

1 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation - Multiple Affordable  
2 Housing and Community Facilities Projects - Not to Exceed \$146,800,000]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation, in one**  
4 **or more series on a tax-exempt and/or taxable basis and from time to time, evidencing**  
5 **and representing an aggregate principal amount of not to exceed \$146,800,000**  
6 **("Certificates"), to finance and refinance certain capital improvement, affordable**  
7 **housing and community facilities development projects within the City and County of**  
8 **San Francisco's ("City"), including site acquisition, demolition and site preparation,**  
9 **design work, construction, repairs, renovations, improvements and the equipment of**  
10 **such facilities, including through the retirement of certain commercial paper notes of**  
11 **the City issued for such purposes; approving the form of a Supplement to Trust**  
12 **Agreement between the City and U.S. Bank Trust Company, National Association (as**  
13 **successor-in-interest to U.S. Bank National Association), as trustee ("Trustee")**  
14 **(including certain indemnities contained therein); approving respective forms of a**  
15 **Supplement to Property Lease and a Supplement to Project Lease, each between the**  
16 **City and the Trustee, for the lease and lease back of all or a portion of certain real**  
17 **property and improvements owned by the City and located at 375 Laguna Honda**  
18 **Boulevard within the City, at 1 Moreland Drive, San Bruno, California, and/or any other**  
19 **property as determined by the City's Director of Public Finance; approving the form of**  
20 **an Official Notice of Sale and a Notice of Intention to Sell the Certificates; approving**  
21 **the form of an Official Statement in preliminary and final form; approving the form of a**  
22 **purchase contract between the City and one or more initial purchasers of the**  
23 **Certificates; approving the form of a Continuing Disclosure Certificate, as defined**  
24 **herein; granting general authority to City officials to take necessary actions in**  
25 **connection with the authorization, sale, execution and delivery of the Certificates;**

1 **approving modifications to documents; and ratifying previous actions taken in**  
2 **connection therewith, as defined herein.**

3  
4 Be it ordained by the People of the City and County of San Francisco:

5  
6 Section 1. Background.

7 (a) The Board of Supervisors (“Board of Supervisors” or “Board”) of the City and  
8 County of San Francisco (“City”) desires to provide funds to (i) finance and refinance certain  
9 capital improvement, affordable housing and community facilities development projects within  
10 the City and County of San Francisco’s (“City”), including site acquisition, demolition and site  
11 preparation, design work, construction, repairs, renovations, improvements and the equipment  
12 of such facilities], and (ii) retire certain commercial paper notes of the City issued for such  
13 purposes (collectively with the projects described in the preceding clause (i), the “Project”), (iii)  
14 fund a debt service or other similar reserve for the Certificates, as appropriate; and (iv) pay  
15 costs of issuance of the Certificates, and the City is authorized pursuant to its charter  
16 (“Charter”) and the laws of the State to enter into lease financings for such purposes.

17 (b) The City and U.S. Bank Trust Company, National Association (as successor-in-  
18 interest to U.S. Bank National Association), as trustee (“Trustee”), have previously entered  
19 into a Property Lease, dated as of May 1, 2009 (“Original Property Lease”), pursuant to which  
20 the City has leased certain real property and all improvements thereon, generally consisting of  
21 certain land and improvements comprising portions of the Laguna Honda Hospital campus  
22 within the City (“Laguna Honda Hospital”), owned by the City and located at 375 Laguna  
23 Honda Boulevard within the City (collectively, the “Prior Leased Property”) to the Trustee.

1 (c) The Trustee and the City have previously entered into a Project Lease, dated  
2 as of May 1, 2009 (“Original Project Lease”), pursuant to which the Trustee has leased the  
3 Prior Leased Property back to the City.

4 (d) The City previously caused the execution and delivery of the City and County  
5 of San Francisco Certificates of Participation, Series 2009A (Multiple Capital Improvement  
6 Projects) (“2009A Certificates”) pursuant to a Trust Agreement, dated as of May 1, 2009, by  
7 and between the City and the Trustee (“Original Trust Agreement” and, together with the  
8 Original Property Lease and the Original Project Lease, the “Original Agreements”).

9 (e) The 2009A Certificates evidenced direct undivided interests in the lease  
10 payments made by the City under the Original Project Lease.

