

1 [Issuance of General Obligation Bonds (Embarcadero Seawall Earthquake Safety, 2018) - Not
2 to Exceed \$425,000,000]

3 **Resolution providing for the issuance of not to exceed \$425,000,000 aggregate**
4 **principal amount of City and County of San Francisco General Obligation Bonds**
5 **(Embarcadero Seawall Earthquake Safety, 2018); authorizing the issuance and sale of**
6 **said bonds; providing for the levy of a tax to pay the principal and interest thereof;**
7 **providing for the appointment of depositories and other agents for said bonds;**
8 **providing for the establishment of accounts related thereto; adopting findings under**
9 **the California Environmental Quality Act (“CEQA”), the CEQA Guidelines, and**
10 **Administrative Code, Chapter 31; finding that the proposed project is in conformity**
11 **with the eight priority policies of Planning Code, Section 101.1(b), and with the General**
12 **Plan consistency requirement of Charter, Section 4.105, and Administrative Code,**
13 **Section 2A.53; ratifying certain actions previously taken, as defined herein; and**
14 **granting general authority to City officials to take necessary actions in connection with**
15 **the issuance and sale of said bonds, as defined herein.**

16
17 WHEREAS, By Resolution No. 183-18, adopted by the Board of Supervisors (the
18 “Board of Supervisors”) of the City and County of San Francisco (the “City”) on June 12, 2018,
19 and signed by the Mayor (the “Mayor”) on June 20, 2018, it was determined and declared that
20 public interest and necessity demand the construction, reconstruction, acquisition,
21 improvement, demolition, seismic strengthening and repair of the Seawall and other critical
22 infrastructure, as further therein described (the “Project”); and,

23 WHEREAS, By Ordinance No. 146-18 passed by the Board of Supervisors on June 26,
24 2018, and signed by the Mayor on June 28, 2018, and Ordinance No. 178-18 passed by the
25 Board of Supervisors on July 24, 2018, and signed by the Mayor on July 26, 2018, (together,

1 the “Bond Ordinances”), the Board of Supervisors duly called a special election to be held on
2 November 6, 2018, (the “Bond Election”), for the purpose of submitting to the qualified voters
3 of the City such proposition to incur bonded indebtedness of the City in the amount of
4 \$425,000,000 to finance the Project, and such proposition was approved by two-thirds of the
5 qualified voters of the City voting on such proposition, and declaration of such Bond Election
6 results was made by the Board of Supervisors pursuant to Resolution No. 420-18 on
7 December 4, 2018, and approved by the Mayor on December 12, 2018; and

8 WHEREAS, A special election was held in the City on November 6, 2018, for the
9 purpose of submitting to the qualified voters of the City said proposition, denominated as
10 Proposition A (“Proposition A”), as follows:

11 “SAN FRANCISCO SEAWALL EARTHQUAKE SAFETY BOND, 2018. To protect the
12 waterfront, BART and Muni, buildings, historic piers, and roads from earthquakes, flooding
13 and rising seas by: repairing the 100 year old Embarcadero Seawall; strengthening the
14 Embarcadero; and fortifying transit infrastructure and utilities serving residents and
15 businesses; shall the city issue \$425,000,000 in bonds, with a duration up to 30 years from
16 the time of issuance, an estimated tax rate of \$0.013/\$100 of assessed property value, and
17 estimated annual revenues of up to \$40,000,000, with citizen oversight and regular audits?
18 The City’s current debt management policy is to keep the property tax rate from City general
19 obligation bonds below the 2006 rate by issuing new bonds as older ones are retired and the
20 tax base grows, though the overall property tax rate may vary based on other factors”; and

21 WHEREAS, On December 4, 2018, by Resolution No. 420-18, the Board of Supervisors
22 declared the results of the November 6, 2018, special election finding that, as certified by the
23 Director of Elections of the City, the requisite two-thirds of all voters voting on the proposition
24 approved such proposition; and,
25

1 WHEREAS, This Board of Supervisors has determined, and does hereby declare, that
2 it is necessary and desirable that all of said bonds designated generally as “City and County
3 of San Francisco General Obligation Bonds (Embarcadero Seawall Earthquake Safety)” (the
4 “Bonds”) in the aggregate principal amount not to exceed \$425,000,000 representing the total
5 amount authorized, be issued and sold in one or more series from time to time, for the
6 purposes authorized and on the conditions set forth in this Resolution; and,

