

BOARD of SUPERVISORS



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MEMORANDUM

TO: Jose Cisneros, Treasurer, Office of the Treasurer and Tax
Anna Van Degna, Director, Office of Public Finance

FROM: Linda Wong, Assistant Clerk
Budget and Finance Committee

DATE: June 15, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Finance Committee has received the following proposed legislation introduced:

File No. 200582

Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate principal amount of one or more series of taxable or tax-exempt bonds to be designated generally as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if consisting of multiple series, to be designated as the City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-1 and City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable), or such alternate designation as may be approved by the Director of Public Finance; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive and/or negotiated sale; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form of Purchase Contract; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of said bonds; approving the form of the Continuing Disclosure Certificate; approving the form of the Placement Agent Agreement; approving the form of Paying Agent Agreement; authorizing and approving modifications to documents, as defined herein; declaring the City's official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Reports; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds, as defined herein.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: linda.wong@sfgov.org.

c: Molly Cohen, Office of the Treasurer and Tax Collector

1 [General Obligation Bonds - Transportation and Road Improvement Bonds, 2014 - Not to
2 Exceed \$140,000,000]

3 **Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate**
4 **principal amount of one or more series of taxable or tax-exempt bonds to be**
5 **designated generally as the City and County of San Francisco General Obligation**
6 **Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if**
7 **consisting of multiple series, to be designated as the City and County of San Francisco**
8 **General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series**
9 **2020B-1 and City and County of San Francisco General Obligation Bonds**
10 **(Transportation and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable), or**
11 **such alternate designation as may be approved by the Director of Public Finance;**
12 **prescribing the form and terms of said bonds; authorizing the execution,**
13 **authentication, and registration of said bonds; providing for the appointment of**
14 **depositories and other agents for said bonds; providing for the establishment of**
15 **accounts related to said bonds; providing for the manner of sale of said bonds by**
16 **competitive and/or negotiated sale; approving the forms of Official Notice of Sale and**
17 **Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to**
18 **Sell Bonds; approving the form of Purchase Contract; approving the form of the**
19 **Preliminary Official Statement and the form and execution of the Official Statement**
20 **relating to the sale of said bonds; approving the form of the Continuing Disclosure**
21 **Certificate; approving the form of the Placement Agent Agreement; approving the form**
22 **of Paying Agent Agreement; authorizing and approving modifications to documents, as**
23 **defined herein; declaring the City's official intent to reimburse certain expenditures;**
24 **waiving the deadline for submission of Bond Accountability Reports; adopting findings**
25 **under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter**

1 **31 of the Administrative Code; ratifying certain actions previously taken as defined**
2 **herein; and granting general authority to City officials to take necessary actions in**
3 **connection with the authorization, issuance, sale, and delivery of said bonds, as**
4 **defined herein.**

5
6 WHEREAS, Resolution No. 228-14, adopted by the Board of Supervisors (“Board”) of
7 the City and County of San Francisco (“City”) on July 8, 2014 and signed by the Mayor of the
8 City (“Mayor”) on July 18, 2014, determined and declared that public interest and necessity
9 demands the acquisition, construction and improvement of street, transportation and related
10 infrastructure as therein described (“Project”); and

11 WHEREAS, Ordinance No. 148-14, adopted by the Board on July 15, 2014, and signed
12 by the Mayor on July 24, 2014 (“Bond Ordinance”), duly called a special election to be held on
13 November 4, 2014 (“Bond Election”), for the purpose of submitting to the electors of the City a
14 proposition to incur bonded indebtedness in the amount not to exceed \$500,000,000 to
15 finance the Project (“2014 Proposition A”) , and such proposition was approved by not less
16 than a two-thirds vote of the qualified electors of the City voting on such proposition; and

17 WHEREAS, Resolution No. 193-15, adopted by the Board on June 2, 2015 and signed
18 by the Mayor on June 9, 2015 (“Authorizing Resolution”), the City authorized the issuance of
19 not to exceed \$500,000,000 of its General Obligation Bonds (Transportation and Road
20 Improvement Bonds, 2014) (“Bonds”); and

21 WHEREAS, Resolution No. 192-15, adopted by the Board of Supervisors on June 2,
22 2015, and signed by the Mayor on June 9, 2015, authorized the sale by the City of a portion of
23 the Bonds (“Series 2015B Bonds”), which Series 2015B Bonds were issued in the principal
24 amount of \$67,005,000; and

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1 WHEREAS, Resolution No. 17-18, adopted by the Board of Supervisors on January
2 23, 2018, and signed by the Mayor on February 1, 2018, authorized the sale by the City of an
3 additional series of the Bonds (“Series 2018B Bonds”), which Series 2018B Bonds were
4 issued in the principal amount of \$174,445,000; and

