the  
2 Board of Supervisors, Title 5, Division 2, Part I, Chapter 3, Article 4.5 of the California  
3 Government Code, the Charter of the City and a duly held election; and

4           WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds  
5 within the meaning of Section 864 of the California Code of Civil Procedure; and,

6           WHEREAS, Pursuant to Section 9.106 of the Charter of the City, there shall be  
7 delivered a certificate of a duly authorized officer of the City, concurrently with the issuance of  
8 each series of the Bonds, stating that the outstanding general obligation bonded indebtedness  
9 of the City, including all series of the Bonds issued and to be issued and outstanding on the  
10 date of delivery of such series, will not exceed three percent of the assessed value of all  
11 taxable real and personal property located within the City; and

12           WHEREAS, The Citizens' General Obligation Bond Oversight Committee shall conduct  
13 an annual review of bond spending and shall provide an annual report on the management of  
14 the program to the Mayor, Board of Supervisors, the Recreation and Park Commission and  
15 the Port Commission and to the extent permitted by law, one-tenth of one percent (0.1%) of  
16 the gross proceeds of the Bonds shall be deposited in a fund established by the Controller's  
17 Office and appropriated by the Board of Supervisors at the direction of the Citizen's General  
18 Obligation Bond Oversight Committee to cover the costs of this committee and this review  
19 process;

20           NOW, THEREFORE, BE IT RESOLVED by the Board of the City as follows:

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

22           Section 2. Conditions Precedent. All conditions, things and acts required by law to  
23 exist, to happen and to be performed precedent to and in the issuance of the Bonds exist,  
24 have happened and have been performed in due time, form and manner in accordance with  
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1 applicable law, and the City is now authorized pursuant to its Charter and applicable law to  
2 incur indebtedness in the manner and form provided iii this Resolution (the “Resolution”).

3 Section 3. Issuance of Bonds. The Board of Supervisors hereby authorizes the  
4 issuance and sale of not to exceed \$195,000,000 aggregate principal amount of the Bonds for  
5 the construction, reconstruction, purchase and/or completion of the real property  
6 improvements set forth in the following proposition:

7 “SAN FRANCISCO CLEAN AND SAFE NEIGHBORHOOD PARKS BONDS To  
8 improve the safety and quality of neighborhood parks across the city and waterfront open  
9 spaces, enhance water quality and clean up environmental contamination along the Bay,  
10 replace unsafe playgrounds, fix restrooms, improve access for the disabled, and ensure the  
11 seismic safety of park and recreation facilities, shall the City and County of San Francisco  
12 issue \$195 million dollars in General Obligation Bonds, subject to independent oversight and  
13 regular audits?”

14 The Bonds may be sold in one or more series, as the Board of Supervisors shall  
15 determine, and shall be sold in accordance with law, as such law may from time to time be  
16 amended, supplemented or revised, and on the terms and conditions approved by the Board  
17 of Supervisors in this Resolution, as supplemented by such other resolution or resolutions  
18 relating to such series of Bonds and as provided in resolution of the Board of Supervisors  
19 authorizing and directing the sale of each series of the Bonds (each, a “Sale Resolution”). The  
20 offering and sale of the Bonds may be aggregated with the offering and sale of other general  
21 obligation bonds being issued by the City as authorized from time to time by the Board of  
22 Supervisors.

23 Section 4. Execution and Authentication. The resolution of the Board of Supervisors  
24 authorizing and directing the sale of any series of the Bonds shall set forth the form of such  
25 bond, with such necessary or appropriate variations, omissions and insertions as may be

1 permitted by such resolution. "CUSIP" identification numbers may be imprinted on the Bonds,  
2 but such numbers shall not constitute a part of the contract evidenced by the Bonds and any  
3 error or omission with respect thereto shall not constitute cause for refusal of any purchaser to  
4 accept delivery of and pay for the Bonds. In addition, failure on the part of the City to use such  
5 CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default  
6 or any violation of the City's contract with such Owners and shall not impair the effectiveness  
7 of any such notice.

8 The Bonds shall be signed by the Mayor of the City and countersigned by the Clerk of  
9 the Board of Supervisors. Such signatures may be facsimile or manual. The Clerk of the  
10 Board of Supervisors may cause the official seal of the City to be impressed or printed on  
11 each of the Bonds. The Treasurer of the City or designee thereof (the "City Treasurer") shall  
12 authenticate the Bonds by manual signature, and when so executed and authenticated, the  
13 Clerk of the Board of Supervisors shall deliver the Bonds to or for the account of the  
14 purchaser in exchange for the purchase price thereof.

