

1 [Issuance of General Obligation Bonds - Transportation and Road Improvement Bonds, 2014
2 - Not to Exceed \$500,000,000]

3 **Resolution providing for the issuance of not to exceed \$500,000,000 aggregate**
4 **principal amount of City and County of San Francisco General Obligation Bonds**
5 **(Transportation and Road Improvement Bonds, 2014); authorizing the execution,**
6 **authentication, and registration of said bonds; providing for the levy of a tax to pay the**
7 **principal and interest thereof; providing for the appointment of depositories and other**
8 **agents for said bonds; providing for the establishment of accounts related thereto;**
9 **ratifying certain actions previously taken, as defined herein; and granting general**
10 **authority to City officials to take necessary actions in connection with the**
11 **authorization, issuance, sale, and delivery of said bonds, as defined herein.**

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14 WHEREAS, By Resolution No. 228-14 adopted by the Board of Supervisors (the
15 “Board”) of the City and County of San Francisco (the “City”) on July 8, 2014 and signed by
16 the Mayor of the City (the “Mayor”) on July 18, 2014, it was determined and declared that
17 public interest and necessity demands the acquisition, construction and improvement of
18 street, transportation and related infrastructure therein described (the “Project”); and,

19 WHEREAS, By Ordinance No. 148-14 passed by the Board on July 15, 2014, and
20 signed by the Mayor on July 24, 2014 (the “Bond Ordinance”), the Board duly called a special
21 election to be held on November 4, 2014 (the “Bond Election”), for the purpose of submitting
22 to the electors of the City a proposition to incur bonded indebtedness in the amount of
23 \$500,000,000 to finance the Project; and

1 WHEREAS, A special election was held in the City on November 4, 2014 for the
2 purpose of submitting to the qualified voters of the City said proposition, designated as
3 Proposition A (“2014 Proposition A”) as follows:

4 “SAN FRANCISCO TRANSPORTATION AND ROAD IMPROVEMENT BOND. To construct,
5 redesign and rebuild streets and sidewalks and to make infrastructure repairs and
6 improvements that increase MUNI service reliability, ease traffic congestion, reduce vehicle
7 travel times, enhance pedestrian and bicycle safety, and improve disabled access, shall the
8 City and County of San Francisco issue \$500 million in general obligation bonds, subject to
9 independent citizen oversight and regular audits?”, and such proposition was approved by not
10 less than a two-thirds vote of the qualified electors of the City voting on such proposition; and

11 WHEREAS, This Board has determined, and does hereby declare that it is necessary
12 and desirable that all of said bonds designated generally as “City and County of San
13 Francisco General Obligation Bonds (Transportation and Road Improvements Bonds, 2014)”
14 (the “Bonds”) (each series of such Bonds to bear such additional or other designation as may
15 be necessary or appropriate to distinguish such series from every other series and from other
16 bonds issued by the City) in the aggregate principal amount of \$500,000,000, be issued and
17 sold in series, from time to time, for the purposes authorized and on the conditions set forth in
18 this Resolution; and,

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

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

24 WHEREAS, Pursuant to Section 9.106 of the Charter, there shall be delivered a
25 certificate of a duly authorized officer of the City, concurrently with the issuance of each series

1 of Bonds, except for any series of Bonds issued to refund any bond anticipation notes issued
2 in anticipation of the issuance of such series of Bonds, stating that the outstanding general
3 obligation bond indebtedness of the City, including all series of the Bonds issued and to be
4 issued and outstanding on the date of delivery of such series, will not exceed three percent of
5 the assessed value of all taxable real and personal property located within the City.

