

1 [Authorizing Refunding Certificates of Participation, Series 2023-R1 - Multiple Capital
2 Improvement Projects - Not to Exceed \$275,000,000]

3 **Ordinance authorizing the execution and delivery of refunding Certificates of**
4 **Participation, in one or more series from time to time (“Certificates”), in an aggregate**
5 **amount not to exceed \$275,000,000 to prepay certain certificates of participation that**
6 **financed and refinanced various capital improvement projects within the City and**
7 **County of San Francisco (“City”); approving the form of a Supplement to Trust**
8 **Agreement between the City and U.S. Bank Trust Company, National Association (as**
9 **successor-in-interest to U.S. Bank National Association), as trustee (“Trustee”)**
10 **(including certain indemnities contained therein); approving respective forms of a**
11 **Supplement to Property Lease and a Supplement to Project Lease, each between the**
12 **City and the Trustee, for the lease and lease back of all or a portion of certain real**
13 **property and improvements owned by the City and located at 375 Laguna Honda**
14 **Boulevard within the City, at 1 Moreland Drive, San Bruno, California, and/or any other**
15 **property as shall be determined by the City’s Director of Public Finance; approving the**
16 **form of Escrow Agreement (including certain indemnities contained therein), between**
17 **the City and U.S. Bank Trust Company, National Association, as escrow agent**
18 **(“Escrow Agent”); approving the form of an Official Notice of Sale and a Notice of**
19 **Intention to Sell the Certificates; approving the form of an Official Statement in**
20 **preliminary and final form; approving the form of a purchase contract between the City**
21 **and one or more initial purchasers of the Certificates; approving the form of a**
22 **Continuing Disclosure Certificate; granting general authority to City officials to take**
23 **necessary actions in connection with the authorization, sale, execution and delivery of**
24 **the Certificates; approving modifications to documents; and ratifying previous actions**
25 **taken in connection therewith, as defined herein.**

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

Section 1. Background.

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

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

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

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

(e) The Original Trust Agreement provides for the issuance of additional certificates of participation by the execution and delivery of a supplement to the Original Trust Agreement, and authorizes the principal and interest with respect to said certificates

1 of participation to be secured by a supplement to the Original Property Lease and to be paid
2 from amounts paid by the City under a supplement to the Original Project Lease.

3 (f) The City subsequently caused the execution and delivery of the City and
4 County of San Francisco Certificates of Participation, Series 2009B (Multiple Capital
5 Improvement Projects) (“2009B Certificates” and, together with the 2009A Certificates,
6 “2009 Certificates”) pursuant to a First Supplement to Trust Agreement, dated as of
7 September 1, 2009 (“First Supplement to Trust Agreement”), supplementing the Original
8 Trust Agreement.

9 (g) In connection therewith, the City and the Trustee have previously entered into
10 a First Supplement to Property Lease, dated as of September 1, 2009 (“First Supplement to
11 Property Lease”), supplementing the Original Property Lease.

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

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

18 (j) The City subsequently caused the execution and delivery of the City and
19 County of San Francisco Certificates of Participation, Series 2012A (Multiple Capital
20 Improvement Projects) (“2012A Certificates”), in order to provide funds for certain street
21 improvements of the City, pursuant to a Second Supplement to Trust Agreement, dated as
22 of June 1, 2012 (“Second Supplement to Trust Agreement”), supplementing the Original
23 Trust Agreement.

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

4 (l) In connection therewith, the City and the Trustee have previously entered into
5 a Second Supplement to Project Lease, dated as of June 1, 2012 (“Second Supplement to
6 Project Lease”), supplementing the Original Project Lease.

7 (m) The 2012A Certificates evidence direct undivided interests in the lease
8 payments made by the City under the Original Project Lease, as supplemented by the First
9 Supplement to Project Lease and Second Supplement to Project Lease, on a parity basis
10 with the 2009 Certificates.

11 (n) A portion of the 2012A Certificates currently remain outstanding and unpaid
12 and may be prepaid and retired by the City upon meeting certain conditions (“Refunded
13 2012A Certificates”).

14 (o) The City subsequently caused the execution and delivery of the City and
15 County of San Francisco Refunding Certificates of Participation, Series 2019-R1 (Multiple
16 Capital Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third Supplement to
17 Trust Agreement, dated as of November 1, 2019 (“Third Supplement to Trust Agreement”),
18 supplementing the Original Trust Agreement, which 2019-R1 Certificates were issued to
19 prepay all of the then-outstanding 2009 Certificates.