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

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

13 WHEREAS, There shall be delivered a certificate of a duly authorized officer of the
14 City, concurrently with the issuance of each series of Bonds, except for any series of Bonds
15 issued to refund any bond anticipation notes issued in anticipation of the issuance of such
16 series of Bonds, stating that the outstanding general obligation bond indebtedness of the City,
17 including all series of the Bonds issued and to be issued and outstanding on the date of
18 delivery of such series, will not exceed three percent of the assessed value of all taxable real
19 and personal property located within the City in compliance with Section 9.106 of the Charter;
20 now, therefore, be it

21 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
22 follows:

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

24 Section 2. Conditions Precedent. All conditions, things and acts required by law to
25 exist, to happen and to be performed precedent to the adoption of this Resolution authorizing

1 the issuance of the Bonds exist, have happened and have been performed in due time, form
2 and manner in accordance with applicable law, and the City is now authorized pursuant to the
3 Charter and applicable law to incur indebtedness in the manner and form provided in this
4 Resolution.

5 Section 3. Issuance of the Bonds. The Board of Supervisors hereby authorizes the
6 issuance and sale of \$425,000,000 aggregate principal amount of Bonds, designated
7 generally as “City and County of San Francisco General Obligation Bonds (Embarcadero
8 Seawall Earthquake Safety, 2018)”. The Director of Public Finance is hereby authorized to
9 modify the general designation of the Bonds if in her sole discretion a different designation is
10 in the best interest of the City for administrative, marketing or descriptive purposes. The
11 Bonds may be sold in one or more series as the Board of Supervisors shall determine, and
12 shall be sold in accordance with law, as such law may from time to time be amended,
13 supplemented or revised, and on the terms and conditions approved by the Board of
14 Supervisors in this Resolution, as supplemented by such other resolution or resolutions
15 relating to such series of Bonds and as provided in the resolution of the Board of Supervisors
16 authorizing and directing the sale of each series of Bonds (each, a “Sale Resolution”). Each
17 series of such Bonds may bear such additional or other designation as may be necessary or
18 appropriate to distinguish such series from every other series and from other bonds issued by
19 the City, or to identify the tax treatment of interest, interest rate determination methodology or
20 other characteristics of such series, in each case as set forth in the applicable Sale Resolution
21 or as may be determined by the Director of Public Finance in her sole discretion. The offering
22 and sale of the Bonds may be aggregated with the offering and sale of other general
23 obligation bonds being issued by the City, as authorized from time to time by the Board of
24 Supervisors. Each series of Bonds may bear interest at fixed or variable rates, in each case
25 as provided in the applicable Sale Resolution.

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

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

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

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

23 Section 6. General Redemption Provisions. The terms of redemption (whether optional
24 or mandatory redemption), if any, of any series of Bonds and the manner prescribed for notice
25 of any redemption of such series of Bonds shall be set forth in the applicable Sale Resolution.

1 Each Sale Resolution shall provide that the Controller of the City (the "Controller") shall
2 establish a redemption account for such series of Bonds. The City Treasurer shall provide for
3 the deposit and application of moneys in such redemption account.

4 Section 7. Tax Levy; Pledge of Bond Account.

5 (a) Tax Levy. For the purpose of paying the principal of and interest on the Bonds,
6 the Board of Supervisors at the time of fixing the general tax levy shall fix, and in the manner
7 provided for such general tax levy, levy and collect annually until the Bonds are paid, or until
8 there shall be a sum set apart for that purpose in the treasury of the City sufficient to meet all
9 sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay
10 the annual interest on the Bonds as the same becomes due and also such part of the principal
11 thereof as shall become due before the proceeds of a tax levied at the time for making the
12 next general tax levy can be made available for the payment of such interest or principal;
13 provided, however, that in fixing such tax levy for each fiscal year, the Board of Supervisors
14 shall take into account amounts then on deposit in the Tax Revenues Subaccount pursuant to
15 this subsection (a), if such amounts will be available to pay debt service on the Bonds.