11 (f) The Original Trust Agreement provides for the issuance of additional  
12 certificates of participation by the execution and delivery of a supplement to the Original  
13 Trust Agreement, and authorizes the principal and interest with respect to said certificates  
14 of participation to be secured by a supplement to the Original Property Lease and to be paid  
15 from amounts paid by the City under a supplement to the Original Project Lease.

16 (g) The City subsequently caused the execution and delivery of the City and  
17 County of San Francisco Certificates of Participation, Series 2009B (Multiple Capital  
18 Improvement Projects) (“2009B Certificates” and, together with the 2009A Certificates,  
19 “2009 Certificates”) pursuant to a First Supplement to Trust Agreement, dated as of  
20 September 1, 2009 (“First Supplement to Trust Agreement”), supplementing the Original  
21 Trust Agreement.

22 (h) In connection therewith, the City and the Trustee have previously entered into  
23 a First Supplement to Property Lease, dated as of September 1, 2009 (“First Supplement to  
24 Property Lease”), supplementing the Original Property Lease.  
25

1 (i) In connection therewith, the City and the Trustee have previously entered into  
2 a First Supplement to Project Lease, dated as of September 1, 2009 (“First Supplement to  
3 Project Lease”), supplementing the Original Project Lease.

4 (j) The 2009B Certificates evidenced direct undivided interests in the lease  
5 payments made by the City under the Original Project Lease, as supplemented by the First  
6 Supplement to Project Lease, on a parity basis with the 2009A Certificates.

7 (k) The City subsequently caused the execution and delivery of the City and  
8 County of San Francisco Certificates of Participation, Series 2012A (Multiple Capital  
9 Improvement Projects) (“2012A Certificates”), in order to provide funds for certain street  
10 improvements of the City, pursuant to a Second Supplement to Trust Agreement, dated as  
11 of June 1, 2012 (“Second Supplement to Trust Agreement”), supplementing the Original  
12 Trust Agreement.

13 (l) In connection therewith, the City and the Trustee have previously entered into  
14 a Second Supplement to Property Lease, dated as of June 1, 2012 (“Second Supplement to  
15 Property Lease”), supplementing the Original Property Lease.

16 (m) In connection therewith, the City and the Trustee have previously entered into  
17 a Second Supplement to Project Lease, dated as of June 1, 2012 (“Second Supplement to  
18 Project Lease”), supplementing the Original Project Lease.

19 (n) The 2012A Certificates evidenced direct undivided interests in the lease  
20 payments made by the City under the Original Project Lease, as supplemented by the First  
21 Supplement to Project Lease and Second Supplement to Project Lease, on a parity basis  
22 with the 2009 Certificates.

23 (o) The City subsequently caused the execution and delivery of the City and  
24 County of San Francisco Refunding Certificates of Participation, Series 2019-R1 (Multiple  
25 Capital Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third Supplement to

1 Trust Agreement, dated as of November 1, 2019 (“Third Supplement to Trust Agreement”),  
2 supplementing the Original Trust Agreement, which 2019-R1 Certificates were issued to  
3 prepay all of the then-outstanding 2009 Certificates.

4 (p) In connection therewith, the City and the Trustee have previously entered into  
5 a Third Supplement to Property Lease, dated as of November 1, 2019 (“Third Supplement  
6 to Property Lease”), supplementing the Original Property Lease.

7 (q) In connection therewith, the City and the Trustee have previously entered into  
8 a Third Supplement to Project Lease, dated as of November 1, 2019 (“Third Supplement to  
9 Project Lease”), supplementing the Original Project Lease;

10 (r) The 2019-R1 Certificates evidence direct undivided interests in the lease  
11 payments made by the City under the Original Project Lease, as supplemented by the First  
12 Supplement to Project Lease, the Second Supplement to Project Lease and the Third  
13 Supplement to Project Lease, on a parity basis with the 2012A Certificates.

14 (s) The City subsequently caused the execution and delivery of the City and  
15 County of San Francisco Refunding Certificates of Participation, Series 2020-R1 (Multiple  
16 Capital Improvement Projects) (“2020-R1 Certificates”) pursuant to a Fourth Supplement to  
17 Trust Agreement, dated as of November 1, 2020 (“Fourth Supplement to Trust Agreement”),  
18 supplementing the Original Trust Agreement, which 2020-R1 Certificates were issued to  
19 prepay all of the then-outstanding City and County of San Francisco Refunding Certificates  
20 of Participation, Series 2010A (“2010A Certificates”) issued pursuant to that certain Trust  
21 Agreement, dated as of September 1, 2010 (“2010A Trust Agreement”), by and between the  
22 City and the City and U.S. Bank National Association, as successor trustee (“2010A  
23 Trustee”).