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

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

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

5 (s) The City subsequently caused the execution and delivery of the City and
6 County of San Francisco Refunding Certificates of Participation, Series 2020-R1 (Multiple
7 Capital Improvement Projects) ("2020-R1 Certificates") pursuant to a Fourth Supplement to
8 Trust Agreement, dated as of November 1, 2020 ("Fourth Supplement to Trust Agreement"),
9 supplementing the Original Trust Agreement, which 2020-R1 Certificates were issued to
10 prepay all of the then-outstanding City and County of San Francisco Refunding Certificates
11 of Participation, Series 2010A ("2010A Certificates") issued pursuant to that certain Trust
12 Agreement, dated as of September 1, 2010 ("2010A Trust Agreement"), by and between the
13 City and the City and U.S. Bank National Association, as successor trustee ("2010A
14 Trustee").

15 (t) The City's prepayment of all of the 2010A Certificates permitted the City to
16 terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease between the City
17 and the 2010A Trustee, dated as of September 1, 2010 ("2010A Property Lease"), pursuant
18 to which the City had leased certain City-owned real property located at 1 Moreland Drive,
19 San Bruno, California and all improvements thereon, generally known as the San Bruno
20 Complex ("San Bruno Complex Property") to the 2010A Trustee, and (iii) that certain Project
21 Lease between the City and the 2010A Trustee, dated as of September 1, 2010 ("2010A
22 Project Lease"), pursuant to which the 2010A Trustee had leased the San Bruno Complex
23 Property back to the City, which termination of the 2010A Trust Agreement, 2010A Property
24 Lease and 2010A Project Lease caused the San Bruno Complex Property to then be
25 unencumbered and vest in the City.

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

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

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

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

21 (y) In connection therewith, the City and the Trustee have previously entered into
22 a Fifth Supplement to Property Lease, dated as of May 1, 2021 (“Fifth Supplement to
23 Property Lease”), supplementing and amending the Original Property Lease, including to
24 add the improvements on the Laguna Honda Hospital campus generally known as the
25 South Residence building and the land associated therewith (collectively, the “South

1 Residence”) to the Leased Property subject thereto, as authorized by the City’s Ordinance
2 No. 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019.

3 (z) In connection therewith, the City and the Trustee have previously entered into
4 a Fifth Supplement to Project Lease, dated as of May 1, 2021 (“Fifth Supplement to Project
5 Lease”), supplementing and amending the Original Project Lease, including to add the
6 South Residence to the Leased Property subject thereto, as authorized by the City’s
7 Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of October 11,
8 2019.

9 (aa) The 2021A Certificates evidence direct undivided interests in the lease
10 payments made by the City under the Original Project Lease, as supplemented by the First
11 Supplement to Project Lease, the Second Supplement to Project Lease, the Third
12 Supplement to Project Lease, the Fourth Supplement to Project Lease and the Fifth
13 Supplement to Project Lease, on a parity basis with the 2012A Certificates, the 2019-R1
14 Certificates and the 2020-R1 Certificates.

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

19 (cc) The City, pursuant to its Ordinance No. 61-16, approved as of April 27, 2016;
20 pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of
21 October 11, 2019; pursuant to its Ordinance No. 281-19, approved as of December 20,
22 2019; pursuant to its Ordinance No. 222-20, approved as of November 6, 2020; pursuant to
23 its Ordinance No. 123-21, approved as of August 4, 2021; and pursuant to its Ordinance
24 No. 183-2022, approved as of August 4, 2022, has authorized (i) the expansion of the
25 Leased Property subject to the Original Property Lease, as previously supplemented, and to

1 the Original Project Lease, as previously supplemented, pursuant to additional supplements
2 to such Original Property Lease and Original Project Lease to be executed and delivered in
3 the future, to include the entire campus of Laguna Honda Hospital (except for the portion
4 thereof generally known as the City's Juvenile Detention Center), and (ii) the execution and
5 delivery of additional certificates of participation of the City, pursuant to additional
6 supplements to the Original Trust Agreement, as previously supplemented, to be executed
7 and delivered in the future, to finance various projects of the City in an aggregate principal
8 amount of up to \$623,680,000 (collectively, "Additional Certificates for Projects") and when
9 issued, to be secured and payable on a parity basis with the 2012A Certificates, the 2019-
10 R1 Certificates, the 2020-R1 Certificates, the 2021A Certificates and any Certificates herein
11 authorized, which supplements to the Original Property Lease, Original Project Lease and
12 Original Trust Agreement may be executed and delivered and which Additional Certificates
13 for Projects may be issued, in whole or in part, on a tax-exempt and/or taxable basis, prior
14 to, on, or after the date of the adoption of this Ordinance.

