

1 [San Francisco Finance Corporation Refunding Lease Revenue Bonds (Library Projects)]

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3 **Ordinance approving the issuance and sale of refunding lease revenue bonds by the**
4 **City and County of San Francisco Finance Corporation (the “Corporation”) to refinance**
5 **lease revenue bonds previously issued to finance various projects under the Branch**
6 **Library Improvement Program, as further described herein; approving the form of a**
7 **First Amendment to Facilities Lease by and between the Corporation and the City and**
8 **County of San Francisco (the “City”) relating to certain real property described herein;**
9 **approving the form of a First Amendment to Master Lease by and between the**
10 **Corporation and the City; approving the form of a First Supplemental Trust Agreement**
11 **by and between the Corporation and a trustee (including certain indemnities contained**
12 **therein); approving the form of an Assignment Agreement by and between the**
13 **Corporation and a trustee; authorizing the sale of the refunding lease revenue bonds**
14 **by competitive or negotiated sale; approving the form of an Official Notice of Sale and**
15 **a Notice of Intention to Sell the refunding lease revenue bonds; directing the**
16 **publication of the Notice of Intention to Sell the refunding lease revenue bonds;**
17 **approving the form of a Purchase Contract and authorizing the appointment of one or**
18 **more underwriters for the refunding lease revenue bonds; approving the form of an**
19 **Official Statement in preliminary and final form; approving the form of a Continuing**
20 **Disclosure Certificate; authorizing the payment of costs of issuance; granting general**
21 **authority to City officials to take certain actions in connection with the refunding lease**
22 **revenue bonds, as defined herein; approving modifications to documents; and ratifying**
23 **previous actions taken in connection therewith, as defined herein.**

24 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
25 **Additions to Codes** are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in ~~strikethrough~~ Arial font.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco (the “Board”) hereby finds and declares as follows:

A. On November 6, 2007, the voters of the City and County of San Francisco (the “City”) approved Proposition 0, which extended the Library Preservation Fund (the “Fund”), as codified in Section 16.109 of the City’s Charter (the “Charter”), and authorized the Board to issue revenue bonds or other evidences of indebtedness, or to incur lease financing or other obligations, payable from the Fund and any available funds pledged or appropriated by the Board for such purpose, the proceeds of which are to be used for the purposes set forth in Section 16.109(d) of the Charter; and,

B. The City and County of San Francisco Finance Corporation (the “Corporation”), a California nonprofit public benefit corporation, has been formed among other purposes to facilitate lease financings for the City; and,

C. By resolution adopted on October 2, 2008, the San Francisco Public Library Commission (the “Library Commission”) previously requested that the City, acting through the Corporation, issue a series of lease revenue bonds and, with the approval of this Board and the Mayor of the City, the Corporation has previously issued, in accordance with Charter Section 16.109(d), its \$34,265,000 principal amount of Lease Revenue Bonds, Series 2009A (Branch Library Improvement Program) (the “Series 2009A Bonds”) to finance the acquisition, construction, reconstruction, rehabilitation and/or improvement of real property and/or facilities operated by the San Francisco Public Library (the “Library”) for Library purposes and for the purchase of equipment relating to such real property and/or facilities (the “2009 Project”); and

1 D. At the present time, \$27,030,000 principal amount of such Series 2009A Bonds
2 remain outstanding and are subject to optional redemption in whole or in part on any date
3 commencing June 15, 2018, and such outstanding amount of such bonds are referred to in
4 this Ordinance as the “Refunded Bonds”; and

5 E. By resolution adopted April 21, 2016 (the “Library Commission Resolution 2016-
6 01”), the Library Commission has requested that the Board authorize the issuance of a series
7 of refunding lease revenue bonds by the Corporation to redeem and refund the Refunded
8 Bonds and to refinance the 2009 Project; and,

9 F. In order to refinance the costs of the 2009 Project, the Board now desires to
10 authorize the issuance and sale of refunding lease revenue bonds (the “Bonds”) by the
11 Corporation pursuant to Section 16.109 of the Charter and in accordance with Section
12 9.108(2) of the Charter, which refunding Bonds are expected to result in net debt service
13 savings to the Corporation and to the City on a present value basis of at least 3% of the par
14 value of the Refunded Bonds on a net present value basis, using the True Interest Cost (or
15 “TIC,” as defined in the Debt Policy of the City (the “Debt Policy”) of the Bonds as the discount
16 rate; and,

17 G. The Board has selected certain City-owned facilities and property(ies) under the
18 jurisdiction of the Library (as set forth and further described in Section 4, below, the
19 “Property”) for purposes of leasing in connection with the issuance and sale of the Bonds;
20 and,