24 (t) The City’s prepayment of all of the 2010A Certificates permitted the City to  
25 terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease between the City

1 and the 2010A Trustee, dated as of September 1, 2010 (“2010A Property Lease”), pursuant  
2 to which the City had leased certain City-owned real property located at 1 Moreland Drive,  
3 San Bruno, California and all improvements thereon, generally known as the San Bruno  
4 Complex (“San Bruno Complex Property”) to the 2010A Trustee, and (iii) that certain Project  
5 Lease between the City and the 2010A Trustee, dated as of September 1, 2010 (“2010A  
6 Project Lease”), pursuant to which the 2010A Trustee had leased the San Bruno Complex  
7 Property back to the City, which termination of the 2010A Trust Agreement, 2010A Property  
8 Lease and 2010A Project Lease caused the San Bruno Complex Property to then be  
9 unencumbered and vest in the City.

10 (u) In connection with the execution and delivery of the 2020-R1 Certificates, the  
11 City and the Trustee have previously entered into a Fourth Supplement to Property Lease,  
12 dated as of November 1, 2020 (“Fourth Supplement to Property Lease”), supplementing  
13 and amending the Original Property Lease, including to add the San Bruno Complex  
14 Property to the Leased Property subject thereto.

15 (v) In connection with the execution and delivery of the 2020-R1 Certificates, the  
16 City and the Trustee have previously entered into a Fourth Supplement to Project Lease,  
17 dated as of November 1, 2020 (“Fourth Supplement to Project Lease”), supplementing and  
18 amending the Original Project Lease, including to add the San Bruno Complex Property to  
19 the Leased Property subject thereto.

20 (w) The 2020-R1 Certificates evidence direct undivided interests in the lease  
21 payments made by the City under the Original Project Lease, as supplemented by the First  
22 Supplement to Project Lease, the Second Supplement to Project Lease, the Third  
23 Supplement to Project Lease and the Fourth Supplement to Project Lease, on a parity basis  
24 with the 2012A Certificates and the 2019-R1 Certificates.

1           (x)     The City subsequently caused the execution and delivery of the City and  
2 County of San Francisco Certificates of Participation, Series 2021A (Multiple Capital  
3 Improvement Projects) (“2021A Certificates”) pursuant to a Fifth Supplement to Trust  
4 Agreement, dated as of May 1, 2021 (“Fifth Supplement to Trust Agreement”),  
5 supplementing the Original Trust Agreement.

6           (y)     In connection therewith, the City and the Trustee have previously entered into  
7 a Fifth Supplement to Property Lease, dated as of May 1, 2021 (“Fifth Supplement to  
8 Property Lease”), supplementing and amending the Original Property Lease, including to  
9 add the improvements on the Laguna Honda Hospital campus generally known as the  
10 South Residence building and the land associated therewith (collectively, the “South  
11 Residence”) to the Leased Property subject thereto, as authorized by the City’s Ordinance  
12 No. 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019.

13           (z)     In connection therewith, the City and the Trustee have previously entered into  
14 a Fifth Supplement to Project Lease, dated as of May 1, 2021 (“Fifth Supplement to Project  
15 Lease”), supplementing and amending the Original Project Lease, including to add the  
16 South Residence to the Leased Property subject thereto, as authorized by the City’s  
17 Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of October 11,  
18 2019.

19           (aa)    The 2021A Certificates evidence direct undivided interests in the lease  
20 payments made by the City under the Original Project Lease, as supplemented by the First  
21 Supplement to Project Lease, the Second Supplement to Project Lease, the Third  
22 Supplement to Project Lease, the Fourth Supplement to Project Lease and the Fifth  
23 Supplement to Project Lease, on a parity basis with the 2012A Certificates, the 2019-R1  
24 Certificates and the 2020-R1 Certificates.

25

1 (bb) The 2021A Certificates were executed and delivered by the City in the  
2 aggregate principal amount of \$76,020,000 as portions of the issuance authority provided  
3 therefor under the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each  
4 approved as of October 11, 2019.