6 NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the City and
7 County of San Francisco, as follows:

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

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

15 Section 3. Issuance of the Bonds. The Board hereby authorizes the issuance and
16 sale of \$500,000,000 aggregate principal amount of the Bonds. The Bonds may be sold in
17 one or more series (each series of such Bonds to bear such additional or other designation as
18 may be necessary or appropriate to distinguish such series from every other series and from
19 other bonds issued by the City), as the Board shall determine, and shall be sold in accordance
20 with law, as such law may from time to time be amended, supplemented or revised, and on
21 the terms and conditions approved by the Board in this Resolution, as supplemented by such
22 other resolution or resolutions relating to such series of Bonds and as provided in the
23 resolution of the Board authorizing and directing the sale of each series of the Bonds (each, a
24 "Sale Resolution"). The offering and sale of the Bonds may be aggregated with the offering
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1 and sale of other general obligation bonds being issued by the City, as authorized from time to
2 time by the Board.

3 Section 4. Execution and Authentication. The Sale Resolution for each series of
4 Bonds shall set forth the form of such Bond, with such necessary or appropriate variations,
5 omissions and insertions as may be permitted by such resolution. "CUSIP" identification
6 numbers may be imprinted on Bonds, but such numbers shall not constitute a part of the
7 contract evidenced by the Bonds and any error or omission with respect thereto shall not
8 constitute cause for refusal of any purchaser to accept delivery of and to pay for the Bonds.
9 In addition, failure on the part of the City to use such CUSIP numbers in any notice to owners
10 of the Bonds shall not constitute an event of default or any violation of the City's contract with
11 such owners and shall not impair the effectiveness of any such notice.

12 The Bonds shall be signed by the Mayor of the City and countersigned by the Clerk of
13 the Board. All signatures hereinbefore referred to may be facsimile or manual. The Treasurer
14 of the City (the "City Treasurer") shall authenticate the Bonds by manual signature, and when
15 so executed and authenticated, the Clerk of the Board shall deliver the Bonds to or for the
16 account of the purchasers in exchange for the purchase price thereof.

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

21 Section 5. Transfer or Exchange and Registration of Bonds. Any Bond may be
22 transferred or exchanged in accordance with its terms and the Sale Resolution authorizing its
23 sale. Each Bond shall be registered in accordance with the Sale Resolution authorizing its
24 sale.

1 Section 6. General Redemption Provisions. The terms of redemption (whether
2 optional redemption or mandatory redemption), if any, of any series of Bonds and the manner
3 prescribed for notice of any redemption of such series of Bonds shall be set forth in the Sale
4 Resolution authorizing the sale of the Bonds to be redeemed.

5 Each Sale Resolution authorizing the sale of each series of Bonds shall provide that
6 the City Treasurer shall establish a Redemption Account for such series of Bonds and shall
7 further provide for the deposit and application of moneys in such Redemption Account.

8 Section 7. Tax Levy. For the purpose of paying the principal of and interest on the
9 Bonds, the Board at the time of fixing the general tax levy shall fix, and in the manner
10 provided for such general tax levy, levy and collect annually until the Bonds are paid, or until
11 there shall be a sum set apart for that purpose in the treasury of the City sufficient to meet all
12 sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay
13 the annual interest on the Bonds as the same becomes due and also such part of the principal
14 thereof as shall become due before the proceeds of a tax levied at the time for making the
15 next general tax levy can be made available for the payment of such interest or principal.

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

19 All taxes collected pursuant to this Section 7 shall be deposited forthwith in a special
20 account to be designated as the “General Obligation Bonds (Transportation and Road
21 Improvement Bonds, 2014) Bond Account” (the “Bond Account”) and each and every series of
22 Bonds issued under this Resolution shall be equally and ratably secured by the taxes
23 collected pursuant to this Section 7. The Bond Account shall be administered by the City
24 Treasurer and kept separate and apart from all other accounts. Pursuant to the Sale
25 Resolution authorizing the sale of any series of the Bonds, the City Treasurer may establish

1 such additional accounts and subaccounts within the Bond Account or with any agent,
2 including but not limited to any paying agent or fiscal agent, as may be necessary or
3 convenient in connection with the administration of any series of the Bonds. The Sale
4 Resolution authorizing the sale of any series of the Bonds shall establish subaccounts within
5 the Bond Account for each series of the Bonds to provide for the payment of principal and
6 interest on such series of Bonds.