21 H. Pursuant to a First Amendment to Facilities Lease between the City and the
22 Corporation (the “First Amendment to Facilities Lease” and, together with the Facilities Lease,
23 dated as of March 1, 2009, by and between the City as lessor and the Corporation as lessee
24 (the form of which having been previously approved by ordinance of this Board), the “Facilities
25 Lease”), the City shall lease certain City-owned facilities and property (as further described in

1 Section 4, below, the “Facilities”) to the Corporation, and the Corporation shall make an
2 advance rental payment to the City from the proceeds of the Bonds; and,

3 I. Pursuant to a First Supplemental Trust Agreement between the Corporation and
4 U.S. Bank National Association, as Trustee (together with Master Trust Agreement, dated as
5 of March 1, 2009, by and between the Corporation and U.S. Bank National Association as
6 successor Trustee (the form of which having been previously approved by ordinance of this
7 Board), the “Trust Agreement”), the Corporation shall issue the Bonds and use a portion of the
8 proceeds thereof to make an advance rental payment to the City under the Facilities Lease,
9 which the City will in turn use to prepay its payment obligations under the Original Master
10 Lease (defined below); and,

11 J. Pursuant to a First Amendment to Master Lease between the Corporation and
12 the City (the “First Amendment to Lease” and, together with the Master Lease, dated as of
13 March 1, 2009 (the “Original Master Lease”), by and between the City as lessee and the
14 Corporation as lessor (the form of which having been previously approved by ordinance of this
15 Board), the “Lease”), the Corporation shall lease back the Facilities to the City, and the City
16 shall make certain periodic rental payments to the Corporation; and,

17 K. Pursuant to an Assignment Agreement (the “Assignment Agreement”), between
18 the Corporation and the Trustee, the Corporation shall assign to the Trustee its right to
19 receive such periodic rental payments in order to provide funds to repay the Bonds; and,

20 L. In connection with the sale of the Bonds, the City will enter into a Continuing
21 Disclosure Certificate (the “Continuing Disclosure Certificate”) and certain other related
22 agreements; and,

23 M. As delegated to the Director of Public Finance herein, the sale of the Bonds will
24 be conducted either by negotiated sale pursuant to a Purchase Contract by and among the
25 Corporation, the City and one or more underwriters (the “Purchase Contract”), or by

1 competitive sale in accordance with the terms of an Official Notice of Sale (the “Official Notice
2 of Sale”), in which case the competitive sale will be publicized by means of a Notice of
3 Intention to Sell Bonds (the “Notice of Intention”).

4 Section 2. Recitals. All of the recitals herein are true and correct.

5 Section 3. Approval of the Bonds. The Board hereby approves the issuance and
6 sale of the Bonds by the Corporation in accordance with the Trust Agreement and the
7 redemption and refunding of the Refunded Bonds, subject to the provisions of Section 18 of
8 this Ordinance. The Bonds shall be comprised of, and designated as, the “City and County of
9 San Francisco Finance Corporation Refunding Lease Revenue Bonds, Series 2018B (Branch
10 Library Improvement Program)” or such other designation as determined by the Director of
11 Public Finance of the City or her designee (together with the Director of Public Finance of the
12 City, the “Director of Public Finance”). The Director of Public Finance is hereby authorized to
13 approve the sale date, the manner of sale, the maturity dates, the redemption provisions and
14 all other terms of the Bonds, subject to the following additional limitations: the Bonds shall be
15 in an aggregate principal amount not to exceed \$26,530,000 and shall bear interest at a rate
16 not to exceed twelve percent (12%) per annum.

17 Section 4. Asset Transfer; Description of Property. The execution of the Bonds and
18 lease financing hereby approved may involve the lease and leaseback by the City of all or any
19 portion of the Main Library, 100 Larkin Street, San Francisco, California, and any other real
20 property of the City to be used for library purposes.

21 Section 5. Approval of the Form of First Amendment to Facilities Lease. The form of
22 the First Amendment to Facilities Lease, as presented to this Board, a copy of which is on file
23 with the Clerk of the Board, is hereby approved. The Mayor of the City, or his designee
24 (together with the Mayor of the City, the “Mayor”), is hereby authorized to execute the First
25 Amendment to Facilities Lease, and the Clerk of the Board is hereby authorized to attest to

1 such execution of the First Amendment to Facilities Lease, with such changes, additions,
2 modifications or deletions as the Mayor may make or approve in accordance with Section 18
3 hereof.