5 (cc) The City, pursuant to its Ordinance No. 61-16, approved as of April 27, 2016;  
6 pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of  
7 October 11, 2019; pursuant to its Ordinance No. 281-19, approved as of December 20,  
8 2019; pursuant to its Ordinance No. 222-20, approved as of November 6, 2020; pursuant to  
9 its Ordinance No. 123-21, approved as of August 4, 2021; and pursuant to its Ordinance  
10 No. 183-22, approved as of August 4, 2022, has authorized (i) the expansion of the Leased  
11 Property subject to the Original Property Lease, as previously supplemented, and to the  
12 Original Project Lease, as previously supplemented, pursuant to additional supplements to  
13 such Original Property Lease and Original Project Lease to be executed and delivered in  
14 the future, to include the entire campus of Laguna Honda Hospital (except for the portion  
15 thereof generally known as the City's Juvenile Detention Center), and (ii) the execution and  
16 delivery of additional certificates of participation of the City to be issued as "Additional  
17 Certificates" under the Original Trust Agreement, pursuant to additional supplements to the  
18 Original Trust Agreement, as previously supplemented, to be executed and delivered in the  
19 future, to finance various projects of the City in an aggregate principal amount of up to  
20 \$623,680,000 (collectively, "Additional Certificates for Projects") and when issued, to be  
21 secured and payable on a parity basis with the 2012A Certificates, the 2019-R1 Certificates,  
22 the 2020-R1 Certificates, the 2021A Certificates, any Additional Certificates for Projects and  
23 the Certificates herein authorized, which supplements to the Original Property Lease,  
24 Original Project Lease and Original Trust Agreement may be executed and delivered and  
25

1 which Additional Certificates for Projects may be issued, in whole or in part, on a tax-exempt  
2 and/or taxable basis, prior to, on, or after the date of the adoption of this Ordinance.

3 (dd) The Board desires to finance the Project and to cause the execution and  
4 delivery of one or more additional series of certificates of participation (as further defined  
5 herein, the "Certificates") in an aggregate principal amount not to exceed \$146,800,000.

6 (ee) The Certificates will be executed and delivered in one or more series, from  
7 time to time, on a tax-exempt and/or taxable basis pursuant to a one or more supplements  
8 to the Original Trust Agreement (each, a "Supplement to Trust Agreement"), by and  
9 between the City and the Trustee, supplementing the Original Trust Agreement.

10 (ff) In connection with the execution and delivery of the Certificates, the Board  
11 desires to cause the execution of one or more supplements to the Original Property Lease  
12 (each, a "Supplement to Property Lease"), supplementing and amending the Original  
13 Property Lease (i) if determined to be necessary and advisable by the Director of Public  
14 Finance, supplementing and amending the Original Property Lease to supplement the  
15 Leased Property (defined below), pursuant to Section 18 of the Original Property Lease,  
16 Section 7.02 of the Original Trust Agreement and Sections 16 and 20 of the Original Project  
17 Lease (collectively, the "Leased Property Amendment Provisions"), by the addition to such  
18 Leased Property of any City-owned and then-unencumbered property, in each case as  
19 determined by the Director of Public Finance and all as specified in the Supplement to  
20 Property Lease (collectively, the "Additional Leased Property"), and (ii) to provide for  
21 additional rental to be paid by the Trustee in connection with the financing of the Project and  
22 certain related matters and pursuant to which the City intends to lease to the Trustee the  
23 Prior Leased Property, as previously supplemented and as supplemented to include the  
24 Additional Leased Property, if any, as specified in the Supplement to Property Lease  
25 (collectively, the "Leased Property"); one or more supplements to the Original Project Lease

1 (each, a “Supplement to Project Lease”), supplementing and amending the Original Project  
2 Lease to supplement the Leased Property pursuant to the Leased Property Amendment  
3 Provisions, by the addition of all or a portion of the Additional Leased Property, if any, all as  
4 specified in the applicable Supplement or Supplements to Project Lease, and to provide for  
5 (i) the leasing of the Leased Property back to the City, (ii) the additional Base Rental to be  
6 paid by the City in connection with the issuance of the Certificates and the financing of the  
7 Project and (iii) certain related matters, with such additional changes to the Supplement to  
8 Property Lease and Supplement to Project Lease as shall be determined by the Director of  
9 Public Finance; a form of a purchase contract between the City and one or more initial  
10 purchasers of the Certificates (“Purchase Contract”); a Continuing Disclosure Certificate and  
11 certain other related documents.

