

FILE NO. 992155

ORDINANCE NO. 23-00

1 [General Obligation Bond Accountability Reports]

2 AMENDING PART I OF THE SAN FRANCISCO MUNICIPAL CODE (THE SAN FRANCISCO  
3 ADMINISTRATIVE CODE) BY ADDING ARTICLE VIII, SECTIONS 2.70 THROUGH 2.74 TO  
4 CHAPTER 2 TO PROVIDE A PROCEDURE FOR SUBMISSION OF GENERAL  
5 OBLIGATION BOND ACCOUNTABILITY REPORTS AND SPECIFYING THE CONTENT OF  
6 SAID REPORTS.

7 NOTE: This Article is new.

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

9 Section 1. FINDINGS. The Board of Supervisors of the City and County of San  
10 Francisco hereby finds and declares as follows:

- 11 A. The City currently has approximately 908 million dollars of outstanding general  
12 obligation bonds.
- 13 B. The City currently has voter approval to issue approximately 810 million dollars  
14 of additional general obligation bonds.
- 15 C. The Charter limits the amount of outstanding general obligation bonds to 3% of  
16 the assessed value of all taxable real and personal property located in the City.  
17 For the fiscal year 1999-2000, that limit is approximately 2.1 billion dollars.
- 18 D. The City currently has no mechanism in place to ensure that comprehensive  
19 reports on how general obligation bond funds are actually expended are  
20 available to interested parties in a timely and understandable manner.

21 Section 2. Part I of the San Francisco Municipal Code (the San Francisco  
22 Administrative Code) is hereby amended by adding Article VIII, Sections 2.70 through 2.74 to  
23 Chapter 2, to read as follows:

24 SEC. 2.70 DEFINITIONS. For purposes of this Article, the following terms shall  
25 have the meanings given below:

SUPERVISOR YEE  
BOARD OF SUPERVISORS

- 1 (a) The term "accountability report" shall mean any report pertaining to the  
2 expenditure of general obligation bond proceeds required by this Article.
- 3 (b) The term "Board" shall mean the Board of Supervisors of the City.
- 4 (c) The term "bonds" shall mean general obligation bonds.
- 5 (d) The term "bond proceeds" shall be determined in accordance with the  
6 legislation authorizing the sale and issuance of particular general obligation  
7 bonds.
- 8 (e) The term "Budget Analyst" shall mean the budget analyst for the Board or any  
9 successor to that position.
- 10 (f) The term "Charter" shall mean the Charter of the City.
- 11 (g) The term "City" shall mean the City and County of San Francisco.
- 12 (h) The term "Clerk" shall mean the Clerk of the Board of Supervisors of the City.
- 13 (i) The term "Controller" shall mean the Controller of the City.
- 14 (j) The term "Director of Public Finance" shall mean the Director of the Mayor's  
15 Office of Public Finance or any successor to that position.
- 16 (k) The term "expended" shall mean an actual current outlay of cash for the project  
17 which shall not include the appropriation of bond proceeds or contractual  
18 encumbrances.
- 19 (i) The term "governmental entity" shall mean any department of the City, public  
20 district, corporation, public agency or public authority which has received  
21 proceeds of bonds by appropriation of the Board.
- 22 (j) The term "project" shall mean the objects and purposes specified in the general  
23 obligation bond proposition pursuant to which the bonds were issued.
- 24 (k) The term "project line item" shall mean any portion of the project identified by  
25 line item in any accountability report or proposed expenditure report.

1 (l) The term "proposed expenditure report" shall mean any estimate or projection  
2 for the expenditure of bond proceeds prepared by a governmental entity prior to  
3 the issuance of the bonds and/or the appropriation of bond proceeds.

4 (m) The term "Treasurer" shall mean the Treasurer of the City.

5 SECTION 2.71 CONDITIONS FOR SUBMISSION OF BOND ACCOUNTABILITY  
6 REPORT.

7 (a) Each governmental entity to which bond proceeds were appropriated by the  
8 Board shall be required to submit a report in the form required by Section 2.72  
9 within sixty (60) days after the date that all of such appropriated bond proceeds  
10 have been expended. A governmental entity which is not part of the City shall  
11 be required, prior to the appropriation of bond proceeds, by the City to submit all  
12 such required reports. Multiple appropriations may be combined into a single  
13 accountability report.