15 (dd) The City and U.S. Bank National Association, as trustee (as succeeded by
16 U.S. Bank Trust Company, National Association, "2014-R2 Trustee"), have previously
17 entered into a Facilities Lease, dated as of April 1, 2014 ("2014-R2 Facilities Lease"),
18 pursuant to which the City has leased certain City-owned real property located on the
19 Laguna Honda Hospital campus within the City, having the address 375 Woodside Avenue
20 and generally known as the City's Juvenile Detention Center, and all improvements thereon
21 ("2014-R2 Leased Property") to the 2014-R2 Trustee.

22 (ee) The 2014-R2 Trustee and the City have previously entered into a Lease
23 Agreement, dated as of April 1, 2014 ("2014-R2 Lease Agreement"), pursuant to which the
24 2014-R2 Trustee has leased the 2014-R2 Leased Property back to the City.

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1 (ff) The City previously caused the execution and delivery of the City and County
2 of San Francisco Refunding Certificates of Participation, Series 2014-R2 (Juvenile Hall
3 Project) (“2014-R2 Certificates”) pursuant to a Trust Agreement, dated as of April 1, 2014,
4 by and between the City and the 2014-R2 Trustee (“2014-R2 Trust Agreement” and,
5 together with the 2014-R2 Facilities Lease and the 2014-R2 Lease Agreement, the “2014-
6 R2 Agreements”).

7 (gg) The 2014-R2 Certificates evidence direct undivided interests in the lease
8 payments made by the City under the 2014-R2 Lease Agreement.

9 (hh) A portion of the 2014-R2 Certificates currently remain outstanding and unpaid
10 and may be prepaid and retired by the City upon meeting certain conditions (“Refunded
11 2014-R2 Certificates”).

12 (ii) The City and U.S. Bank National Association, as trustee (as succeeded by
13 U.S. Bank Trust Company, National Association, “2015AB Trustee”), have previously
14 entered into a Property Lease, dated as of July 1, 2015 (“2015AB Property Lease”),
15 pursuant to which the City has leased certain City-owned real property located at 401 Van
16 Ness Avenue within the City, generally known as the War Memorial Veterans Building, and
17 all improvements thereon (“2015AB Leased Property”) to the 2015AB Trustee.

18 (jj) The 2015AB Trustee and the City have previously entered into a Project
19 Lease, dated as of July 1, 2015 (“2015AB Project Lease”), pursuant to which the 2015AB
20 Trustee has leased the 2015AB Leased Property back to the City.

21 (kk) The City previously caused the execution and delivery of the (i) City and
22 County of San Francisco Certificates of Participation, Series 2015A (Tax-Exempt) (War
23 Memorial Veterans Building Seismic Upgrade and Improvements) (“2015A Certificates”) and
24 (ii) City and County of San Francisco Certificates of Participation, Series 2015B (Federally
25 Taxable) (War Memorial Veterans Building Seismic Upgrade and Improvements) (“2015B

1 Certificates”), each pursuant to a Trust Agreement, dated as of July 1, 2015, by and
2 between the City and the 2015AB Trustee (“2015AB Trust Agreement” and, together with
3 the 2015AB Facilities Lease and the 2015AB Lease Agreement, the “2015AB
4 Agreements”).

5 (ll) The 2015A Certificates evidence direct undivided interests in a proportional
6 amount of the lease payments made by the City under the 2015AB Lease Agreement.

7 (mm) A portion of the 2015A Certificates currently remain outstanding and unpaid
8 and may be prepaid and retired by the City upon meeting certain conditions (“Refunded
9 2015A Certificates”).

10 (nn) The City and U.S. Bank National Association, as trustee (as succeeded by
11 U.S. Bank Trust Company, National Association, “2015-R1 Trustee”), have previously
12 entered into a Facilities Lease, dated as of October 1, 2015 (“2015-R1 Facilities Lease”),
13 pursuant to which the City has leased certain City-owned real property located at One
14 South Van Ness Avenue within the City and all improvements thereon (“2015-R1 Leased
15 Property”) to the 2015-R1 Trustee.

16 (oo) The 2015-R1 Trustee and the City have previously entered into a Lease
17 Agreement, dated as of October 1, 2015 (“2015-R1 Lease Agreement”), pursuant to which
18 the 2015-R1 Trustee has leased the 2015-R1 Leased Property back to the City.

