

1 [Issuance of General Obligation Bonds (Proposition A, 2024) - Not to Exceed \$300,000,000]

2

3 **Resolution providing for the issuance of not to exceed \$300,000,000 aggregate**
4 **principal amount of City and County of San Francisco General Obligation Bonds**
5 **(Affordable Housing, 2024) (Bonds); authorizing the issuance and sale of said Bonds;**
6 **providing for the levy of a tax to pay the principal and interest thereof; providing for the**
7 **appointment of depositories and other agents for said Bonds; providing for the**
8 **establishment of accounts related thereto; adopting findings under the California**
9 **Environmental Quality Act ("CEQA"), the CEQA Guidelines, and San Francisco**
10 **Administrative Code, Chapter 31; finding that the proposed project is in conformity**
11 **with the priority policies of Planning Code, Section 101.1(8), and with the General Plan**
12 **consistency requirement of Charter, Section 4.105, and Administrative Code,**
13 **Section 2A.53; ratifying certain actions previously taken, as defined herein; and**
14 **granting general authority to City officials to take necessary actions in connection with**
15 **the issuance and sale of said Bonds, as defined herein.**

16

17 WHEREAS, By Ordinance No. 231-23 ("2023 Bond Ordinance"), adopted by the Board
18 of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City") on
19 November 14, 2023, the Board of Supervisors duly called a special election on March 5, 2024,
20 for the purpose of submitting to the electors of the City a proposition to incur bonded
21 indebtedness of the City in the amount of up to \$300,000,000 of general obligation bonds to
22 finance the construction, development, acquisition, improvement, rehabilitation, preservation,
23 and repair of affordable housing improvements; and

24 WHEREAS, The City may establish a loan program ("Loan Program") to provide loans
25 for the foregoing purposes; and

1 WHEREAS, A special election was held in the City on March 5, 2024, for the purpose
2 of submitting to the qualified voters of the City said proposition, denominated as Proposition A
3 (“Proposition A”), as follows:

4 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$300,000,000 to construct,
5 develop, acquire, and/or rehabilitate housing, including workforce housing and senior
6 housing, that will be affordable to households ranging from extremely low-income to
7 moderate income households, subject to independent citizen oversight and regular
8 audits; with a duration of up to 30 years from the time of issuance, an estimated
9 average tax rate of \$0.0057/\$100 of assessed property value, and projected average
10 annual revenues of \$25,000,000 and authorizing landlords to pass through to
11 residential tenants 50 percent of the resulting increase, if any, in the real property taxes
12 attributable to the cost of the repayment of such bonds, as set forth in Administrative
13 Code Chapter 37, as it may be amended from time to time"; and

14 WHEREAS, On April 2, 2024, by Resolution No. 171-24, this Board of Supervisors
15 declared the results of the March 5, 2024, special election, finding that, as certified by the
16 Director of Elections of the City, the requisite two-thirds of all voters voting on the proposition
17 approved such proposition; and

18 WHEREAS, This Board of Supervisors has determined, and does hereby declare, that
19 it is necessary and desirable that all of said bonds designated generally as "City and County
20 of San Francisco General Obligation Bonds (Affordable Housing, 2024)" ("Bonds") in the
21 aggregate principal amount of \$300,000,000 be issued and sold in one or more series from
22 time to time, for the purposes authorized and on the conditions set forth in this Resolution;
23 and,

24 WHEREAS, The Bonds will be payable from proceeds of the annual tax levy, as
25 provided herein; and,

1 WHEREAS, The Bonds are being issued pursuant to (i) this Resolution duly adopted
2 by the Board of Supervisors, (ii) Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the
3 California Government Code, (iii) the Charter of the City ("Charter"), (iv) the 2023 Bond
4 Ordinance, and (v) a duly held election; and,

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

13 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
14 follows:

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

16 Section 2. Conditions Precedent. All conditions, things, and acts required by law to
17 exist, to happen, and to be performed precedent to the adoption of this Resolution authorizing
18 the issuance of the Bonds exist, have happened, and have been performed in due time, form,
19 and manner in accordance with applicable law, and the City is now authorized pursuant to the
20 Charter and applicable law to incur indebtedness in the manner and form provided in this
21 Resolution.