12 (gg) The Certificates, when issued, will evidence direct undivided interests in the  
13 lease payments made by the City under the Original Project Lease, as previously  
14 supplemented and amended and as supplemented and amended by the Supplement or  
15 Supplements to Project Lease, on a parity basis with the outstanding 2019-R1 Certificates,  
16 2020-R1 Certificates and 2021A Certificates and any other Additional Certificates,  
17 authorized and issued pursuant to additional, respective, executed and delivered  
18 supplements to the Original Agreements, prior to the issuance of the Certificates.

19 (hh) The Board has been presented with the forms of certain documents and  
20 agreements referred to herein relating to the Certificates, and the Board has examined and  
21 is approving each such document and agreement and desires to authorize the execution of  
22 such documents and agreements and the consummation of such financing.

23 (ii) The Board has received from the City’s Office of Public Finance and disclosed  
24 to the public certain good faith estimates, as required by Section 5852.1 of the California  
25 Government Code, regarding certain costs relating to, the net proceeds of, and the debt

1 service cost of the proposed issuance of the Certificates, which estimated information has  
2 been provided by the City’s co-municipal advisors, KNN Public Finance, LLC and NHA  
3 Advisors, LLC, and which estimated information is based upon conditions that are subject to  
4 change prior to, on, or after the date of final adoption of this Ordinance, including prevailing  
5 market conditions.

6 (jj) Upon the effectiveness of this Ordinance, all conditions, things and acts  
7 required by law to exist, to happen and to be performed precedent to and as a condition of  
8 the execution and delivery of the Supplement or Supplements to Property Lease, the  
9 Supplement or Supplements to Project Lease, the Supplement or Supplements to Trust  
10 Agreement, the Purchase Contract(s), the Continuing Disclosure Certificate, the Official  
11 Statement (as defined herein) and the Certificates will exist, have happened and have been  
12 performed in due time, form and manner in accordance with applicable law, and the City  
13 shall be authorized pursuant to its Charter and other applicable law to execute and deliver  
14 each Supplement to Property Lease, each Supplement to Project Lease, the Purchase  
15 Contract(s), the Continuing Disclosure Certificate, each Supplement to Trust Agreement  
16 and the Official Statement and to cause the execution and delivery of the Certificates in the  
17 manner and form provided in this Ordinance.

18 (kk) The City has paid and expects to pay certain expenditures in connection with  
19 the Project to be financed by the Certificates prior to the execution and delivery of the  
20 Certificates, and the City intends to reimburse itself and to pay third parties for such prior  
21 expenditures from the proceeds of the Certificates.

22 (ll) Section 1.150-2 of the Treasury Regulations promulgated under the Internal  
23 Revenue Code of 1986, as amended (“Reimbursement Regulations”), requires the City to  
24 declare its reasonable official intent to reimburse prior expenditures with the proceeds of a  
25 subsequent borrowing.

1 (mm) The Reimbursement Regulations require that any reimbursement allocation of  
2 proceeds of the Certificates to be made with respect to expenditures incurred prior to the  
3 execution and delivery of the Certificates will occur not later than eighteen (18) months after  
4 the later of (i) the date on which the expenditure is paid or (ii) the date on which the facilities  
5 are placed in service, but in no event later than three (3) years after the expenditure is paid.

6 (nn) The adoption of this Ordinance constitutes authorization of the Certificates  
7 within the meaning of Section 864 of the California Code of Civil Procedure, as amended,  
8 and any Validation Act that is effective after this Ordinance takes effect.

9 Section 2. Findings and Determinations.

10 a. Findings. The Board hereby finds and determines that the recitals set forth  
11 above are true and correct.

12 b. Conditions Precedent. All conditions, things and acts required by law to exist, to  
13 happen and to be performed precedent to the execution and delivery of the Certificates exist,  
14 have happened and have been performed in due time, form and manner in accordance with  
15 applicable law, and the City is now authorized pursuant to its Charter and applicable law to  
16 incur indebtedness in the manner and form provided in this Ordinance.

17  
18 Section 3. File Documents. The documents presented to the Board and on file with the  
19 Clerk of the Board of Supervisors or his, her or their designee (collectively, the "Clerk") are  
20 contained in File No. 230370.

21  
22 Section 4. Authorization of the Certificates. The Board hereby authorizes and  
23 approves the execution and delivery of the Certificates in one or more series on a tax-exempt  
24 and/or taxable basis and on one or more delivery dates in accordance with the applicable  
25 Supplement to Trust Agreement. The proceeds of the Certificates will be used, together with

1 other available funds of the City, to (i) finance and/or refinance the Project, including through  
2 the retirement of certain commercial paper notes of the City issued therefor; (ii) fund a debt  
3 service or other similar reserve, as appropriate; and (iii) pay costs of issuance of the  
4 Certificates. The Certificates shall be designated as “City and County of San Francisco  
5 Certificates of Participation (Multiple Affordable Housing and Community Facilities Projects)”  
6 with such other or additional designations as to series and sub-series, tax-exempt and/or  
7 taxable status and the year of execution and delivery as determined by the Director of Public  
8 Finance”) or his, her or their designee.