19 (pp) The City previously caused the execution and delivery of the City and County
20 of San Francisco Refunding Certificates of Participation, Series 2015-R1 (City Office
21 Buildings – Multiple Properties Project) (“2015-R1 Certificates”) pursuant to a Trust
22 Agreement, dated as of October 1, 2015, by and between the City and the 2015-R1 Trustee
23 (“2015-R1 Trust Agreement” and, together with the 2015-R1 Facilities Lease and the 2015-
24 R1 Lease Agreement, the “2015-R1 Agreements”).

1 (qq) The 2015-R1 Certificates evidence direct undivided interests in the lease
2 payments made by the City under the 2015-R1 Lease Agreement.

3 (rr) A portion of the 2015-R1 Certificates currently remain outstanding and unpaid
4 and may be prepaid and retired by the City upon meeting certain conditions (“Refunded
5 2015-R1 Certificates” and, together with the Refunded 2012-A Certificates, the Refunded
6 2014-R2 Certificates and the Refunded 2015A Certificates, the “Refunded Certificates”).

7 (ss) The Board of Supervisors (“Board of Supervisors” or “Board”) of the City
8 desires to provide for the prepayment, in whole or in any part, of the Refunded Certificates
9 through the execution and delivery of one or more additional series of certificates of
10 participation (as further defined herein, “Certificates”) therefor.

11 (tt) Chapter 43, Article VIII, Section 43.8.1 of the San Francisco Administrative
12 Code (“Administrative Code”) provides that the policy of the City is to permit the refunding of
13 outstanding lease obligations of the City whenever such refunding shall result in net debt
14 service savings to the City pursuant to the procedure set forth in such Article as well as by
15 any other method permitted by law or other ordinance of the Board.

16 (uu) Upon the payment and discharge of the Refunded 2012A Certificates as
17 provided in Section 11.01(a) of the Original Trust Agreement, as supplemented and
18 amended to the date of such payment and discharge, all obligations of the Trustee and the
19 City under such Trust Agreement with respect to the Refunded 2012A Certificates shall
20 cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid
21 to the owners thereof all sums due with respect to the Refunded 2012A Certificates and to
22 register, transfer and exchange the Refunded 2012A Certificates pursuant to Sections 2.05
23 and 2.06 of such Trust Agreement, (ii) the obligation of the City to pay the amounts owing to
24 the Trustee under Section 6.06 of such Trust Agreement, and (iii) the obligation of the City
25 to comply with Sections 4.16 and 8.06 of such Trust Agreement relating to arbitrage rebate.

1 (vv) The term of the 2014-R2 Lease Agreement shall end on such date as the
2 Refunded 2014-R2 Certificates and all other amounts due under the 2014-R2 Lease
3 Agreement and under the 2014-R2 Trust Agreement shall have been paid or provision for
4 their payment shall have been made in accordance with Section 11.01(a) of the 2014-R2
5 Trust Agreement, and, upon the termination of the 2014-R2 Lease Agreement (other than as
6 provided in Section 6 or Section 13 thereof), all of the 2014-R2 Trustee's right, title and
7 interest with respect to the 2014-R2 Leased Property, and any improvements thereon or
8 additions thereto, shall be transferred directly to the City or, at the option of the City, to any
9 assignee or nominee of the City, in accordance with the provisions of the 2014-R2 Lease
10 Agreement, free and clear of any interest of the 2014-R2 Trustee, and upon such
11 termination, the 2014-R2 Trustee shall execute such conveyances, deeds and other
12 documents as may be necessary to effect such vesting of record.

13 (ww) The term of the 2014-R2 Facilities Lease shall end on the date of the
14 termination of the 2014-R2 Lease Agreement, and upon termination of the 2014-R2
15 Facilities Lease, all of the 2014-R2 Trustee's interest in the 2014-R2 Leased Property shall
16 vest with the City.

17 (xx) Upon the payment and discharge of the Refunded 2014-R2 Certificates as
18 provided in Section 11.01(a) of the 2014-R2 Trust Agreement, all obligations of the 2014-R2
19 Trustee and the City under the 2014-R2 Trust Agreement with respect to the Refunded
20 2014-R2 Certificates shall cease and terminate, except only (i) the obligation of the 2014-R2
21 Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the
22 Refunded 2014-R2 Certificates and to register, transfer and exchange the Refunded 2014-
23 R2 Certificates pursuant to Sections 2.05 and 2.06 of the 2014-R2 Trust Agreement, (ii) the
24 obligation of the City to pay the amounts owing to the 2014-R2 Trustee under Section 6.06
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1 of the 2014-R2 Trust Agreement, and (iii) the obligation of the City to comply with Sections
2 4.16 and 8.06 of the 2014-R2 Trust Agreement relating to arbitrage rebate.

