

1 [Issuance of Taxable and Tax-Exempt General Obligation Bonds (Affordable Housing, 2015) -
2 Not to Exceed \$310,000,000]

3 **Resolution providing for the issuance of not to exceed \$310,000,000 aggregate**
4 **principal amount of City and County of San Francisco Taxable and Tax-Exempt General**
5 **Obligation Bonds (Affordable Housing, 2015); authorizing the issuance and sale 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; adopting findings under**
9 **the California Environmental Quality Act ("CEQA"), the CEQA Guidelines and**
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, Section**
13 **2A.53; ratifying certain actions previously taken, as defined herein; and granting**
14 **general authority to city officials to take necessary actions in connection with the**
15 **issuance and sale of said bonds, as defined herein.**

16
17 WHEREAS, By Resolution No. 258-15, adopted by the Board of Supervisors (the
18 "Board of Supervisors") of the City and County of San Francisco (the "City") on July 7, 2015, it
19 was determined and declared that public interest and necessity demands the construction,
20 development, acquisition, and preservation of affordable housing in the City for low- and
21 middle-income households, and the payment of related costs necessary or convenient for
22 such purposes; and

23 WHEREAS, By Ordinance No. 121-15, adopted by the Board of Supervisors on
24 July 21, 2015, the Board of Supervisors duly called a special election to be held on
25 November 3, 2015, for the purpose of submitting to the electors of the City a proposition to

1 incur bonded indebtedness of the City in the amount of \$310,000,000 to finance the
2 construction, acquisition, improvement, rehabilitation, preservation and repair of affordable
3 housing improvements, as described therein (the "Project"); and

4 WHEREAS, A special election was held in the City on November 3, 2015, for the
5 purpose of submitting to the qualified voters of the City said proposition, denominated as
6 Proposition A, as follows:

7 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. To finance the construction,
8 development, acquisition, and preservation of housing affordable to low- and middle-
9 income households through programs that will prioritize vulnerable populations such as
10 San Francisco's working families, veterans, seniors, disabled persons; to assist in the
11 acquisition, rehabilitation, and preservation of affordable rental apartment buildings to
12 prevent the eviction of long-term residents; to repair and reconstruct dilapidated public
13 housing; to fund a middle-income rental program; and to provide for homeownership
14 down payment assistance opportunities for educators and middle-income households;
15 shall the City and County of San Francisco issue \$310 million in general obligation
16 bonds, subject to independent citizen oversight and regular audits?";

17 and

18 WHEREAS, On December 1, 2015, by Resolution No. 435-15, this Board of
19 Supervisors declared the results of the November 3, 2015 special election finding that, as
20 certified by the Director of Elections of the City, the requisite two-thirds of all voters voting on
21 the proposition approved such proposition; and

22 WHEREAS, This Board of Supervisors has determined, and does hereby declare that it
23 is necessary and desirable that all of said bonds designated generally as "City and County of
24 San Francisco Taxable and Tax-Exempt General Obligation Bonds (Affordable Housing,
25 2015)" (the "Bonds") in the aggregate principal amount of \$310,000,000, be issued and sold

1 in one or more series from time to time, for the purposes authorized and on the conditions set
2 forth in this Resolution; and

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

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

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

17 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
18 follows:

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

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

1 Section 3. Issuance of the Bonds. The Board of Supervisors hereby authorizes the
2 issuance and sale of \$310,000,000 aggregate principal amount of Bonds, designated
3 generally as "City and County of San Francisco Taxable and Tax-Exempt General Obligation
4 Bonds (Affordable Housing, 2015)". The Bonds may be sold in one or more series (each
5 series of such Bonds to bear such additional or other designation as may be necessary or
6 appropriate to distinguish such series from every other series and from other bonds issued by
7 the City) as the Board of Supervisors shall determine, and shall be sold in accordance with
8 law, as such law may from time to time be amended, supplemented or revised, and on the
9 terms and conditions approved by the Board of Supervisors in this Resolution, as
10 supplemented by such other resolution or resolutions relating to such series of Bonds and as
11 provided in the resolution of the Board of Supervisors authorizing and directing the sale of
12 each series of Bonds (each, a "Sale Resolution"). The offering and sale of the Bonds may be
13 aggregated with the offering and sale of other general obligation bonds being issued by the
14 City, as authorized from time to time by the Board of Supervisors.

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

24 The Bonds shall be signed by the Mayor of the City (the "Mayor") and countersigned by
25 the Clerk of the Board of Supervisors. The signature of the Mayor may be facsimile or manual.

1 The Treasurer of the City (the "City Treasurer") shall authenticate the Bonds by manual
2 signature and, when so authenticated, shall deliver the Bonds to or for the account of the
3 purchasers in exchange for the purchase price thereof.

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

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

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

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

17 Section 7. Tax Levy. For the purpose of paying the principal of and interest on the
18 Bonds, the Board of Supervisors at the time of fixing the general tax levy shall fix, and in the
19 manner provided for such general tax levy, levy and collect annually until the Bonds are paid,
20 or until there shall be a sum set apart for that purpose in the treasury of the City sufficient to
21 meet all sums coming due for payment of principal of and interest on the Bonds, a tax
22 sufficient to pay the annual interest on the Bonds as the same becomes due and also such
23 part of the principal thereof as shall become due before the proceeds of a tax levied at the
24 time for making the next general tax levy can be made available for the payment of such
25 interest or principal.