9 (a) Certain Terms of the Certificates. The Certificates shall evidence an aggregate  
10 principal amount of not to exceed One Hundred and Forty Six Million Eight Hundred  
11 Thousand Dollars (\$146,800,000), and shall evidence interest at a true interest cost up to but  
12 not to exceed twelve percent (12%) per annum. The Certificates shall be subject to  
13 prepayment as set forth in the applicable Supplement to Project Lease and Supplement to  
14 Trust Agreement. The Director of Public Finance is hereby authorized, to the extent such  
15 officer deems it necessary or advisable and financially advantageous to the City, to procure  
16 credit enhancement for the Certificates, including but not limited to municipal bond insurance  
17 and/or a debt service reserve fund surety policy.

18 (b) Tax Status of the Certificates. The Director of Public Finance is hereby  
19 authorized, to the extent such officer deems it necessary or advisable and in the interests of  
20 the City, to cause the execution and delivery of the Certificates (i) with interest with respect  
21 thereto being exempt or not exempt from federal income tax, and (ii) under any federal tax law  
22 provisions which provide for federal grants or credits to the City or to investors in lieu of the  
23 exemption of interest from federal income tax.

24 (c) Approval of the Supplement to Trust Agreement. The form of a Supplement to  
25 Trust Agreement between the City and the Trustee, as presented to the Board, a copy of

1 which is on file with the Clerk, is hereby approved. The Mayor of the City (“Mayor”) or the  
2 City’s Controller (“Controller”) is hereby authorized, and each may select a designee who is  
3 authorized, to execute and deliver one or more Supplements to Trust Agreement in the form  
4 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City  
5 on such Supplement or Supplements to Trust Agreement, with such changes, additions and  
6 modifications as the Mayor or the Controller may make or approve in accordance with Section  
7 20 hereof.

8

9 Section 5. Approval of the Supplement to Property Lease. The form of a Supplement  
10 to Property Lease between the City and the Trustee, as presented to the Board, a copy of  
11 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby  
12 authorized, and each may select a designee who is authorized, to execute and deliver one or  
13 more Supplements to Property Lease in the form hereby approved, and the Clerk is hereby  
14 authorized to attest to and affix the seal of the City on such Supplement or Supplements to  
15 Property Lease, with such changes, additions and modifications as the Mayor or the  
16 Controller may make or approve in accordance with Section 20 hereof

17

18 Section 6. Approval of the Supplement to Project Lease. The form of a Supplement to  
19 Project Lease between the City and the Trustee, as presented to the Board, a copy of which is  
20 on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby authorized,  
21 and each may select a designee who is authorized, to execute and deliver one or more  
22 Supplements to Project Lease in the form hereby approved, and the Clerk is hereby  
23 authorized to attest to and affix the seal of the City on such Supplement or Supplements to  
24 Project Lease with such changes, additions and modifications as the Mayor or Controller may  
25 make or approve in accordance with Section 20 hereof; provided, however, that the maximum

1 Base Rental (as defined in the Project Lease) to be paid under such Supplement(s) to Project  
2 Lease in any fiscal year shall not exceed Nineteen Million Five Hundred Thousand Dollars  
3 (\$19,500,000) and the term of any Supplement to Project Lease shall not extend beyond the  
4 30th year following its date of execution, as such initial term may be extended in accordance  
5 with the Project Lease.

6

7 Section 7. Approval of the Leased Property and the Base Rental Payments. The Board  
8 hereby approves the leasing, pursuant to the terms of the Supplement to Property Lease and  
9 the Supplement to Project Lease, of all or a portion of the Leased Property, including as such  
10 Leased Property may be supplemented, as determined by the Director of Public Finance,  
11 pursuant to the applicable provisions of the Property Lease and the Project Lease. The Board  
12 also hereby approves the payment by the City of the Base Rental with respect thereto.