5 WHEREAS, It is now necessary and desirable to issue additional series of taxable or
6 tax-exempt Bonds in aggregate principal amount of not to exceed \$140,000,000 to be
7 designated generally as the City and County of San Francisco General Obligation Bonds
8 (Transportation and Road Improvement Bonds, 2014), Series 2020B, or if consisting of
9 multiple series, to be designated as the City and County of San Francisco General Obligation
10 Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B-1 (“Series 2020B-
11 1 Bonds”) and City and County of San Francisco General Obligation Bonds (Transportation
12 and Road Improvement Bonds, 2014), Series 2020B-2 (Taxable) (“Series 2020B-2 Bonds”
13 and, together with the Series 2020B-1 Bonds, the “Series 2020B Bonds”), or such alternate
14 designation as may be approved by the Director of Public Finance, to finance a portion of the
15 costs of the Project; and

16 WHEREAS, The Series 2020B Bonds are being issued pursuant to the Authorizing
17 Resolution and Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government
18 Code, the Charter of the City (“Charter”), the Bond Ordinance and the Bond Election; and

19 WHEREAS, The City has paid and expects to pay certain expenditures in connection
20 with the Project to be financed by the Series 2020B Bonds prior to the issuance and sale of
21 the Series 2020B Bonds, and the City intends to reimburse itself and to pay third parties for
22 such prior expenditures from the proceeds of the Series 2020B Bonds; and

23 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the
24 Internal Revenue Code of 1986 (“Reimbursement Regulations”) requires the City to declare its
25 reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent

1 borrowing; and

2 WHEREAS, The Reimbursement Regulations require that any reimbursement
3 allocation of proceeds of the Series 2020B Bonds to be made with respect to expenditures
4 incurred prior to the issuance of the Series 2020B Bonds will occur not later than eighteen
5 (18) months after the later of (i) the date on which the expenditure is paid or (ii) the date on
6 which the facilities are placed in service, but in no event later than three (3) years after the
7 expenditure is paid; and

8 WHEREAS, The Citizens' General Obligation Bond Oversight Committee shall conduct
9 an annual review of bond spending and shall provide an annual report on the management of
10 the program to the Mayor and the Board, and, to the extent permitted by law, one-tenth of one
11 percent (0.1%) of the gross proceeds of the Series 2020B Bonds shall be deposited in a fund
12 established by the City Controller's Office and appropriated by the Board at the direction of
13 the Citizens' General Obligation Bond Oversight Committee to cover the costs of such
14 Committee and its review process; and

15 WHEREAS, To the extent permitted by law, one-fifth of one percent (0.2%) of the
16 amount of gross proceeds of the Series 2020B Bonds deposited into the Series 2020B Project
17 Subaccount (as defined in Section 10 herein) shall be applied to pay the City Services Auditor
18 Fee; and

19 WHEREAS, In compliance with Section 5852.1 of the California Government Code, this
20 Board has obtained from the Municipal Advisor (as identified in Section 30 herein) the
21 required good faith estimates, and such estimates are disclosed and set forth in the staff
22 memoranda posted relating to this meeting; now, therefore, be it

23 RESOLVED by the Board of Supervisors of the City and County of San Francisco, as
24 follows:

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1 Section 1. Recitals. All of the recitals in this Resolution are true and correct.

2 Section 2. Conditions Precedent. All conditions, things and acts required by law to
3 exist, to happen and to be performed precedent to the issuance of the Series 2020B Bonds
4 and the adoption of this Resolution exist, have happened and have been performed in due
5 time, form and manner in accordance with applicable law, and the City is now authorized
6 pursuant to the Bond Election and the Charter and applicable law to incur indebtedness in the
7 manner and form provided in this Resolution.

8 Section 3. Documents. The documents presented herein to the Board are on file
9 with the Clerk of the Board in File No. _____.

10 Section 4. Issuance and Sale of Series 2020B Bonds; Determination of Certain
11 Terms; Designation. The Board hereby authorizes the issuance and sale of not to exceed
12 \$140,000,000 in aggregate principal amount of Bonds to be designated as “City and County of
13 San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds,
14 2014), Series 2020B” (or such other designation as may be necessary or appropriate), for the
15 purposes set forth in the Bond Ordinance and in the 2014 Proposition A approved by the
16 voters at the Bond Election.

17 The Director of Public Finance of the City or designee thereof (“Director of Public
18 Finance”) is hereby authorized to determine, for the Series 2020B Bonds, the sale date, the
19 interest rates, the definitive principal amount, the maturity dates and the redemption dates, if
20 any, whether the Series 2020B Bonds shall be issued on a taxable or tax-exempt basis, and
21 the terms of any optional or mandatory redemption thereof, subject to the other specific
22 provisions of this Resolution, including the following terms and conditions: (i) the Series
23 2020B Bonds shall not have a true interest cost in excess of 12% (as such term is defined in
24 the Official Notice of Sale (as defined in Section 14(a) hereof); (ii) no Series 2020B Bond shall
25 have a coupon in excess of twelve percent (12%), as is mandated by Title 5, Article 4.5,

1 Section 53508(d) of the Government Code; and (iii) the Series 2020B Bonds shall have a final
2 maturity date no later than 25 years after the date of issuance thereof. The Director of Public
3 Finance is further authorized to give the Series 2020B Bonds such additional or other series
4 designation, or to modify such series designation, as may be necessary or appropriate to
5 distinguish the Series 2020B Bonds from every other series of Bonds and from other bonds
6 issued by the City, and in the event the Series 2020B Bonds shall consist of multiple series or
7 subseries, there may be one or more maturities in the first year following the issuance of the
8 Series 2020B Bonds, which maturity dates may be determined by the Director of Public
9 Finance.