15 In case any of such officers whose signatures or countersignatures appear on the  
16 Bonds shall cease to be such officer before the delivery of such Bonds to the purchaser, such  
17 signatures or countersignatures shall nevertheless be valid and sufficient for all purposes as if  
18 they had remained in office until the delivery of the Bonds.

19 Section 5. Transferor Exchange and Registration of Bonds. Any Bond may be  
20 transferred or exchanged in accordance with its terms and the resolution of the Board of  
21 Supervisors authorizing and directing its sale. Each Bond shall be registered in accordance  
22 with the resolution of the Board of Supervisors authorizing and directing its sale.

23 Section 6. General Redemption Provisions. The terms of redemption (whether  
24 optional redemption or mandatory redemption), if any, of any series of Bonds and the manner  
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1 prescribed for notice of any redemption of such series of Bonds shall be set forth in the Sale  
2 Resolution authorizing the sale of the Bonds to be redeemed.

3 The Sale Resolution authorizing the sale of each series of Bonds shall provide that the  
4 City Treasurer shall establish a Redemption Account for such series of Bonds and shall  
5 further provide for the deposit and application of moneys in such Redemption Account.

6 Section 7. Tax Levy. For the purpose of paying the principal of and interest on the  
7 Bonds, the Board of Supervisors agrees and covenants with the holders of the Bonds that at  
8 the time of fixing the general ad valorem tax levy it shall fix, and in the manner provided for  
9 such general tax levy, levy and collect annually until the Bonds are paid or until there shall be  
10 a sum set apart for that purpose in the treasury of the City sufficient to meet all sums coming  
11 due for payment of principal of and interest on the Bonds, ad valorem taxes sufficient to pay  
12 the annual interest on the Bonds as the same becomes due and also such part of the principal  
13 thereof as shall become due.

14 Said ad valorem taxes shall be levied without limitation as to rate or amount upon all  
15 property within the City subject to taxation by the City (except certain property which is taxable  
16 at limited rates) in an amount sufficient for the payment of the principal of and interest on the  
17 Bonds, shall be in addition to all other taxes levied for City purposes, shall be collected at the  
18 same time and in the same manner as other taxes of the City are collected, and shall be used  
19 only for the payment of the Bonds and the interest thereon.

20 All taxes collected pursuant to this Section 7 shall be deposited in a special account to  
21 be designated as the "General Obligation Bonds (Clean and Safe Neighborhood Parks Bonds,  
22 2012) Bond Account" (the "Bond Account") and each and every series of Bonds issued under  
23 this Resolution shall be equally and ratably secured by the taxes collected pursuant to this  
24 Section. Such account shall be administered by the City Treasurer and kept separate and  
25 apart from all other accounts. Pursuant to the resolution of the Board of Supervisors

1 authorizing and directing the sale of any series of the Bonds, the City Treasurer may establish  
2 such additional accounts and subaccounts within the Bond Account or with any agent,  
3 including but not limited to any paying agent or fiscal agent, as may be necessary or  
4 convenient in connection with the administration of any series of the Bonds. The resolution of  
5 the Board of Supervisors authorizing and directing the sale of any series of the Bonds shall  
6 establish subaccounts within the Bond Account for each series of the Bonds to provide for the  
7 payment of principal and interest on such series of Bonds.

8 The City Treasurer shall also deposit in the Bond Account from the proceeds of sale of  
9 the Bonds, any moneys received on account of original issue premium and interest accrued  
10 on the Bonds to the date of payment of the purchase price thereof, and such other moneys, if  
11 any, as may be specified in the Sale Resolution authorizing the sale of each series of Bonds.  
12 So long as any of the Bonds are outstanding, moneys in the Bond Account shall be used and  
13 applied by the City Treasurer solely for the purpose of paying the principal of and interest on  
14 the Bonds as such principal and interest shall become due and payable, or for purchase of  
15 Bonds if permitted by the Sale Resolution authorizing the sale of each series of Bonds;  
16 provided, however, that when all of the principal of and interest on the Bonds have been paid,  
17 any moneys then remaining in said account shall be transferred to the General Fund of the  
18 City or as otherwise permitted by law. The Board of Supervisors shall take such actions  
19 annually as are necessary or appropriate to cause the debt service on the Bonds due in any  
20 fiscal year to be included in the budget for such fiscal year and to make the necessary  
21 appropriations therefor.