14 (b) If no report has been filed pursuant to paragraph (a) by the date which is three  
15 (3) years after the issuance of any general obligation bonds, the Controller shall  
16 request that any governmental entity to which such bond proceeds were  
17 appropriated submit a report in the form required by Section 2.72 within 60 days  
18 from the date of the request. Any accountability report filed pursuant to this  
19 paragraph (b) shall be in addition to the accountability report required pursuant  
20 to paragraph (a).

21 (c) If any portion of the bonds authorized for a project have been issued, the  
22 governmental entity to which such bond proceeds were appropriated shall  
23 submit a report in the form required by Section 2.72 prior to approval of the sale  
24 of any subsequent series of bonds for the same project. Any report filed  
25

1           pursuant to this paragraph (c) shall be in addition to the reports required  
2           pursuant to paragraphs (a) and (b).

3           (d) Any accountability report shall be subject to the reallocation provisions of federal  
4           tax law relating to the bonds.

5           (e) The Board may waive the requirement for any accountability report by  
6           resolution.

7           SEC. 2.72   CONTENTS OF BOND ACCOUNTABILITY REPORT.   Each report  
8           required to be submitted pursuant to this Article shall be submitted to the Treasurer, the  
9           Controller, the Clerk of the Board, the Budget Analyst and the Director of Public Finance and  
10          generally shall contain the following information:

11          (a) A certification from an authorized officer of the governmental entity that the  
12          information contained in the accountability report is true and correct.

13          (b) The cumulative amount of bond proceeds expended on the project and the  
14          cumulative amount of bond proceeds available for the project.

15          (c) A brief description of each project line item for which bond proceeds have been  
16          expended. Project line items shall be described in the same manner as in any  
17          proposed expenditure report or, if no proposed expenditure report was made, in  
18          as much detail as practicable.

19          (d) The amount of bond proceeds expended on each project line item. If applicable,  
20          such report shall also include an estimate of the amount of bond proceeds  
21          remaining to be spent on each project line item.

22          (e) Identification of completed and uncompleted project line items.

23          (f) The status of each uncompleted project line item.

24          (g) Identification of any project line item not included in a proposed expenditure  
25          report.

1 (h) Identification of any project line item included in a proposed expenditure report  
2 for which bond proceeds will not be used.

3 (i) An explanation for project line items identified in paragraphs (f) and (g).

4 SEC. 2.73. VALIDITY OF THE BONDS. The validity of the authorization and issuance  
5 of any bonds is not dependent on and shall not be affected in any way by any failure by the  
6 City to require, or any failure by a governmental entity to file, any accountability report  
7 required by this Article.

8 SEC. 2.74. CONSTRUCTION. The powers conferred by the provisions of this Article  
9 are in addition to and supplemental to the powers conferred by the Charter or any other  
10 ordinance or law.

11  
12 APPROVED AS TO FORM:

13 LOUISE H. RENNE, City Attorney

14  
15 By: 

16 DAVE ANGELO SANCHEZ  
17 Deputy City Attorney  
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# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails

## Ordinance

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File Number: 992155

Date Passed:

Ordinance amending Administrative Code by adding Article VIII, Sections 2.70 through 2.74 to Chapter 2 to provide a procedure for submission of general obligation bond accountability reports and specifying the content of said reports.

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January 31, 2000 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

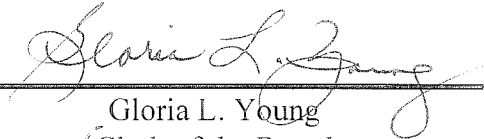
February 7, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Ammiano, Becerril, Bierman, Brown, Kaufman, Leno, Newsom, Teng, Yaki, Yee

Absent: 1 - Katz

File No. 992155

I hereby certify that the foregoing Ordinance  
was FINALLY PASSED on February 7, 2000  
by the Board of Supervisors of the City and  
County of San Francisco.

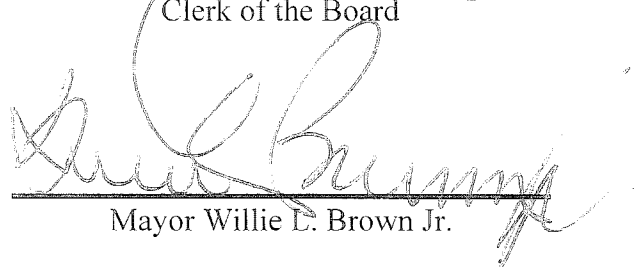


Gloria L. Young  
Clerk of the Board

FEB 18 2000

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Date Approved



Mayor Willie L. Brown Jr.