22 Section 3. Issuance of the Bonds. The Board of Supervisors hereby authorizes the
23 issuance and sale of \$300,000,000 aggregate principal amount of Bonds, designated
24 generally as "City and County of San Francisco General Obligation Bonds (Affordable
25 Housing, 2024)." The Director of the Office of Public Finance is hereby authorized to modify

1 the general designation of the Bonds if in the Director's sole discretion if a different
2 designation is in the best interest of the City for administrative, marketing, or descriptive
3 purposes. The Bonds may be sold in one or more series as the Board of Supervisors shall
4 determine, may be sold on a federally taxable or tax-exempt basis, and shall be sold in
5 accordance with law, as such law may from time to time be amended, supplemented, or
6 revised, and on the terms and conditions approved by the Board of Supervisors in this
7 Resolution, as supplemented by such other resolution or resolutions relating to such series of
8 Bonds and as provided in the resolution of the Board of Supervisors authorizing and directing
9 the sale of each series of Bonds (each, a "Sale Resolution"). Each series of such Bonds may
10 bear such additional or other designation as may be necessary or appropriate to distinguish
11 such series from every other series and from other bonds issued by the City, or to identify the
12 tax treatment of interest, interest rate determination methodology, or other characteristics of
13 such series, in each case as set forth in the applicable Sale Resolution or as may be
14 determined by the Director of the Office of Public Finance in the Director's sole discretion. The
15 offering and sale of the Bonds may be aggregated with the offering and sale of other general
16 obligation bonds being issued by the City, as authorized from time to time by the Board of
17 Supervisors. Each series of Bonds may bear interest at fixed or variable rates, in each case
18 as provided in the applicable Sale Resolution.

19 Section 4. Authentication and Registration. The Sale Resolution for each series of
20 Bonds shall set forth the form of such Bond, with such necessary or appropriate variations,
21 omissions, and insertions as may be permitted by resolution. "CUSIP" identification numbers
22 may be imprinted on Bonds, but such numbers shall not constitute a part of the contract
23 evidenced by the Bonds and any error or omission with respect thereto shall not constitute
24 cause for refusal of any purchaser to accept delivery of and to pay for the Bonds. In addition,
25 failure on the part of the City to use such CUSIP numbers in any notice to owners of the

1 Bonds shall not constitute an event of default or any violation of the City's contract with such
2 owners and shall not impair the effectiveness of any such notice.

3 The Bonds shall be signed by the Mayor of the City ("Mayor") and countersigned by the
4 Clerk of the Board of Supervisors. The signature of the Mayor may be facsimile or manual.
5 The signature of the Clerk of the Board of Supervisors shall be manual. The Treasurer of the
6 City ("City Treasurer") shall authenticate the Bonds by facsimile or manual signature and,
7 when so authenticated, shall deliver the Bonds to or for the account of the purchasers in
8 exchange for the purchase price thereof.

9 In case such officer(s) whose signature(s) or countersignature(s) appear(s) on a Bond
10 shall cease to be such officer(s) before the delivery of such Bond to the purchaser, such
11 signature(s) or countersignature(s) shall nevertheless be valid and sufficient for all purposes
12 as if the officer(s) had remained in office until the delivery of such Bond.

13 Section 5. Transfer or Exchange and Registration of Bonds. Any Bond may be
14 transferred or exchanged in accordance with its terms and the applicable Sale Resolution.
15 Each Bond shall be registered in accordance with the applicable Sale Resolution.

16 Section 6. General Redemption Provisions. The terms of redemption (whether
17 optional or mandatory redemption), if any, of any series of Bonds and the manner prescribed
18 for notice of any redemption of such series of Bonds shall be set forth in the applicable Sale
19 Resolution.

20 Each Sale Resolution shall provide that the Controller of the City ("Controller") shall
21 establish a redemption account for such series of Bonds. The City Treasurer shall provide for
22 the deposit and application of moneys in such redemption account.

