

LEGISLATIVE DIGEST

[Authorizing Certificates of Participation - Multiple Capital Improvement Projects - Not to Exceed \$94,600,000]

Ordinance authorizing the execution and delivery of Certificates of Participation, in one or more series from time to time, on a tax-exempt or taxable basis, evidencing and representing an aggregate principal amount not to exceed \$94,600,000 to finance and refinance the acquisition of certain real property located at 814-820 Bryant Street and 470 Sixth Street within the City and related site demolition, preparation and improvement, and the repayment of certain taxable commercial paper notes of the City issued for such purposes, and the acquisition of certain additional property located at 1828 Egbert Avenue within the City and related site demolition, preparation and improvement; approving the form of Supplement to the Trust Agreement between the City and County of San Francisco and U.S. Bank National Association, as trustee (“Trustee”) (including certain indemnities contained therein); approving respective forms of Supplements to Property Lease and Project Lease, each between the City and the Trustee, for the lease and lease back of all or a portion of certain real property and improvements located at 375 Laguna Honda Boulevard or other property as determined by the Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an Official Statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new law.

Background Information

The proposed Ordinance authorizes the execution and delivery of the City’s Certificates of Participation (“COPs”) in a principal amount not to exceed \$94,600,000. Proceeds of COPs will be used to pay the costs of the acquisition of property located at 814-820 Bryant Street and 470-6th Street, including the costs of site demolition and site preparation. The COPs will also pay off certain City commercial paper which was issued on an interim basis to pay for the costs of the property acquisition.

The proposed Ordinance approves the City-owned Laguna Honda Hospital campus (or portions thereof) to serve as the leased asset to secure repayment of the COPs.

The COPs will be executed and delivered pursuant to the terms of a Trust Agreement, dated as of May 1, 2009, between the City and the trustee named therein (“Original Trust Agreement”) which provides for the issuance of additional certificates of participation by the execution and delivery of supplements to the Original Trust Agreement. The COPs will be secured by a standard lease out and lease back of City property pursuant to supplements of Property Lease and Project Leases (originally dated May 1, 2009), respectively. The leases supplement original property leases and project leases providing for and securing repayment of the City’s 2009A, 2009B and 2012A Certificates of Participation.

The proposed Ordinance limits the maximum interest rate of the COPs to 12%, and the maximum Base Rental Payment under the Project Lease to \$8,250,000.

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