3 (yy) Upon the payment and discharge of the Refunded 2015A Certificates as
4 provided in Section 11.01(a) of the 2015A Trust Agreement, all obligations of the 2015A
5 Trustee and the City under the 2015A Trust Agreement with respect to the Refunded 2015A
6 Certificates shall cease and terminate, except only (i) the obligation of the 2015A Trustee to
7 pay or cause to be paid to the owners thereof all sums due with respect to the Refunded
8 2015A Certificates and to register, transfer and exchange the Refunded 2015A Certificates
9 pursuant to Sections 2.05 and 2.06 of the 2015A Trust Agreement, (ii) the obligation of the
10 City to pay the amounts owing to the 2015A Trustee under Section 6.06 of the 2015A Trust
11 Agreement, and (iii) the obligation of the City to comply with Sections 4.16 and 8.06 of the
12 2015A Trust Agreement relating to arbitrage rebate.

13 (zz) The term of the 2015-R1 Lease Agreement shall end on such date as the
14 Refunded 2015-R1 Certificates and all other amounts due under the 2015-R1 Lease
15 Agreement and under the 2015-R1 Trust Agreement shall have been paid or provision for
16 their payment shall have been made in accordance with Section 11.01(a) of the 2015-R1
17 Trust Agreement, and, upon the termination of the 2015-R1 Lease Agreement (other than as
18 provided in Section 6 or Section 13 thereof), all of the 2015-R1 Trustee's right, title and
19 interest with respect to the 2015-R1 Leased Property, and any improvements thereon or
20 additions thereto, shall be transferred directly to the City or, at the option of the City, to any
21 assignee or nominee of the City, in accordance with the provisions of the 2015-R1 Lease
22 Agreement, free and clear of any interest of the 2015-R1 Trustee, and upon such
23 termination, the 2015-R1 Trustee shall execute such conveyances, deeds and other
24 documents as may be necessary to effect such vesting of record.

1 (aaa) The term of the 2015-R1 Facilities Lease shall end on the date of the
2 termination of the 2015-R1 Lease Agreement, and upon termination of the 2015-R1
3 Facilities Lease, all of the 2015-R1 Trustee's interest in the 2015-R1 Leased Property shall
4 vest with the City.

5 (bbb) Upon the payment and discharge of the Refunded 2015-R1 Certificates as
6 provided in Section 11.01(a) of the 2015-R1 Trust Agreement, all obligations of the 2015-R1
7 Trustee and the City under the 2015-R1 Trust Agreement with respect to the Refunded
8 2015-R1 Certificates shall cease and terminate, except only (i) the obligation of the 2015-R1
9 Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the
10 Refunded 2015-R1 Certificates and to register, transfer and exchange the Refunded 2015-
11 R1 Certificates pursuant to Sections 2.05 and 2.06 of the 2015-R1 Trust Agreement, (ii) the
12 obligation of the City to pay the amounts owing to the 2015-R1 Trustee under Section 6.06
13 of the 2015-R1 Trust Agreement, and (iii) the obligation of the City to comply with Sections
14 4.16 and 8.06 of the 2015-R1 Trust Agreement relating to arbitrage rebate.

15 (ccc) The Certificates will be executed and delivered in one or more series, from
16 time to time, pursuant to one or more supplements to the Original Trust Agreement (each, a
17 "Supplement to Trust Agreement"), by and between the City and the Trustee,
18 supplementing the Original Trust Agreement.

19 (ddd) In connection with the execution and delivery of the Certificates, the Board
20 desires to cause the execution of one or more supplements to the Original Property Lease
21 (each, a "Supplement to Property Lease"), supplementing and amending the Original
22 Property Lease (i) if determined to be necessary and advisable by the City Controller's
23 (defined below) Director of Public Finance ("Director of Public Finance"), to supplement the
24 Leased Property (defined below), pursuant to Section 18 of the Original Property Lease,
25 Section 7.02 of the Original Trust Agreement and Sections 16 and 20 of the Original Project