7 The City Treasurer shall also deposit in the Bond Account from the proceeds of sale of
8 a series of the Bonds, any moneys received on account of original issue premium and interest
9 accrued on the Bonds to the date of payment of the purchase price thereof, and such other
10 moneys, if any, as may be specified in the Sale Resolution authorizing the sale of such series
11 of Bonds. So long as any of the Bonds are outstanding, moneys in the Bond Account shall be
12 used and applied by the City Treasurer solely for the purpose of paying the principal of and
13 interest on the Bonds as such principal and interest shall become due and payable, or for
14 purchase of Bonds if permitted by the Sale Resolution authorizing the sale of such series of
15 Bonds; provided, however, that when all of the principal of and interest on the Bonds have
16 been paid, any moneys then remaining in the Bond Account shall be transferred to the
17 General Fund of the City. The Board shall take such actions annually as are necessary or
18 appropriate to cause the debt service on the Bonds due in any fiscal year to be included in the
19 budget for such fiscal year and to make the necessary appropriations therefor.

20 Section 8. Administration and Disbursements From Bond Account.

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

3 (b) Principal. On or before June 15 in each year that any of the Bonds is
4 outstanding, the City Treasurer shall set aside in the Bond Account and the appropriate
5 subaccounts therein relating to each series of the Bonds an amount which will be equal to the
6 principal of each series of the Bonds outstanding that will become due and payable on said
7 June 15, including those Bonds subject to mandatory redemption on such date pursuant to
8 the provisions of the Sale Resolution authorizing the sale of such Bonds.

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

23 Section 9. Appointment of Depositories and Other Agents. The City Treasurer is
24 hereby authorized and directed to appoint one or more depositories as he or she may deem
25 desirable and may authorize such depository to perform, under the supervision of the City

1 Treasurer, any of the City Treasurer’s duties and responsibilities under this Resolution and
2 each Sale Resolution, to the extent permitted by applicable law.

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

12 Section 10. Project Account. There is hereby established a project account to be
13 designated as the “General Obligation Bonds (Transportation and Road Improvement Bonds,
14 2014) Project Account” (the “Project Account”). The Project Account shall be maintained by
15 the City Treasurer, as a separate account, segregated and distinct from all other accounts.
16 The City Treasurer may establish such accounts and subaccounts within the Project Account
17 as may be necessary or convenient in connection with the administration of the Project or the
18 Bonds.

19 All of the proceeds of the sale of the Bonds (excluding any original issue
20 premium and accrued interest received thereon, unless otherwise determined by the Director
21 of Public Finance) shall be deposited by the City Treasurer to the credit of the Project Account
22 and shall be applied exclusively to the objects and purposes specified in 2014 Proposition A,
23 including but not limited to the acquisition, construction and improvement of the Project. When
24 such objects and purposes have been accomplished, any moneys remaining in the Project
25 Account shall be transferred to the Bond Account established pursuant to Section 7 hereof

1 and applied, subject to the tax covenants, if any, set forth in the Sale Resolutions authorizing
2 the sale of each series of bond, to the payment of the principal of and interest on any series of
3 Bonds. Amounts in the Project Account may be applied to the payment of costs of issuance of
4 the Bonds, including, without limitation, bond and financial printing expenses, mailing and
5 publication expenses, rating agency fees, the fees and expenses of paying agents, registrars,
6 financial consultants, disclosure counsel and co-bond counsel and the reimbursement of
7 departmental expenses in connection with the issuance of the Bonds.

8 Section 11. Defeasance Provisions. The Sale Resolution authorizing the sale of any
9 series of Bonds may provide for the defeasance of such series of Bonds. Any Bonds which
10 have been deemed paid in accordance with the defeasance provisions of the Sale Resolution
11 authorizing their sale shall no longer be deemed outstanding under this Resolution.