23 Section 7. Tax Levy; Pledge of Bond Account.

24 (a) Tax Levy. For the purpose of paying the principal of and interest on the Bonds,
25 the Board of Supervisors at the time of fixing the general tax levy shall fix, and in the manner

1 provided for such general tax levy, levy and collect annually until the Bonds are paid, or until
2 there shall be a sum set apart for that purpose in the treasury of the City sufficient to meet all
3 sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay
4 the annual interest on the Bonds as the same becomes due and also such part of the principal
5 thereof as shall become due before the proceeds of a tax levied at the time for making the
6 next general tax levy can be made available for the payment of such interest or principal;
7 provided, however, that in fixing such tax levy for each fiscal year, the Board of Supervisors
8 shall take into account amounts then on deposit in the Tax Revenues Subaccount pursuant to
9 this subsection (a), if such amounts will be available to pay debt service on the Bonds.

10 Said tax shall be in addition to all other taxes levied for City purposes, shall be
11 collected at the time and in the same manner as other taxes of the City are collected, and
12 shall be used only for the payment of the Bonds and the interest thereon.

13 All taxes collected pursuant to this subsection (a) shall be deposited forthwith in a
14 special subaccount to be designated as the "Tax Revenues Subaccount," which shall be a
15 subaccount within a special account to be designated as the "General Obligation Bonds
16 (Affordable Housing, 2024) Bond Account" ("Bond Account"). The Bond Account and all
17 subaccounts therein shall be administered by the City Treasurer with all disbursements of
18 funds therefrom subject to authorization of the Controller. The Bond Account shall be kept
19 separate and apart from all other accounts, and each subaccount therein shall be kept
20 separate and apart from all other subaccounts. Pursuant to the applicable Sale Resolution,
21 the Controller may establish such additional accounts and subaccounts within the Bond
22 Account or with any agent, including but not limited to any paying agent or fiscal agent, as
23 may be necessary or convenient in connection with the administration of any series of Bonds,
24 to provide for the payment of principal and interest on such series of Bonds.

1 The City Treasurer shall deposit in the Bond Account from the proceeds of sale of the
2 Bonds, any moneys received on account of original issue premium and interest accrued on
3 the Bonds to the date of payment of the purchase price thereof, and such other moneys, if
4 any, as may be specified in the applicable Sale Resolution. So long as any of the Bonds are
5 outstanding, moneys in the Bond Account shall be used and applied by the City Treasurer
6 solely for the purpose of paying the principal of and interest on the Bonds as such principal
7 and interest shall become due and payable, or for purchase of Bonds if permitted by the
8 applicable Sale Resolution; provided, however, that when all of the principal of and interest on
9 the Bonds have been paid, any moneys then remaining in said Bond Account shall be
10 transferred to the City for any legally permitted purpose. The Board of Supervisors shall take
11 such actions annually as are necessary or appropriate to cause the debt service on the Bonds
12 due in any fiscal year to be included in the budget for such fiscal year and to make the
13 necessary appropriations therefor.

14 (b) Pledge. The Bond Account and all subaccounts and amounts on deposit therein
15 are hereby pledged for the payment of the principal of and interest on the Bonds when and as
16 the same become due, including the principal of any term Bonds required to be paid upon the
17 mandatory sinking fund redemption thereof. In addition, the payment of such principal and
18 interest shall be secured by the statutory lien of California Government Code Section 53515,
19 to the extent applicable to the amounts on deposit in the Bond Account. Each and every
20 series of Bonds issued under this Resolution shall be equally and ratably secured by the
21 pledge of this subsection (c), the foregoing statutory lien, and the taxes collected pursuant to
22 this Section 7.

23 Section 8. Administration and Disbursements From Bond Account.

24 (a) Interest. On or before June 15 and December 15 in each year that any of the
25 Bonds are outstanding (or, for any series of Bonds bearing interest at variable rates, on such

1 other dates as may be provided by the applicable Sale Resolution), the City Treasurer shall
2 set aside in the Bond Account and the appropriate subaccounts therein relating to each series
3 of the Bonds an amount which, when added to the amount contained in the Bond Account and
4 subaccounts therein on that date, if any, will be equal to the aggregate amount of the interest
5 becoming due and payable on each series of the Bonds outstanding on such interest payment
6 date.