4 Section 6. Approval of the Form of First Amendment to Lease. The form of the First
5 Amendment to Lease, as presented to this Board, a copy of which is on file with the Clerk of
6 the Board, is hereby approved. The Mayor is hereby authorized to execute the First
7 Amendment to Lease, and the Clerk of the Board is hereby authorized to attest to such
8 execution of the First Amendment to Lease, with such changes, additions, modifications or
9 deletions as the Mayor may make or approve in accordance with Section 18 hereof, provided
10 however, that the maximum base rental in connection with the Bonds scheduled to be paid
11 under the Lease in any fiscal year shall not exceed \$26,530,000 and the term of the Lease
12 shall not be longer than 36 years, except as such date may be extended by future ordinance.

13 Section 7. Approval of the Form of First Supplemental Trust Agreement. The form of
14 the First Supplemental Trust Agreement, as presented to this Board, a copy of which is on file
15 with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute
16 the First Supplemental Trust Agreement, and the Clerk of the Board is hereby authorized to
17 attest to such execution of the First Supplemental Trust Agreement, with such changes,
18 additions, modifications or deletions as the Mayor may make or approve in accordance with
19 Section 18 hereof.

20 Section 8. Approval of the form of Assignment Agreement. The form of the
21 Assignment Agreement, as presented to this Board, a copy of which is on file with the Clerk of
22 the Board, is hereby approved. The Mayor is hereby authorized to execute the Assignment
23 Agreement, and the Clerk of the Board is hereby authorized to attest to such execution of the
24 Assignment Agreement, with such changes, additions, modifications or deletions as the Mayor
25 may make or approve in accordance with Section 18 hereof.

1 Section 9. Sale of Bonds by Competitive or Negotiated Sale. The Board authorizes
2 the sale of the Bonds by solicitation of competitive bids or by negotiated sale to one or more
3 underwriters to be appointed in accordance with City policies, if so determined by the Director
4 of Public Finance.

5 Section 10. Approval of the Form of Official Notice of Sale; Authorization for
6 Competitive Sale; Authorization to Award Bonds. The form of the Official Notice of Sale, as
7 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
8 approved. The Director of Public Finance is hereby authorized to approve the distribution of
9 the Official Notice of Sale, with such changes, additions, modifications or deletions as the
10 Director of Public Finance may approve upon consultation with the City Attorney; such
11 approval to be conclusively evidenced by the distribution of the Official Notice of Sale to
12 potential purchasers of the Bonds. The Director of Public Finance is hereby authorized to sell
13 the Bonds by competitive sale if the Director of Public Finance determines that such manner
14 of sale is in the best interest of the City, such determination to be conclusively evidenced by
15 the receipt of bids and the award of the Bonds in accordance with the Official Notice of Sale. If
16 the Director of Public Finance determines to sell the Bonds by competitive sale, the Director of
17 Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids
18 for the purchase of the Bonds, and the President of the Corporation or the Chief Financial
19 Officer of the Corporation is each hereby authorized to award the Bonds in accordance with
20 the procedures described in the Official Notice of Sale; provided, that the Bonds shall be
21 issued and sold only if the Director of Public Finance determines that the sale of the Bonds
22 complies with the debt service savings requirement of the City's Debt Policy, such
23 determination to be conclusively evidenced by the award of the Bonds to the purchaser
24 thereof in accordance with the terms and conditions set forth in the Official Notice of Sale.

25 Section 11. Approval of the Form of Notice of Intention to Sell the Bonds. The form of

1 the Notice of Intention, as presented to this Board, a copy of which is on file with the Clerk of
2 the Board, is hereby approved. The Director of Public Finance is hereby authorized to
3 approve the publication of the Notice of Intention to Sell, with such changes, additions,
4 modifications or deletions as the Director of Public Finance may approve upon consultation
5 with the City Attorney; such approval to be conclusively evidenced by the publication of the
6 Notice of Intention to Sell.

7 Section 12. Official Statement. The form of Preliminary Official Statement related to
8 the Bonds is hereby approved with such changes, additions, amendments or modifications
9 made in accordance with Section 13 hereof. The Director of Public Finance is hereby
10 authorized to approve the distribution of the preliminary Official Statement in substantially said
11 form, with such changes, additions, modifications or deletions as the Director of Public
12 Finance may approve upon consultation with the City Attorney and Disclosure Counsel to the
13 City; such approval to be conclusively evidenced by the distribution of the preliminary Official
14 Statement to potential bidders for or purchasers of the Bonds. The Controller is hereby
15 authorized to cause the distribution of the Revised Preliminary Official Statement in
16 connection with the Bonds, deemed final for purposes of Rule 15c2-12 of the Securities and
17 Exchange Act of 1934, as amended, and to sign a certificate to that effect. The Controller is
18 hereby further authorized and directed to prepare and sign a final Official Statement for the
19 Bonds. The Co-Municipal Advisors to the City, under the direction of the Director of Public
20 Finance, are hereby authorized and directed to cause to be printed and mailed, or distributed
21 electronically, to prospective bidders or purchasers, as appropriate, for the Bonds, copies of
22 the Preliminary Official Statement and the final Official Statement relating to the Bonds.