1 Lease (collectively, the “Leased Property Amendment Provisions”), by the addition to such
2 Leased Property of all or a portion of any other then-unencumbered City property as shall
3 be determined by the Director of Public Finance, all as specified in the Supplement to
4 Property Lease (if any, “Additional Leased Property”), and (ii) to provide for additional rental
5 to be paid by the Trustee in connection with the prepayment of the Refunded Certificates
6 and certain related matters and pursuant to which the City intends to lease to the Trustee
7 the Prior Leased Property, as previously supplemented and as supplemented to include the
8 Additional Leased Property, if any, as specified in the applicable Supplement or
9 Supplements to Property Lease (collectively, “Leased Property”); one or more supplements
10 to the Original Project Lease (each, a “Supplement to Project Lease”), supplementing and
11 amending the Original Project Lease to supplement the Leased Property pursuant to the
12 Leased Property Amendment Provisions, by the addition of all or a portion of the Additional
13 Leased Property, all as specified in the applicable Supplement or Supplements to Project
14 Lease, and to provide for (i) the leasing of such Leased Property back to the City, (ii) the
15 additional or adjusted Base Rental to be paid by the City in connection with the issuance of
16 the Certificates and the prepayment of the Refunded Certificates and (iii) certain related
17 matters, with such additional changes to the Supplement to Property Lease and
18 Supplement to Project Lease as shall be determined by the Director of Public Finance; a
19 form of Escrow Agreement (“Escrow Agreement”), between the City and U.S. Bank Trust
20 Company, National Association, as escrow agent (“Escrow Agent”); a form of a purchase
21 contract between the City and one or more initial purchasers of the Certificates (“Purchase
22 Contract”); a Continuing Disclosure Certificate and certain other related documents.

23 (eee) The Certificates, when issued, will evidence direct undivided interests in the
24 lease payments made by the City under the Original Project Lease, as previously
25 supplemented and amended and as supplemented and amended by the Supplement or

1 Supplements to Project Lease, on a parity basis with the outstanding 2019-R1 Certificates,
2 2020-R1 Certificates and 2021A Certificates and any other Additional Certificates
3 authorized and issued pursuant to additional, respective, executed and delivered
4 supplements to the Original Agreements, prior to the issuance of the Certificates.

5 (fff) The Board has been presented with the forms of certain documents and
6 agreements referred to herein relating to the Certificates, and the Board has examined and
7 is approving each such document and agreement and desires to authorize the execution of
8 such documents and agreements and the consummation of such financing.

9 (ggg) The Board has received from the City's Office of Public Finance and disclosed
10 to the public certain good faith estimates, as required by Section 5852.1 of the California
11 Government Code, regarding certain costs relating to, the net proceeds of, and the debt
12 service cost of the proposed issuance of the Certificates, which estimated information has
13 been provided by the City's co-municipal advisors, KNN Public Finance, LLC and NHA
14 Advisors, LLC, and which estimated information is based upon conditions that are subject to
15 change prior to, on, or after the date of final adoption of this Ordinance, including prevailing
16 market conditions and the City's ability to refinance the Refunded Certificates on a tax-
17 exempt basis.

18 (hhh) Upon the effectiveness of this Ordinance, all conditions, things and acts
19 required by law to exist, to happen and to be performed precedent to and as a condition of
20 the execution and delivery of the Supplement or Supplements to Property Lease, the
21 Supplement or Supplements to Project Lease, the Supplement or Supplements to Trust
22 Agreement, the Escrow Agreement(s), the Purchase Contract, the Continuing Disclosure
23 Certificate, the Official Statement (as defined herein) and the Certificates will exist, have
24 happened and have been performed in due time, form and manner in accordance with
25 applicable law, and the City shall be authorized pursuant to its charter ("Charter") and other

1 applicable law to execute and deliver each Supplement to Property Lease, each
2 Supplement to Project Lease, the Escrow Agreement(s), the Purchase Contract, the
3 Continuing Disclosure Certificate, each Supplement to Trust Agreement and the Official
4 Statement and to cause the execution and delivery of the Certificates in the manner and
5 form provided in this Ordinance.

6 (iii) 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

10 Section 2. Findings and Determinations.

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

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

18

19 Section 3. File Documents. The documents presented to the Board and on file with the
20 Clerk of the Board of Supervisors or his, her or their designee (collectively, the "Clerk") are
21 contained in File No. 230369.

22

23 Section 4. Authorization of the Certificates. The Board hereby authorizes and
24 approves the execution and delivery of the Certificates in one or more series and on one or
25 more delivery dates in accordance with the applicable Supplement to Trust Agreement. The

1 proceeds of the Certificates will be used, together with other available funds of the City, to
2 (i) prepay all or any portion of the Refunded Certificates, as determined by the Director of
3 Public Finance, including the payment of any interest accrued on the principal amounts
4 thereof through the date of payment; (ii) fund a debt service or other similar reserve, as
5 appropriate; and (iii) pay costs of issuance of the Certificates. The Certificates shall be
6 designated as “City and County of San Francisco Refunding Certificates of Participation,
7 Series 2023-R1 (Multiple Capital Improvement Projects)” with such other or additional
8 designations as to series and sub-series and the year of execution and delivery as determined
9 by the Director of Public Finance or his, her or their designee.