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(a) shall be deposited forthwith in a special
20 subaccount to be designated as the "Tax Revenues Subaccount," which shall be a
21 subaccount within a special account to be designated as the "General Obligation Bonds
22 (Embarcadero Seawall Earthquake Safety, 2018) Bond Account" (the "Bond Account"). The
23 Bond Account and all subaccounts therein shall be administered by the City Treasurer with all
24 disbursements of funds therefrom subject to authorization of the Controller. The Bond
25 Account shall be kept separate and apart from all other accounts, and each subaccount

1 therein shall be kept separate and apart from all other subaccounts. Pursuant to the
2 applicable Sale Resolution, the Controller may establish such additional accounts and
3 subaccounts within the Bond Account or with any agent, including but not limited to any
4 paying agent or fiscal agent, as may be necessary or convenient in connection with the
5 administration of any series of Bonds, to provide for the payment of principal and interest on
6 such series of Bonds.

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

20 (b) Pledge. The Bond Account and all subaccounts and amounts on deposit therein
21 are hereby pledged for the payment of the principal of and interest on the Bonds when and as
22 the same become due, including the principal of any term Bonds required to be paid upon the
23 mandatory sinking fund redemption thereof. In addition, the payment of such principal and
24 interest shall be secured by the statutory lien of California Government Code Section 53515,
25 to the extent applicable to the amounts on deposit in the Bond Account. Each and every

1 series of Bonds issued under this Resolution shall be equally and ratably secured by the
2 pledge of this subsection (c), the foregoing statutory lien, and the taxes collected pursuant to
3 this Section 7.

4 Section 8. Administration and Disbursements From Bond Account.

5 (a) Interest. On or before June 15 and December 15 in each year that any of the
6 Bonds are outstanding (or, for any series of Bonds bearing interest at variable rates, on such
7 other dates as may be provided by the applicable Sale Resolution), the City Treasurer shall
8 set aside in the Bond Account and the appropriate subaccounts therein relating to each series
9 of the Bonds an amount which, when added to the amount contained in the Bond Account and
10 subaccounts therein on that date, if any, will be equal to the aggregate amount of the interest
11 becoming due and payable on each series of the Bonds outstanding on such interest payment
12 date.

13 (b) Principal. On or before June 15 in each year that any of the Bonds are
14 outstanding, the City Treasurer shall set aside in the Bond Account and the appropriate
15 subaccounts therein relating to each series of the Bonds an amount which will be equal to the
16 principal on each series of the Bonds outstanding that will become due and payable on said
17 June 15, including those Bonds subject to mandatory redemption on such date pursuant to
18 the provisions of the applicable Sale Resolution.

19 All moneys in the Bond Account shall be used and withdrawn by the City Treasurer
20 solely for the purpose of paying the principal of and interest on each series of the Bonds as
21 the same shall become due and payable. On June 15 and December 15 in each year that
22 any Bond is outstanding, the City Treasurer shall allocate, transfer and apply to the various
23 subaccounts in the Bond Account created pursuant to the applicable Sale Resolution, on such
24 date on which payment of principal or interest on any series of Bonds is due, from moneys on
25 deposit in the Bond Account, an amount equal to the amount of principal of, premium, if any,

1 or interest due on said date with respect to each series of the Bonds then outstanding.
2 Unless other provision shall have been made pursuant to this Resolution for the payment of
3 any Bond, all amounts held in the various subaccounts of the Bond Account created pursuant
4 to a Sale Resolution shall be used and applied by the City Treasurer to pay principal of,
5 premium, if any, and interest due on the series of the Bonds to which such subaccount
6 relates, as and when due.

7 Section 9. Appointment of Depositories and Other Agents. The City Treasurer is
8 hereby authorized and directed to appoint one or more depositories as he or she may deem
9 desirable and may authorize such depository to perform, under the supervision of the City
10 Treasurer, any of the City Treasurer's duties and responsibilities under this Resolution, to the
11 extent permitted by applicable law.

12 The City Treasurer is hereby also authorized and directed to appoint one or more
13 agents as he or she may deem necessary or desirable. To the extent permitted by applicable
14 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
15 fiscal agent, escrow agent or registrar for the Bonds or may assist the City Treasurer in
16 performing any or all of such functions and such other duties as the City Treasurer shall
17 determine including such duties and responsibilities of the City Treasurer provided for in this
18 Resolution. Such agents shall serve under such terms and conditions as the City Treasurer
19 shall determine. The City Treasurer may remove or replace agents appointed pursuant to this
20 paragraph at any time.

21 Section 10. Project Account. There is hereby established a project account to be
22 designated as the "General Obligation Bonds (Embarcadero Seawall Earthquake Safety,
23 2018) Project Account" (the "Project Account"). The Project Account shall be maintained by
24 the City Treasurer, as a separate account, segregated and distinct from all other accounts.
25 The City Treasurer may establish such accounts and subaccounts within the Project Account

1 as may be necessary or convenient in connection with the administration of the Project or the
2 Bonds.