13

14 Section 8. Sale and Award of Certificates by Competitive Sale. In the event the  
15 Director of Public Finance determines to sell the Certificates by competitive sale, the Director  
16 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive  
17 bids for the purchase of the Certificates, and the Controller and the Director of Public Finance  
18 are each hereby authorized and directed to award the Certificates to the bidder whose bid  
19 represents the lowest true interest cost to the City, all in accordance with the procedures  
20 described in the Official Notice of Sale (as defined herein).

21

22 Section 9. Approval of Form of Official Notice of Sale. The form of an official notice of  
23 sale relating to the Certificates ("Official Notice of Sale"), as presented to this Board, a copy of  
24 which is on file with the Clerk, is hereby approved. The Controller or the Director of Public  
25 Finance is authorized to approve the distribution of an Official Notice of Sale for the

1 Certificates, with such changes, additions and modifications as such official may make or  
2 approve in accordance with Section 20 hereof.

3  
4 Section 10. Approval of Notice of Intention to Sell Relating to the Certificates. The form  
5 of a notice of intention to sell relating to the Certificates (“Notice of Intention to Sell”), as  
6 presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The  
7 Controller or the Director of Public Finance is hereby authorized to approve the publication of  
8 the Notice of Intention to Sell relating to the Certificates, with such changes, additions and  
9 modifications as such official may make or approve in accordance with Section 20 hereof.

10  
11 Section 11. Sale of Certificates by Negotiated Sale. If the Controller or the Director of  
12 Public Finance determines to sell the Certificates by negotiated sale, the Controller or the  
13 Director of Public Finance is hereby authorized, and each may select a designee who is  
14 authorized, to sell the Certificates by negotiated sale pursuant to one or more Purchase  
15 Contracts by and between the City and the underwriter or underwriters named therein;  
16 provided, however, that the underwriters’ discount under any such Purchase Contract shall  
17 not exceed one-half of one percent (0.5%) of the principal amount of the Certificates. The  
18 form of Purchase Contract, as presented to the Board, a copy of which is on file with the  
19 Clerk, is hereby approved.

20  
21 Section 12. Authorization to Appoint Underwriters. To accomplish the sale of the  
22 Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is  
23 hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the  
24 Certificates in accordance with City policies and procedures, including but not limited to the  
25

1 City's policy to provide locally disadvantaged business enterprises an equal opportunity to  
2 participate in the performance of all City contracts.

3

4 Section 13. Approval of the Official Statement in Preliminary and Final Form. The form  
5 of an official statement relating to the Certificates ("Official Statement"), as presented to this  
6 Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The  
7 Controller is hereby authorized to approve the preliminary Official Statement in substantially  
8 said form, with such changes, additions, modifications (including but not limited to the  
9 inclusion of the most current City financial information) or deletions as such official may make  
10 or approve in accordance with Section 20 hereof, and to deem the preliminary Official  
11 Statement final for purposes of the Rule 15c2-12 of the Securities and Exchange Act of 1934,  
12 as amended, to execute, and to designate the Director of Public Finance to execute in his, her  
13 or their stead, a certificate to that effect, and to cause the preliminary Official Statement to be  
14 delivered, in printed or electronic form, to potential purchasers of the Certificates, such  
15 approval to be conclusively evidenced by the delivery of said deemed-final certificate. The  
16 Controller is hereby further authorized and directed to sign and deliver the Official Statement  
17 in final form to purchasers of the Certificates.

18

19 Section 14. Approval of the Continuing Disclosure Certificate. The form of a Continuing  
20 Disclosure Certificate of the City relating to the Certificates, as presented to the Board, a copy  
21 of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public  
22 Finance is hereby authorized to execute the Continuing Disclosure Certificate, with such  
23 changes, additions, modifications or deletions as the Controller or the Director of Public  
24 Finance may approve upon consultation with the City Attorney; such approval to be  
25 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

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Section 15. Sale and Award of Certificates by Direct Placement. In the event the Director of Public Finance determines to sell the Certificates by direct placement, the Director of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids for the purchase of the Certificates, and the Controller is hereby authorized and directed to award the Certificates to the bidder whose bid represents the lowest true interest cost to the City.

Section 16. Authorization to Appoint Placement Agents. To accomplish the sale of the Certificates by direct placement, if applicable, the Controller or the Director of Public Finance is hereby authorized to appoint one or more financial institutions to act as placement agent(s) for the Certificates in accordance with City policies and procedures, including but not limited to the City’s policy to provide locally disadvantaged business enterprises an equal opportunity to participate in the performance of all City contracts.