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

13 All moneys in the Bond Account shall be used and withdrawn by the City Treasurer
14 solely for the purpose of paying the principal of and interest on each series of the Bonds as
15 the same shall become due and payable. On June 15 and December 15 in each year that any
16 Bond is outstanding, the City Treasurer shall allocate, transfer, and apply to the various
17 subaccounts in the Bond Account created pursuant to the applicable Sale Resolution, on such
18 date on which payment of principal or interest on any series of Bonds is due, from moneys on
19 deposit in the Bond Account, an amount equal to the amount of principal of, premium, if any,
20 or interest due on said date with respect to each series of the Bonds then outstanding. Unless
21 other provision shall have been made pursuant to this Resolution for the payment of any
22 Bond, all amounts held in the various subaccounts of the Bond Account created pursuant to a
23 Sale Resolution shall be used and applied by the City Treasurer to pay principal of, premium,
24 if any, and interest due on the series of the Bonds to which such subaccount relates, as and
25 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 the City Treasurer may
3 deem desirable and may authorize such depository to perform, under the supervision of the
4 City Treasurer, any of the City Treasurer's duties and responsibilities under this Resolution, to
5 the extent permitted by applicable law.

6 The City Treasurer is hereby also authorized and directed to appoint one or more
7 agents as the City Treasurer may deem necessary or desirable. To the extent permitted by
8 applicable law and under the supervision of the City Treasurer, such agents may serve as
9 paying agent, fiscal agent, escrow agent or registrar for the Bonds or may assist the City
10 Treasurer in performing any or all of such functions and such other duties as the City
11 Treasurer shall determine including such duties and responsibilities of the City Treasurer
12 provided for in this Resolution. Such agents shall serve under such terms and conditions as
13 the City Treasurer shall determine. The City Treasurer may remove or replace agents
14 appointed pursuant to this 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 (Affordable Housing, 2024) Project Account"
17 ("Project Account"). The Project Account shall be maintained by the City Treasurer, as a
18 separate account, segregated and distinct from all other accounts. The City Treasurer may
19 establish such accounts and subaccounts within the Project Account 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, unless otherwise determined by the Director of Public Finance)
23 shall be deposited by the City Treasurer to the credit of the Project Account and shall be
24 applied exclusively to the objects and purposes specified in Proposition A. When such objects
25 and purposes have been accomplished, any moneys remaining in such account shall be

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

7 Section 11. Defeasance Provisions. A Sale Resolution may provide for the
8 defeasance of such series of Bonds authorized therein. Any Bonds which have been deemed
9 paid in accordance with the defeasance provisions of the applicable Sale Resolution shall no
10 longer be deemed outstanding under this Resolution.

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

17 Section 13. Other Terms and Provisions Relating To the Bonds. The Sale Resolution
18 for any series of Bonds may provide for (a) the purchase of bond insurance or other credit
19 enhancement relating to such series of Bonds and to the establishment of such additional
20 terms and procedures as may be necessary to provide for the application of such bond
21 insurance or other credit enhancement for the benefit of the bondholders; (b) the investment
22 of moneys held in any fund or account relating to the Bonds in specific categories or types of
23 investments, so long as such investments are legal investments for the City and in compliance
24 with any policy or guideline of the City applicable thereto; and (c) the adoption of any
25 supplemental resolutions relating solely to such series of Bonds.

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

5 (a) To add to the covenants and agreements of the City in this Resolution or any
6 Sale Resolution, other covenants and agreements to be observed by the City which are not
7 contrary to or inconsistent with this Resolution or any Sale Resolution as theretofore in effect;

8 (b) To add to the limitations and restrictions in this Resolution or any Sale
9 Resolution, other limitations and restrictions to be observed by the City which are not contrary
10 to or inconsistent with this Resolution or any Sale Resolution as theretofore in effect;

11 (c) To confirm, as further assurance, any pledge under, and the subjection to any
12 lien or pledge created or to be created by this Resolution or any Sale Resolution as then in
13 effect, of any moneys, securities, or funds, or to establish any additional funds or accounts to
14 be held under this Resolution or any Sale Resolution;

15 (d) To cure any ambiguity, supply any omission, or cure or correct any defect or
16 inconsistent provision in this Resolution or any Sale Resolution; or

17 (e) To make such additions, deletions or modifications as shall not be materially
18 adverse to the owners of the Bonds as the City may reasonably determine from time to time.