3 All of the proceeds of the sale of the Bonds (excluding any premium and accrued
4 interest received thereon, unless otherwise determined by the Director of Public Finance)
5 shall be deposited by the City Treasurer to the credit of the Project Account and shall be
6 applied exclusively to the objects and purposes of the Project. When such objects and
7 purposes have been accomplished, any moneys remaining in such account shall be
8 transferred to the Bond Account established pursuant to Section 7 hereof and applied to the
9 payment of the principal of and interest on any series of Bonds. Amounts in the Project
10 Account may be applied to the payment of costs of issuance of the Bonds, including, without
11 limitation, bond and financial printing expenses, mailing and publication expenses, rating
12 agency fees, and the fees and expenses of paying agents, registrars, financial consultants,
13 bond counsel and disclosure counsel.

14 Section 11. Defeasance Provisions. A Sale Resolution may provide for the defeasance
15 of such series of Bonds authorized therein. Any Bonds which have been deemed paid in
16 accordance with the defeasance provisions of the applicable Sale Resolution shall no longer
17 be deemed outstanding under this Resolution.

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

24 Section 13. Other Terms and Provisions Relating to the Bonds. The Sale Resolution
25 for any series of Bonds may provide for (a) the purchase of bond insurance or other credit

1 enhancement relating to such series of Bonds and to the establishment of such additional
2 terms and procedures as may be necessary to provide for the application of such bond
3 insurance or other credit enhancement for the benefit of the bondholders; (b) the investment
4 of moneys held in any fund or account relating to the Bonds in specific categories or types of
5 investments, so long as such investments are legal investments for the City and in compliance
6 with any policy or guideline of the City applicable thereto; and (c) the adoption of any
7 supplemental resolutions relating solely to such series of Bonds.

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

12 (a) To add to the covenants and agreements of the City in this Resolution or any
13 Sale Resolution, other covenants and agreements to be observed by the City which are not
14 contrary to or inconsistent with this Resolution or any Sale Resolution as theretofore in effect;

15 (b) To add to the limitations and restrictions in this Resolution or any Sale
16 Resolution, other limitations and restrictions to be observed by the City which are not contrary
17 to or inconsistent with this Resolution or any Sale Resolution as theretofore in effect;

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

22 (d) To cure any ambiguity, supply any omission, or cure or correct any defect or
23 inconsistent provision in this Resolution or any Sale Resolution; or

24 (e) To make such additions, deletions or modifications as shall not be materially
25 adverse to the owners of the Bonds.

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

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

19 Section 16. CEQA Determinations. The Board of Supervisors hereby reaffirms and
20 incorporates by reference the CEQA findings and determinations set forth in the Bond
21 Ordinances as if set forth in full herein. The use of bond proceeds to finance any identified
22 project or portion of any identified project with bond proceeds will be subject, as necessary, to
23 approval of the Board of Supervisors upon completion of any planning and any further
24 required environmental review under CEQA for the individual facilities and projects.

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1 Section 18. Ratification. All actions heretofore taken by officials, employees and
2 agents of the City with respect to the sale and issuance of the Bonds consistent with any
3 documents presented and this Resolution are hereby approved, confirmed and ratified.

4 Section 19. General Authority. The Clerk of the Board of Supervisors, the Finance
5 Committee of the Board of Supervisors, the Mayor, the City Treasurer, the City Administrator,
6 the City Attorney, the Director of Public Finance and the Controller are each hereby
7 authorized and directed in the name and on behalf of the City to take any and all steps and to
8 issue and deliver any and all certificates, requisitions, agreements, notices, consents, and
9 other documents, including but not limited to, letters of representations to any depository or
10 depositories, which they or any of them might deem necessary or appropriate in order to
11 consummate the lawful issuance, sale and delivery of the Bonds and otherwise to give effect
12 to this Resolution. Any such actions are solely intended to further the purposes of this
13 Resolution, and are subject in all respects to the terms of this Resolution. No such actions
14 shall increase the risk to the City or require the City to spend any resources not otherwise
15 granted herein. Final versions of any such documents shall be provided to the Clerk of the
16 Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter as
17 final documents are available) of execution by all parties.

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

21
22 By: _____
23 KENNETH D. ROUX
24 Deputy City Attorney
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