10 (a) Certain Terms of the Certificates. The Certificates shall result in net debt service
11 savings to the City of not less than three percent (3%) calculated pursuant to the procedure set
12 forth in Chapter 43, Article VIII of the Administrative Code or by any other method permitted by
13 law or other ordinance of the Board. The Certificates shall be subject to prepayment as set
14 forth in the applicable Supplement to Project Lease and Supplement to Trust Agreement. The
15 Director of Public Finance is hereby authorized, to the extent such officer deems it necessary
16 or advisable and financially advantageous to the City, to procure credit enhancement for the
17 Certificates, including but not limited to municipal bond insurance and/or a debt service
18 reserve fund surety policy.

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

25 (c) Approval of the Supplement to Trust Agreement. The form of a Supplement to

1 Trust Agreement between the City and the Trustee, as presented to the Board, a copy of
2 which is on file with the Clerk, is hereby approved. The Mayor of the City (“Mayor”) or the
3 City’s Controller (“Controller”) is hereby authorized, and each may select a designee who is
4 authorized, to execute and deliver one or more Supplements to Trust Agreement in the form
5 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City
6 on such Supplement or Supplements to Trust Agreement, with such changes, additions and
7 modifications as the Mayor or the Controller may make or approve in accordance with Section
8 19 hereof.

9

10 Section 5. Approval of the Supplement to Property Lease. The form of a Supplement
11 to Property Lease between the City and the Trustee, as presented to the Board, a copy of
12 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby
13 authorized, and each may select a designee who is authorized, to execute and deliver one or
14 more Supplements to Property Lease in the form hereby approved, and the Clerk is hereby
15 authorized to attest to and affix the seal of the City on such Supplement or Supplements to
16 Property Lease, with such changes, additions and modifications as the Mayor or the
17 Controller may make or approve in accordance with Section 19 hereof.

18

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

1 make or approve in accordance with Section 19 hereof.

2
3 Section 7. Approval of the Leased Property and the Base Rental Payments. The Board
4 hereby approves the leasing, pursuant to the terms of the Supplement to Property Lease and
5 the Supplement to Project Lease, of all or a portion of the Leased Property, including as such
6 Leased Property may be supplemented, as determined by the Director of Public Finance,
7 pursuant to the applicable provisions of the Property Lease and the Project Lease. The Board
8 also hereby approves the payment by the City of the Base Rental with respect thereto.

9 Section 8. Approval of the Escrow Agreement. The form of Escrow Agreement
10 between the City and the Escrow Agent, as presented to this Board, a copy of which is on file
11 with the Clerk of the Board, is hereby approved. The Mayor, the Controller or the Director of
12 Public Finance is hereby authorized to execute each Escrow Agreement, with such changes,
13 additions and modifications as the Mayor, the Controller or the Director of Public Finance may
14 make or approve in accordance with Section 19 hereof.

15
16 Section 9. Sale and Award of Certificates by Competitive Sale. In the event the
17 Director of Public Finance determines to sell the Certificates by competitive sale, the Director
18 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
19 bids for the purchase of the Certificates, and the Controller and the Director of Public Finance
20 are each hereby authorized and directed to award the Certificates to the bidder whose bid
21 represents the lowest true interest cost to the City, all in accordance with the procedures
22 described in the Official Notice of Sale (as defined herein).

23
24 Section 10. Approval of Form of Official Notice of Sale. The form of an official notice of
25 sale relating to the Certificates (“Official Notice of Sale”), as presented to this Board, a copy of

1 which is on file with the Clerk, is hereby approved. The Controller or the Director of Public
2 Finance is authorized to approve the distribution of an Official Notice of Sale for the
3 Certificates, with such changes, additions and modifications as such official may make or
4 approve in accordance with Section 19 hereof.

5
6 Section 11. Approval of Notice of Intention to Sell Relating to the Certificates. The form
7 of a notice of intention to sell relating to the Certificates (“Notice of Intention to Sell”), as
8 presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The
9 Controller or the Director of Public Finance is hereby authorized to approve the publication of
10 the Notice of Intention to Sell relating to the Certificates, with such changes, additions and
11 modifications as such official may make or approve in accordance with Section 19 hereof.