22 Section 8. Administration and Disbursements From Bond Account.

23 (a) Interest. On or before June 15 and December 15 in each year (or on such other  
24 dates as provided in a Sale Resolution) that any of the Bonds is outstanding, the City  
25 Treasurer shall transfer to and set aside in the Bond Account and the appropriate

1 subaccounts therein relating to each series of the Bonds an amount which, when added to the  
2 amount contained in the Bond Account and subaccounts therein on that date, if any, will be  
3 equal to the aggregate amount of the interest becoming due and payable on each series of  
4 the Bonds outstanding on such interest payment date.

5 (b) Principal. On or before June 15 in each year (or on such other dates as  
6 provided in a Sale Resolution) that any of the Bonds is outstanding, the City Treasurer shall  
7 transfer to and set aside in the Bond Account and the appropriate subaccounts therein  
8 relating to each series of the Bonds an amount which will be equal to the principal on each  
9 series of the Bonds outstanding that will become due and payable on said June 15, including  
10 those Bonds subject to mandatory redemption on such date pursuant to the provisions of the  
11 Sale Resolution authorizing the sale of such Bonds.

12 All moneys in the Bond Account shall be used and withdrawn by the City Treasurer  
13 solely for the purpose of paying the principal of and interest on each series of the Bonds as  
14 the same shall become due and payable. On June 15 and December 15 in each year that any  
15 Bond is outstanding, the City Treasurer shall allocate, transfer and apply to the various  
16 subaccounts in the Bond Account created pursuant to the Sale Resolution authorizing the sale  
17 of a series of Bonds, on such date on which payment of principal or interest on any series of  
18 Bonds is due, from moneys on deposit in the Bond Account, an amount equal to the amount  
19 of principal of, premium, if any, or interest due on said date with respect to each series of the  
20 Bonds then outstanding. Unless other provision shall have been made pursuant to this  
21 Resolution for the payment of any Bond, all amounts held in the various subaccounts of the  
22 Bond Account created pursuant to the Sale Resolution authorizing the sale of a series of  
23 Bonds shall be used and applied by the City Treasurer to pay principal of, premium, if any,  
24 and interest due on the series of Bonds to which such subaccount relates, as and when due.

1           Section 9. Appointment of Depositories and Other Agents. The City Treasurer is  
2 hereby authorized and directed to appoint one or more depositories as he or she may deem  
3 desirable and may authorize such depository to perform, under the supervision of the City  
4 Treasurer, any of the City Treasurer’s duties and responsibilities under this Resolution, to the  
5 extent permitted by applicable law.

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

15           Section 10. Project Account. There is hereby established a project account to be  
16 designated as the “General Obligation Bonds (Clean and Safe Neighborhood Parks Bonds,  
17 2012) Project Account” (the “Project Account”). The Project Account shall be maintained by  
18 the City Treasurer, as a separate account, segregated and distinct from all other accounts.  
19 The City Treasurer may establish such accounts and subaccounts as may be necessary or  
20 convenient in connection with the administration of the Project or the Bonds.

21           All of the proceeds of the sale of the Bonds, excluding any premium and accrued  
22 interest received thereon, shall be deposited by the City Treasurer to the credit of the Project  
23 Account and shall be applied exclusively to the objects and purposes specified in the  
24 proposition set forth in Section 3 hereof. When such objects and purposes have been  
25 accomplished, any moneys remaining in such account shall be transferred to the Bond

1 Account established pursuant to Section 7 hereof and applied to the payment of the principal  
2 of and interest on any series of Bonds. Amounts in the Project Account may be applied to the  
3 payment of costs of issuance of the Bonds, including, without limitation, bond and financial  
4 printing expenses, mailing and publication expenses, rating agency fees, and the fees and  
5 expenses of paying agents, registrars, financial consultants, disclosure counsel and bond  
6 counsel.

7 Section 11. Defeasance Provisions. The Sale Resolution of the Board authorizing and  
8 directing the sale of any series of Bonds may provide for the defeasance of such series of  
9 Bonds. Any Bonds which have been deemed paid in accordance with the defeasance  
10 provisions of the Sale Resolution authorizing and directing their sale shall no longer be  
11 deemed outstanding under this Resolution.

