

1 [General Obligation Bond Short-Term Indebtedness.]

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3 **Ordinance amending the San Francisco Administrative Code by adding Article 43.11,**
4 **Sections 43.11.1 through 43.11.5, to authorize the issuance of short-term indebtedness**
5 **in anticipation of the issuance of general obligation bonds authorized by the voters.**

6 Note: Additions are *single-underline italics Times New Roman*;
7 deletions are *strikethrough italics Times New Roman*.
8 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

10 Section 1. The San Francisco Administrative Code is hereby amended by adding
11 Article 43.11, Sections 43.11.1 through 43.11.5, to read as follows:

12
13 **ARTICLE XI GENERAL OBLIGATION BOND SHORT-TERM INDEBTEDNESS**

14
15 **SEC. 43.11.1. FINDINGS.**

16 *The City and County of San Francisco (the "City") is a municipal corporation and chartered*
17 *city and county duly organized and existing under a charter pursuant to which the City has the right*
18 *and power to make and enforce all laws and regulations in respect to municipal affairs and certain*
19 *other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI*
20 *of the Constitution of the State of California and Section 1.101 of the Charter of the City (the*
21 *"Charter").*

22 *Pursuant to Section 9.113(e) of the Charter, this Article sets forth a procedure by which the City*
23 *may issue short-term indebtedness in anticipation of the issuance of general obligation bonds which*
24 *have been approved by the voters.*

1 **SEC. 43.11.2. DEFINITIONS.**

2 *For purposes of this Article, the following terms shall have the meanings given below:*

3 *(a) The term “Board” shall mean the Board of Supervisors of the City.*

4 *(b) The term “Charter” shall mean the Charter of this City.*

5 *(c) The term “City” shall mean the City and County of San Francisco.*

6 *(d) The term “Director” shall mean Director of the Office of Public Finance, or his/her*
7 *designee, or any successor to that Office.*

8 *(e) The terms “Short-Term Indebtedness” and “Bonds” shall have the meanings set forth in*
9 *Section 43.11.3.*

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11 **SEC. 43.11.3. AUTHORIZATION OF SHORT-TERM INDEBTEDNESS.**

12 *(a) When the Board deems it in the best interests of the City, the Board may authorize the*
13 *issuance, upon such terms and conditions as it may determine, of notes or other obligations (“Short-*
14 *Term Indebtedness”), maturing within a period not to exceed five years of its date of issuance (or of the*
15 *date of issuance of any refunded Short-Term Indebtedness), in anticipation of the sale of general*
16 *obligation bonds (“Bonds”) which have been approved by the voters and authorized for issuance by the*
17 *Board at the time such Short-Term Indebtedness is issued.*

18 *(b) The proceeds from the sale of the Short-Term Indebtedness shall be used only for the*
19 *purposes for which the Bonds were approved by the voters, together with the costs of issuing such*
20 *Short-Term Indebtedness.*

21 *(c) All Short-Term Indebtedness issued and any renewal or refunding thereof shall be*
22 *payable solely from the proceeds of the sale of the Bonds, provided that (i) all or a portion of the*
23 *principal and interest on such Short-Term Indebtedness may be payable from the levy of the tax*
24 *authorized by the voters if authorized by the Board or required by law; (ii) interest payable on the*

1 Short Term Indebtedness may be payable from the proceeds of such Short Term Indebtedness if
2 authorized by the Board, and (iii) in the event that the sale of the Bonds shall not have occurred prior
3 to the maturity of the Short-Term Indebtedness issued in anticipation of the sale, the Director, in order
4 to meet the Short-Term Indebtedness then maturing, shall issue refunding Short-Term Indebtedness for
5 such purpose. No refunding of Short-Term Indebtedness shall be issued after the sale of Bonds in
6 anticipation of which the original Short-Term Indebtedness was issued.

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8 **SEC. 43.11.4. MISCELLANEOUS PROVISIONS**

9 (a) The Short-Term Indebtedness shall have such terms and conditions, not inconsistent
10 with the terms of this Article, as the Director shall determine, provided that no Short-Term
11 Indebtedness shall have a final maturity in excess of five years from its date or, in the case of refunding
12 Short-Term Indebtedness, the date of the first issuance of Short-Term Indebtedness to which such
13 refunding relates. The Short-Term Indebtedness shall be sold upon such terms and conditions as the
14 Director shall determine. The Short-Term Indebtedness may be sold at competitive or negotiated sale
15 as determined by the Board is in the best financial interest of the City and such determination may be
16 delegated by the Board to the Director. Any Short-Term Indebtedness may be sold at a discount not to
17 exceed 5% and at a premium, as the Director shall determine is in the best financial interest of the City.

18 (b) In connection with the issuance of any Short-Term Indebtedness, the Board may
19 authorize the City to enter into credit enhancement or liquidity agreements, with payment, interest rate,
20 currency, security, default, remedy, and other terms and conditions as the Director shall determine are
21 in the best financial interest of the City.

22 (c) In connection with the issuance of any Short-Term Indebtedness, the Board may
23 authorize the City to appoint such agents and other professionals as necessary or desirable as the
24 Director shall determine.

1 (d) The total amount of Short-Term Indebtedness issued and outstanding shall at no time
2 exceed the total amount of the authorized but unissued Bonds.

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4 **SEC. 43.11.5. LIBERAL CONSTRUCTION.**

5 The powers conferred by the provisions of this Article are in addition to and supplemental to the
6 powers conferred by the Charter or any other ordinance or law.

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10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA, City Attorney

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By: _____
Kenneth David Roux
Deputy City Attorney

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