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

18 Section 13. Other Terms and Provisions Relating to the Bonds. The Sale Resolution
19 providing for the sale of any series of Bonds may provide for (a) the purchase of bond
20 insurance or other credit enhancement relating to such series of Bonds and to the
21 establishment of such additional terms and procedures as may be necessary to provide for
22 the application of such bond insurance or other credit enhancement for the benefit of such
23 Bondholders; (b) the investment of moneys held in any fund, account or subaccount relating
24 to such series of the Bonds in specific categories or types of investments, so long as such
25 investments are legal investments for the City and in compliance with any policy or guideline

1 of the City applicable thereto; and (c) the adoption of any supplemental resolutions relating
2 solely to such series of Bonds.

3 Section 14. Supplemental Resolutions. For any one or more of the following purposes
4 and at any time or from time to time, a supplemental resolution of the City may be adopted by
5 the Board, which, without the requirement of consent of the owners of the Bonds, shall be fully
6 effective in accordance with its terms:

7 (a) To add to the covenants and agreements of the City in this Resolution or
8 any Sale Resolution authorizing the sale of any series of Bonds, other covenants and
9 agreements to be observed by the City which are not contrary to or inconsistent with this
10 Resolution or any Sale Resolution as then in effect;

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

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

20 (d) To cure any ambiguity, supply any omission, or cure or correct any defect
21 or inconsistent provision in this Resolution or any Sale Resolution as then in effect; or

22 (e) To make such additions, deletions or modifications as shall not, in the
23 determination of the Board, be materially adverse to the owners of the Bonds.

24 In addition, any modification or amendment of this Resolution or any Sale Resolution
25 authorizing the sale of any series of Bonds and of the rights and obligations of the City and of

1 the owners of the Bonds, in any particular, may be made by a supplemental resolution, with
2 the written consent of the owners of at least a majority in aggregate principal amount of the
3 Bonds outstanding at the time such consent is given (except as provided in the preceding
4 paragraph). No such modification or amendment shall permit a change in the terms or
5 maturity of the principal of any outstanding Bonds or of any interest payable thereon or a
6 reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the
7 percentage of Bonds the consent of the owners of which is required to effect any such
8 modification or amendment, or shall reduce the amount of moneys for the repayment of the
9 Bonds, without the consent of all the owners of such affected Bonds.

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

18 Section 16. Planning Code. The Board hereby adopts and incorporates by reference
19 the findings and declarations relative to (a) the conformance of the Bonds to the priority
20 policies of Section 101.1(b) of the San Francisco Planning Code; (b) the conformance of the
21 Bonds to Section 4.105 of the San Francisco Charter and Section 2A.53(f) of the San
22 Francisco Administrative Code; and (c) the consistency with the City's General Plan, all as
23 more fully set forth in Resolution No. 228-14, adopted by this Board on July 8, 2014.

1 Section 17. Ratification. All actions heretofore taken by officials, employees and
2 agents of the City with respect to the sale and issuance of the Bonds, as consistent with the
3 documents herein and this Resolution, are hereby approved, confirmed and ratified.

4 Section 18. General Authority. The Clerk of the Board, the Finance Committee of the
5 Board, the Mayor, the City Treasurer, the City Administrator, the City Attorney, the Director of
6 Public Finance of the City and the Controller are each hereby authorized and directed, in the
7 name and on behalf of the City, to take any and all steps and to issue and deliver any and all
8 certificates, requisitions, agreements, notices, consents, and other documents, including but
9 not limited to, letters of representations to any securities depository or depositories, which
10 they or any of them might deem necessary or appropriate in order to consummate the lawful
11 issuance, sale and delivery of the Bonds and otherwise to give effect to this Resolution. Any
12 such actions are solely intended to further the purposes of this Resolution, and are subject in
13 all respects to the terms of this Resolution. No such actions shall increase the risk to the City
14 or require the City to spend any resources not otherwise granted herein. Final versions of any
15 such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the
16 official file within 30 days of execution by all parties.

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18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA
20 City Attorney

21 By: _____
22 KENNETH DAVID ROUX
23 Deputy City Attorney

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