12 Section 12. Tax Covenants. Any series of the Bonds may be issued as bonds the  
13 interest on which is excluded from gross income for federal or state income tax purposes or  
14 as bonds the interest on which is included in gross income for federal or state income tax  
15 purposes or as taxable bonds. With respect to any series of the Bonds the interest on which is  
16 excluded from gross income for federal or state income tax purposes, the City may make such  
17 covenants and representations as are necessary or convenient to comply with applicable laws  
18 and regulations.

19 Section 13. Other Terms and Provisions Relating To the Bonds. The Sale Resolution  
20 providing for the sale of any series of Bonds may provide for (a) the purchase of bond  
21 insurance or other credit enhancement relating to such series of Bonds and to the  
22 establishment of such additional terms and procedures as may be necessary to provide for  
23 the application of such bond insurance or other credit enhancement for the benefit of the  
24 Bondholders; (b) the investment of moneys held in any fund or account relating to the Bonds  
25 in specific categories or types of investments, so long as such investments are legal

1 investments for the City and in compliance with any policy or guideline of the City applicable  
2 thereto; and (c) the adoption of any supplemental resolutions relating solely to such series of  
3 Bonds.

4 Section 14. Supplemental Resolutions. For any one or more of the following purposes  
5 and at any time or from time to time, a supplemental resolution of the City may be adopted,  
6 which, without the requirement of consent of the owners of the Bonds, shall be fully effective  
7 in accordance with its terms:

8 (a) To add to the covenants and agreements of the City in this Resolution or any  
9 Sale Resolution authorizing the sale of any series of Bonds, other covenants and agreements  
10 to be observed by the City which are not contrary to or inconsistent with this Resolution or any  
11 Sale Resolution authorizing the sale of any series of Bonds as theretofore in effect;

12 (b) To add to the limitations and restrictions in this Resolution or any Sale  
13 Resolution authorizing the sale of any series of Bonds, other limitations and restrictions to be  
14 observed by the City which are not contrary to or inconsistent with this Resolution or any Sale  
15 Resolution authorizing the sale of any series of Bonds as theretofore in effect;

16 (c) To confirm, as further assurance, any pledge under, and the subjection to any  
17 lien or pledge created or to be created by, this Resolution or any Sale Resolution authorizing  
18 the sale of any series of Bonds as then in effect, of any moneys, securities or funds, or to  
19 establish any additional funds or accounts to be held under this Resolution or any Sale  
20 Resolution authorizing the sale of any series of Bonds;

21 (d) To cure any ambiguity, supply any omission, or cure or correct any defect or  
22 inconsistent provision in this Resolution or any Sale Resolution authorizing the sale of any  
23 series of Bonds; or

24 (e) To make such additions, deletions or modifications as shall not be materially  
25 adverse to the owners of the Bonds.

1                   Any modification or amendment of this Resolution or any Sale Resolution  
2 authorizing the sale of any series of Bonds and of the rights and obligations of the City and of  
3 the owners of the Bonds, in any particular, may be made by a supplemental resolution, with  
4 the written consent of the owners of at least a majority in aggregate principal amount of the  
5 Bonds outstanding at the time such consent is given. No such modification or amendment  
6 shall permit a change in the terms or maturity of the principal of any outstanding Bonds or of  
7 any interest payable thereon or a reduction in the principal amount thereof or in the rate of  
8 interest thereon, or shall reduce the percentage of Bonds the consent of the owners of which  
9 is required to effect any such modification or amendment, or shall reduce the amount of  
10 moneys for the repayment of the Bonds, without in each case the consent of all the owners of  
11 such Bonds.

12               Section 15. Ratification. All actions heretofore taken by officials, employees and  
13 agents of the City with respect to the sale and issuance of the Bonds are hereby approved,  
14 confirmed and ratified.

15               Section 16. General Authority. The Clerk of the Board of Supervisors, the Budget and  
16 Finance Committee of the Board of Supervisors, the Mayor, the City Treasurer, the City  
17 Administrator, the City Attorney, the Director of Public Finance of the City and the Controller  
18 are each hereby authorized and directed in the name and on behalf of the City to take any  
19 and all steps and to issue and deliver any and all certificates, requisitions, agreements,  
20 notices, consents, and other documents, including but not limited to, letters of representations

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1 to any depository or depositories, which they or any of them might deem necessary or appropriate in order to  
2 consummate the lawful issuance, sale and delivery of the Bonds and otherwise to give effect to this Resolution.

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4 APPROVED AS TO FORM:

5 DENNIS J. HERRERA, City Attorney  
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8 By: \_\_\_\_\_  
9 Mark D. Blake  
Deputy City Attorney

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