23 Section 13. Modifications to Preliminary Official Statement. The Controller is further
24 authorized, in consultation with the City Attorney, to approve and make such changes,
25 additions, amendments or modifications to the Preliminary Official Statement or the final

1 Official Statement described in Section 12 as may be necessary or advisable. The approval
2 of any change, addition, amendment or modification to the Revised Preliminary Official
3 Statement or the final Official Statement shall be evidenced conclusively by the distribution of
4 the preliminary Official Statement to potential bidders for or purchasers of the Bonds and the
5 execution and delivery of the final Official Statement.

6 Section 14 .Authorization for Negotiated Sale; Authorization to Select Underwriters;
7 Approval of the Form of Purchase Contract. The Director of Public Finance is hereby
8 authorized to sell the Bonds by negotiated sale pursuant to a purchase contract, if the Director
9 of Public Finance determines that such manner of sale is in the best interest of the City, such
10 determination to be conclusively evidenced by the execution and delivery of a purchase
11 contract for the Bonds. The Director of Public Finance is hereby authorized and directed to
12 appoint one or more investment banking firms to act as underwriters of the Bonds in
13 accordance with City policies and procedures, including, but not limited to, the City's policy to
14 provide locally disadvantaged minority business enterprises and women enterprises an equal
15 opportunity to participate in the performance of all City contracts. The form of the Purchase
16 Contract, among the City, the Corporation and one or more underwriters selected by the
17 Director of Public Finance, as presented to this Board, a copy of which is on file with the Clerk
18 of the Board, is hereby approved. If the Director of Public Finance determines to sell the
19 Bonds by negotiated sale, the Director of Public Finance is hereby authorized to execute the
20 Purchase Contract, with such changes, additions, modifications or deletions as the Director of
21 Public Finance may approve upon consultation with the City Attorney, such approval to be
22 conclusively evidenced by the execution and delivery of the Purchase Contract.

23 Section 15. Approval of the Form of Continuing Disclosure Certificate. The form of the
24 Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is on
25 file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to

1 execute the Continuing Disclosure Certificate, with such changes, additions, modifications or
2 deletions as the Controller may approve upon consultation with the City Attorney; such
3 approval to be conclusively evidenced by the execution and delivery of the Continuing
4 Disclosure Certificate.

5 Section 16. Payment of Cost of Issuance. The Board hereby authorizes the
6 expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of
7 issuance incurred in connection with the issuance and sale of the Bonds.

8 Section 17. General Authority. The Mayor, the City Attorney, the Controller, the
9 Director of Public Finance, the City Librarian, the Director of Real Estate, the Clerk of the
10 Board and other officers of the City and their duly authorized deputies and agents are hereby
11 authorized and directed, jointly and severally, to take such actions and to execute and deliver
12 such certificates, agreements, requests or other documents, as they may deem necessary or
13 desirable to facilitate the issuance, sale and delivery of the Bonds, to obtain title and other
14 insurance with respect to the Facilities, and otherwise to carry out the provisions of this
15 Ordinance.

16 Section 18. Modifications, Changes and Additions. The Mayor is hereby authorized to
17 approve and make such modifications, changes, additions or deletions to the Facilities Lease
18 or the Lease or to any of the documents approved herein, upon consultation with the City
19 Attorney, as may be necessary or desirable in the interests of the City, and which changes do
20 not materially increase the obligations of the City thereunder. The Mayor's approval of such
21 modifications, changes, additions or deletions shall be conclusively evidenced by the
22 execution and delivery by the Mayor and the Clerk of the Board of the First Amendment to
23 Facilities Lease, the First Amendment to Lease, the First Supplemental Trust Agreement or
24 any of the documents approved herein. Any such actions are solely intended to further the
25 purposes of this Ordinance and are subject in all respects to the terms of this Ordinance. No

1 such actions shall increase the risk to the City or require the City to spend any resources not
2 otherwise granted herein. Final versions of any such documents shall be provided to the Clerk
3 of the Board for inclusion in the official file within 30 days (or as soon thereafter as final
4 documents are available) of execution by all parties.

5 Section 19. Ratification of Prior Actions. All actions authorized and directed by this
6 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

7 Section 20. File Documents. All documents referred to as on file with the Clerk of the
8 Board are in File No. [_____].

9 Section 21. Immediate Effect. Pursuant to Section 2.105 of the Charter, this
10 Ordinance shall take effect immediately following the date of passage.

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

14
15 By: _____
16 Kenneth David Roux
17 Deputy City Attorney
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