Section 17. Reimbursement. The City declares its official intent to reimburse prior expenditures of the City incurred prior to the execution and delivery of the Certificates in connection with the Project or portions thereof with the proceeds of the Certificates. The Board of Supervisors declares the City’s intent to reimburse the City with the proceeds of the Certificates for the expenditures with respect to the Project (“Expenditures” and each, an “Expenditure”) made on and after that date that is no more than 60 days prior to adoption of this Ordinance. The City reasonably expects on the date of adoption of this Ordinance that it will reimburse the Expenditures with the proceeds of the Certificates.

1           Section 18. Terms of Reimbursement. Each Expenditure was and will be either (a) of a  
2 type properly chargeable to a capital account under general federal income tax principles  
3 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with  
4 respect to the Certificates, (c) a nonrecurring item that is not customarily payable from current  
5 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such  
6 grant does not impose any obligation or condition (directly or indirectly) to repay any amount  
7 to or for the benefit of the City. The maximum aggregate principal amount of the Certificates  
8 expected to be executed and delivered for the Project is \$146,800,000. The City shall make a  
9 reimbursement allocation, which is a written allocation by the City that evidences the City's  
10 use of proceeds of the Certificates to reimburse an Expenditure, no later than 18 months after  
11 the later of the date on which the Expenditure is paid or the Project is placed in service or  
12 abandoned, but in no event more than three (3) years after the date on which the Expenditure  
13 is paid. The City recognizes that exceptions are available for certain "preliminary  
14 expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers"  
15 (based on the year of issuance and not the year of expenditure) and expenditures for  
16 construction projects of at least five (5) years.

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18           Section 19. General Authority. The Mayor, the Treasurer, the City Attorney, the  
19 Controller, the City Administrator, the Director of Public Finance, the Clerk and other officers  
20 of the City and their duly authorized deputies, designees and agents are hereby authorized  
21 and directed, jointly and severally, to take such actions and to execute and deliver such  
22 certificates, agreements, requests or other documents as they may deem necessary or  
23 desirable to accomplish the purposes of this Ordinance, including but not limited to the  
24 execution and delivery of any Supplement to Property Lease, any Supplement to Project  
25 Lease, any Supplement to Trust Agreement, the Official Statement, one or more Purchase

1 Contracts, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance  
2 or other credit enhancements and/or a surety policy with respect to the Certificates, to obtain  
3 title insurance, to clear any encumbrances to title and to carry out other title work. Any such  
4 actions are solely intended to further the purposes of this Ordinance and are subject in all  
5 respects to the terms of this Ordinance. No such actions shall increase the risk to the City or  
6 require the City to spend any resources not otherwise granted herein. Final versions of any  
7 such documents shall be provided to the Clerk for inclusion in the official file within 30 days of  
8 execution (or as soon thereafter as final documents are available) by all parties.

9  
10 Section 20. Modifications, Changes and Additions. The Mayor, the Treasurer, the  
11 Controller and the Director of Public Finance each are hereby authorized, and each may  
12 select a designee who is authorized, to make such modifications, changes and additions to  
13 the documents and agreements approved hereby, upon consultation with the City Attorney, as  
14 may be necessary or desirable and in the interests of the City, and which changes do not  
15 materially increase the City's obligations or reduce its rights thereunder or hereunder. The  
16 respective official's approval of such modifications, changes and additions shall be  
17 conclusively evidenced by the execution and delivery by such official and the Clerk of the  
18 applicable Supplement to Property Lease, Supplement to Project Lease and Supplement to  
19 Trust Agreement, one or more Purchase Contracts or any of the other documents approved in  
20 this Ordinance. Any such actions are solely intended to further the purposes of this Ordinance  
21 and are subject in all respects to the terms of this Ordinance. No such actions shall increase  
22 the risk to the City or require the City to spend any resources not otherwise granted herein.  
23 Final versions of any such documents shall be provided to the Clerk for inclusion in the official  
24 file within 30 days (or as soon thereafter as final documents are available) of execution by all  
25 parties.

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Section 21. Partial Invalidity. Any provision of this Ordinance found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Ordinance.

Section 22. Effective Date. This Ordinance shall take effect immediately.

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Section 23. Ratification of Prior Actions. All actions authorized consistent with any documents presented herein and approved by this Ordinance but heretofore taken are hereby ratified, approved and confirmed by the Board.

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

By: /s/ MARK D. BLAKE  
MARK D. BLAKE  
Deputy City Attorney

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