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

4 All taxes collected pursuant to this Section 7 shall be deposited forthwith in a special
5 account to be designated as the "General Obligation Bonds (Affordable Housing, 2015) Bond
6 Account" (the "Bond Account") and each and every series of Bonds issued under this
7 Resolution shall be equally and ratably secured by the taxes collected pursuant to this Section
8 7. The Bond Account shall be administered by the City Treasurer. The Bond Account shall be
9 kept separate and apart from all other accounts. Pursuant to the applicable Sale Resolution,
10 the Controller may establish such additional accounts and subaccounts within the Bond
11 Account or with any agent, including but not limited to any paying agent or fiscal agent, as
12 may be necessary or convenient in connection with the administration of any series of Bonds,
13 to provide for the payment of principal and interest on such series of Bonds.

14 The City Treasurer shall deposit in the Bond Account from the proceeds of sale of the
15 Bonds, any moneys received on account of original issue premium and interest accrued on
16 the Bonds to the date of payment of the purchase price thereof, and such other moneys, if
17 any, as may be specified in the applicable Sale Resolution. So long as any of the Bonds are
18 outstanding, moneys in the Bond Account shall be used and applied by the City Treasurer
19 solely for the purpose of paying the principal of and interest on the Bonds as such principal
20 and interest shall become due and payable, or for purchase of Bonds if permitted by the
21 applicable Sale Resolution; provided, however, that when all of the principal of and interest on
22 the Bonds have been paid, any moneys then remaining in said Bond Account shall be
23 transferred to the General Fund of the City. The Board of Supervisors shall take such actions
24 annually as are necessary or appropriate to cause the debt service on the Bonds due in any
25

1 fiscal year to be included in the budget for such fiscal year and to make the necessary
2 appropriations therefor.

3 Section 8. Administration and Disbursements From Bond Account.

4 (a) Interest. On or before June 15 and December 15 in each year that any of the Bonds
5 are outstanding, the City Treasurer shall set aside in the Bond Account and the appropriate
6 subaccounts therein relating to each series of the Bonds an amount which, when added to the
7 amount contained in the Bond Account and subaccounts therein on that date, if any, will be
8 equal to the aggregate amount of the interest becoming due and payable on each series of
9 the Bonds outstanding on such interest payment date.

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

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

1 Sale Resolution shall be used and applied by the City Treasurer to pay principal of, premium,
2 if any, and interest due on the series of the Bonds to which such subaccount relates, as and
3 when due.

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

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

18 Section 10. Project Account. There is hereby established a project account to be
19 designated as the "General Obligation Bonds (Affordable Housing, 2015) Project Account"
20 (the "Project Account"). The Project Account shall be maintained by the City Treasurer, as a
21 separate account, segregated and distinct from all other accounts. The City Treasurer may
22 establish such accounts and subaccounts within the Project Account as may be necessary or
23 convenient in connection with the administration of the Project or the Bonds.

24 All of the proceeds of the sale of the Bonds (excluding any premium and accrued
25 interest received thereon, unless otherwise determined by the Director of Public Finance)

1 shall be deposited by the City Treasurer to the credit of the Project Account and shall be
2 applied exclusively to the objects and purposes specified in Proposition A. When such objects
3 and purposes have been accomplished, any moneys remaining in such account shall be
4 transferred to the Bond Account established pursuant to Section 7 hereof and applied to the
5 payment of the principal of and interest on any series of Bonds. Amounts in the Project
6 Account may be applied to the payment of costs of issuance of the Bonds, including, without
7 limitation, bond and financial printing expenses, mailing and publication expenses, rating
8 agency fees, and the fees and expenses of paying agents, registrars, financial consultants
9 and bond counsel.

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

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

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

1 investments, so long as such investments are legal investments for the City and in compliance
2 with any policy or guideline of the City applicable thereto; and (c) the adoption of any
3 supplemental resolutions relating solely to such series of 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 Sale
9 Resolution, other covenants and agreements to be observed by the City which are not
10 contrary to or inconsistent with this Resolution or any Sale Resolution as theretofore in effect;

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

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

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

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

22 Any modification or amendment of this Resolution or any Sale Resolution and of the
23 rights and obligations of the City and of the owners of the Bonds, in any particular, may be
24 made by a supplemental resolution, with the written consent of the owners of at least a
25 majority in aggregate principal amount of the Bonds outstanding at the time such consent is

1 given (except as provided in the preceding paragraph). No such modification or amendment
2 shall permit a change in the terms or maturity of the principal of any outstanding Bonds or of
3 any interest payable thereon or a reduction in the principal amount thereof or in the rate of
4 interest thereon, or shall reduce the percentage of Bonds the consent of the owners of which
5 is required to effect any such modification or amendment, or shall reduce the amount of
6 moneys for the repayment of the Bonds, without the consent of all the owners of such affected
7 Bonds.

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

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

20 Section 17. Planning Code. The Board of Supervisors hereby adopts and incorporates
21 by reference the findings and declarations in Ordinance No. 121-15 relative to (i) the
22 conformance of the Bonds to the priority policies of Section 101.1(b) of the San Francisco
23 Planning Code, (ii) the conformance of the Bonds to Section 4.105 of the San Francisco
24 Charter and Section 2A.53(f) of the San Francisco Administrative Code, and (iii) the
25 consistency of the Bonds with the City's General Plan, all as more fully set forth in the General

1 Plan Referral Report dated May 11, 2015, a copy of which is on file with the Clerk of the
2 Board of Supervisors in File No. 150490.

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

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

1 Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter as
2 final documents are available) of execution by all parties.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA City Attorney

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7 By: _____
8 Kenneth D. Roux
9 Deputy City Attorney
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