

1 [Amending Administrative Code Section 10.100-218.]

2 **Ordinance amending Administrative Code Section 10.100-218 to (1) permit**
3 **unencumbered tobacco settlement revenues received by the City and deposited into**
4 **the Tobacco Settlement Revenue Sub-account prior to the date of issuance of the**
5 **City's bonded indebtedness authorized by the voters pursuant to Proposition A of**
6 **November of 1999 to be used for a transfer to the General Fund in fiscal year 2003-2004**
7 **for the payment of certain Department of Public Health expenses and (2) provide a**
8 **guarantee of payment from the City's General Fund in the event that less than**
9 **\$100,000,000 of tobacco settlement revenues are available to be expended on the**
10 **Laguna Honda Hospital reconstruction project.**

11 Note: Additions are *single-underline italics Times New Roman*;
12 deletions are ~~*strikethrough italics Times New Roman*~~.
13 Board amendment additions are double underlined.
14 Board amendment deletions are ~~strikethrough normal~~.

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

16 Section 1. Findings. On December 28, 2000, the Board of Supervisors of the City and
17 County of San Francisco (the "Board") adopted Ordinance No. 316-00, which created the
18 Public Health Tobacco Settlement Revenue Fund and set forth specific uses for the monies
19 on deposit in the sub-accounts of said fund and which has been codified in San Francisco
20 Administrative Code Section 10.100-218. The Board now wishes to amend San Francisco
21 Administrative Code Section 10.100-218.

22 Section 2. The San Francisco Administrative Code is hereby amended by amending
23 Section 10.100-218, to read as follows:

24 Sec. 10.100-218. Public Health Tobacco Settlement Revenue Fund.
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1 (a) **Establishment of Fund.** The Public Health Tobacco Settlement Revenue Fund is
2 established as a category four fund. Within this fund, separate accounts shall be established
3 and receive funds as follows:

4 1. The first \$1,000,000 of monies received by the City and County of San Francisco
5 *(the "City")* in each fiscal year pursuant to that certain Master Settlement Agreement dated
6 November 16, 1998 (the "Agreement") shall be credited to an account known as the "Tobacco
7 Education and Control Revenue Sub-account";

8 2. Any additional monies received by the City ~~and County of San Francisco~~ in each fiscal
9 year pursuant to the Agreement shall be deposited into an account known as the "Tobacco
10 Settlement Revenue Sub-account."

11 (b) **Use of Fund.** The ~~use of~~ monies deposited in the Tobacco Education and Control
12 Revenue Sub-account shall be expended solely, for tobacco education, prevention and
13 control purposes. The ~~use of~~ monies deposited into the Tobacco Settlement Revenue Sub-
14 account shall be expended as follows:

15 1. For the payment of costs of acquisition, improvement, construction and/or
16 reconstruction of a health care, assisted living and/or other type of continuing care facility or
17 facilities to replace Laguna Honda Hospital (collectively, the "Project");

18 2. For the payment in any fiscal year of all principal, interest, premium and all other
19 payments required pursuant to any documents authorizing any bonded debt or other
20 evidences of indebtedness or lease financing issued, incurred, created by, or on behalf of, the
21 City ~~and County of San Francisco~~ in connection with the acquisition, improvement, construction
22 and/or reconstruction of the Project *(the "Bonds")*; ~~and~~

23 3. From amounts received by the City under the Agreement and deposited into the Tobacco
24 Settlement Revenue Sub-account prior to the issuance of the Bonds, for transfer in fiscal year 2003-

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1 2004 to the General Fund for payment of certain costs of the Department of Public Health, provided
2 that the amount so transferred shall not exceed \$25,005,644.60; and

3 4. For transfer to the General Fund only after making provision for the requirements of
4 (1) ~~and (2)~~ through (3) above.

5 (c) **General Fund Guarantee.** If and when the Director of Public Finance certifies that (i) the
6 City has not received Tobacco Settlement Revenues in amounts sufficient to contribute \$100,000,000 to
7 finance the Project and (ii) the Project requires a payment equal to the difference between
8 \$100,000,000 and the amount of Tobacco Settlement Revenues actually expended to finance the Project
9 (the "Shortfall") to achieve completion, then the City shall transfer from the General Fund an amount
10 equal to the lesser of the Shortfall or \$25,005,644.60.

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

By: _____
Michael J. Martin
Deputy City Attorney