19 Any modification or amendment of this Resolution or any Sale Resolution and of the
20 rights and obligations of the City and of the owners of the Bonds, in any particular, may be
21 made by a supplemental resolution, with the written consent of the owners of at least a
22 majority in aggregate principal amount of the Bonds outstanding at the time such consent is
23 given (except as provided in the preceding paragraph). No such modification or amendment
24 shall permit a change in the terms or maturity of the principal of any outstanding Bonds or of
25 any interest payable thereon or a reduction in the principal amount thereof or in the rate of

1 interest thereon, or shall reduce the percentage of Bonds the consent of the owners of which
2 is required to effect any such modification or amendment, or shall reduce the amount of
3 moneys for the repayment of the Bonds, without the consent of all the owners of such affected
4 Bonds.

5 Section 15. Citizens' Oversight Committee. The Bonds are subject to, and incorporate
6 by reference, the applicable provisions of San Francisco Administrative Code Sections 5.30 –
7 5.36 ("Admin. Code"). Under Section 5.31 of the Admin. Code, to the extent permitted by law,
8 one-tenth of one percent (0.1%) of the gross proceeds of each series of the Bonds shall be
9 deposited in the fund established by the Controller's Office and appropriated by the Board of
10 Supervisors at the direction of the Citizens' General Obligation Bond Oversight Committee to
11 cover the costs of such Committee.

12 Section 16. CEQA Findings. The Board of Supervisors finds and declares that this
13 legislation is not a project subject to CEQA because it is a funding mechanism involving no
14 commitment to any specific projects at any specific locations, as set forth in the CEQA
15 Guidelines Section 15378.

16 Section 17. Planning Code. The Board of Supervisors hereby adopts and incorporates
17 by reference the findings and declarations in Ordinance No. 231-23 relative to (i) the
18 conformance of the Bonds to the priority policies of Section 101.1(b) of the San Francisco
19 Planning Code, (ii) the conformance of the Bonds to Section 4.105 of the San Francisco
20 Charter and Section 2A.53(f) of the San Francisco Administrative Code, and (iii) the
21 consistency of the Bonds with the City's General Plan, all as more fully set forth in the General
22 Plan Referral Report dated September 22, 2023, a copy of which is on file with the Clerk of
23 the Board of Supervisors in File No. 230972.

1 Section 18. Ratification. All actions heretofore taken by officials, employees, and
2 agents of the City with respect to the sale and issuance of the Bonds consistent with any
3 documents presented and this Resolution are hereby approved, confirmed, and ratified.

4 Section 19. General Authority. The Mayor, the City Treasurer, the Clerk of the Board
5 of Supervisors, the City Administrator, the Director of Public Finance of the City, and the
6 Controller, in consultation with the City Attorney, are each hereby authorized and directed in
7 the name and on behalf of the City to take any and all steps and to issue and deliver any and
8 all certificates, requisitions, agreements, notices, consents, and other documents, including
9 but not limited to, letters of representations to any depository or depositories, which they or
10 any of them might deem necessary or appropriate in order to consummate the lawful
11 issuance, sale, and delivery of the Bonds and otherwise to give effect to this Resolution. Any
12 such actions are solely intended to further the purposes of this Resolution, and are subject in
13 all respects to the terms of this Resolution. No such actions shall increase the risk to the City
14 or require the City to spend any resources not otherwise granted herein. Final versions of any
15 such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the
16 official file within 30 days (or as soon thereafter as final documents are available) of execution
17 by all parties.

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19 APPROVED AS TO FORM:

20 DAVID CHIU City Attorney

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22 By: /s/ Mark D. Blake
23 MARK D. BLAKE
24 Deputy City Attorney

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