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

22
23 Section 13. Authorization to Appoint Underwriters. To accomplish the sale of the
24 Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is
25 hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the

1 Certificates in accordance with City policies and procedures, including but not limited to the
2 City's policy to provide locally disadvantaged business enterprises an equal opportunity to
3 participate in the performance of all City contracts.
4

5 Section 14. Approval of the Official Statement in Preliminary and Final Form. The form
6 of an official statement relating to the Certificates ("Official Statement"), as presented to this
7 Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The
8 Controller is hereby authorized to approve the preliminary Official Statement in substantially
9 said form, with such changes, additions, modifications (including but not limited to the
10 inclusion of the most current City financial information) or deletions as such official may make
11 or approve in accordance with Section 19 hereof, and to deem the preliminary Official
12 Statement final for purposes of the Rule 15c2-12 of the Securities and Exchange Act of 1934,
13 as amended, to execute, and to designate the Director of Public Finance to execute in his, her
14 or their stead, a certificate to that effect, and to cause the preliminary Official Statement to be
15 delivered, in printed or electronic form, to potential purchasers of the Certificates, such
16 approval to be conclusively evidenced by the delivery of said deemed-final certificate. The
17 Controller is hereby further authorized and directed to sign and deliver the Official Statement
18 in final form to purchasers of the Certificates.
19

20 Section 15. Approval of the Continuing Disclosure Certificate. The form of a Continuing
21 Disclosure Certificate of the City relating to the Certificates, as presented to the Board, a copy
22 of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public
23 Finance is hereby authorized to execute the Continuing Disclosure Certificate, with such
24 changes, additions, modifications or deletions as the Controller or the Director of Public
25 Finance may approve upon consultation with the City Attorney; such approval to be

1 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

2
3 Section 16. Sale and Award of Certificates by Direct Placement. In the event the
4 Director of Public Finance determines to sell the Certificates by direct placement, the Director
5 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive
6 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed
7 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the
8 City.

9
10 Section 17. Authorization to Appoint Placement Agents. To accomplish the sale of the
11 Certificates by direct placement, if applicable, the Controller or the Director of Public Finance
12 is hereby authorized to appoint one or more financial institutions to act as placement agent(s)
13 for the Certificates in accordance with City policies and procedures, including but not limited to
14 the City’s policy to provide locally disadvantaged business enterprises an equal opportunity to
15 participate in the performance of all City contracts.

16
17 Section 18. General Authority. The Mayor, the Treasurer, the City Attorney, the
18 Controller, the City Administrator, the Director of Public Finance, the Clerk and other officers
19 of the City and their duly authorized deputies, designees and agents are hereby authorized
20 and directed, jointly and severally, to take such actions and to execute and deliver such
21 certificates, agreements, requests or other documents as they may deem necessary or
22 desirable to accomplish the purposes of this Ordinance, including but not limited to the
23 execution and delivery of any Supplement to Property Lease, any Supplement to Project
24 Lease, any Supplement to Trust Agreement, the Official Statement, one or more Purchase
25 Contracts, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance

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

8
9 Section 19. Modifications, Changes and Additions. The Mayor, the Treasurer, the
10 Controller and the Director of Public Finance each are hereby authorized, and each may
11 select a designee who is authorized, to make such modifications, changes and additions to
12 the documents and agreements approved hereby, upon consultation with the City Attorney, as
13 may be necessary or desirable and in the interests of the City, and which changes do not
14 materially increase the City's obligations or reduce its rights thereunder or hereunder. The
15 respective official's approval of such modifications, changes and additions shall be
16 conclusively evidenced by the execution and delivery by such official and the Clerk of the
17 applicable Supplement to Property Lease, Supplement to Project Lease and Supplement to
18 Trust Agreement, one or more Purchase Contracts or any of the other documents approved in
19 this Ordinance. Any such actions are solely intended to further the purposes of this Ordinance
20 and are subject in all respects to the terms of this Ordinance. No such actions shall increase
21 the risk to the City or require the City to spend any resources not otherwise granted herein.
22 Final versions of any such documents shall be provided to the Clerk for inclusion in the official
23 file within 30 days (or as soon thereafter as final documents are available) of execution by all
24 parties.

1 Section 20. Partial Invalidity. Any provision of this Ordinance found to be prohibited by
2 law shall be ineffective only to the extent of such prohibition, and shall not invalidate the
3 remainder of this Ordinance.

4
5 Section 21. Effective Date. This Ordinance shall take effect immediately.

6
7 Section 22. Ratification of Prior Actions. All actions authorized consistent with any
8 documents presented herein and approved by this Ordinance but heretofore taken are hereby
9 ratified, approved and confirmed by the Board.

10
11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

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

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