10 Section 5. Execution, Authentication and Registration of the Series 2020B Bonds.

11 Each of the Series 2020B Bonds shall be in fully registered form without coupons in
12 denominations of \$5,000 or any integral multiple thereof. The officers of the City are hereby
13 directed to cause the Series 2020B Bonds to be prepared in sufficient quantity for delivery to
14 or for the account of the purchaser thereof and the Controller of the City or designee thereof
15 (“Controller”) is hereby authorized and directed to cause the blanks in the Series 2020B
16 Bonds to be completed in accordance with the Authorizing Resolution, the Bond Award (as
17 defined in Section 14(c) hereof) and/or the Purchase Contract (as defined in Section 16
18 hereof), to procure their execution by the proper officers of the City (including by facsimile
19 signature if necessary or convenient, excluding any facsimile signature for the Clerk of the
20 Board, which shall be required to be signed manually) and authentication as provided in this
21 Section 5, and to deliver the Series 2020B Bonds when so executed and authenticated to said
22 purchaser in exchange for the purchase price thereof, all in accordance with the Authorizing
23 Resolution.

24 The Series 2020B Bonds and the certificate of registration and authentication, to be
25 manually executed by the Treasurer of the City or designee thereof (“City Treasurer”), and the

1 form of assignment to appear on the Series 2020B Bonds shall be substantially in the form
2 attached hereto as Exhibit A (a copy of which is on file with the Clerk of the Board and which
3 is hereby declared to be a part of this Resolution as if fully set forth in this Resolution), with
4 such necessary or appropriate variations, omissions and insertions as permitted or required
5 by this Resolution.

6 Only Series 2020B Bonds bearing a certificate of registration and authentication
7 executed by the City Treasurer shall be valid or obligatory for any purpose or entitled to the
8 benefits of the Authorizing Resolution and this Resolution, and such certificate of the City
9 Treasurer, executed as provided in this Resolution, shall be conclusive evidence that the
10 Series 2020B Bonds so authenticated have been duly authenticated and delivered under, and
11 are entitled to the benefits of, the Authorizing Resolution and this Resolution.

12 The Controller shall assign a distinctive letter, or number, or letter and number to each Series
13 2020B Bond authenticated and registered by the City Treasurer and shall maintain a record
14 thereof which shall be available for inspection.

15 Section 6. Registration Books. The City Treasurer shall keep or cause to be kept, at
16 the office of the City Treasurer, or at the designated office of any registrar appointed by the
17 City Treasurer, separate and sufficient books for the registration and transfer of Series 2020B
18 Bonds, which books shall at all times be open to inspection, and upon presentation for such
19 purpose, the City Treasurer shall, under such reasonable regulations as he or she may
20 prescribe, register or transfer or cause to be registered or transferred, on said books Series
21 2020B Bonds, as provided in this Resolution. The City and the City Treasurer may treat the
22 registered owners of each Series 2020B Bond in such registration book (“Registered
23 Owners”) as the absolute owners thereof for all purposes, and the City and the City Treasurer
24 shall not be affected by any notice to the contrary.

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1 Section 7. Transfer or Exchange of Series 2020B Bonds. Any Series 2020B Bond
2 may, in accordance with its terms, be transferred upon the registration books required to be
3 kept pursuant to the provisions of Section 6 hereof, by the Registered Owner, in person or by
4 the duly authorized attorney of such person in writing, upon surrender of such Series 2020B
5 Bond for cancellation, accompanied by delivery of a duly executed written instrument of
6 transfer in a form approved by the City Treasurer.

7 Any Series 2020B Bond may be exchanged at the office of the City Treasurer for a like
8 aggregate principal amount of other authorized denominations of the same interest rate and
9 maturity.

10 Whenever any Series 2020B Bond shall be surrendered for transfer or exchange, the
11 designated City officials shall execute (as provided in Section 5 hereof) and the City Treasurer
12 shall authenticate and deliver a new Series 2020B Bond of the same interest rate and maturity
13 in a like aggregate principal amount. The City Treasurer shall require the payment by any
14 Registered Owner requesting any such transfer of any tax or other governmental charge
15 required to be paid with respect to such transfer or exchange.

16 No transfer or exchange of Series 2020B Bonds shall be required to be made by the
17 City Treasurer during the period from the Record Date (as defined in Section 8 hereof) next
18 preceding each interest payment date to such interest payment date or after a notice of
19 redemption shall have been mailed with respect to such Series 2020B Bonds.

20 Section 8. Terms of the Series 2020B Bonds; General Redemption Provisions.

21 (a) Date of the Series 2020B Bonds. The Series 2020B Bonds shall be dated the
22 date of their delivery or such other date (“Dated Date”), as specified in the Bond Award and/or
23 the Purchase Contract.

24 (b) Payment of the Series 2020B Bonds. The principal of the Series 2020B Bonds
25 shall be payable in lawful money of the United States of America to the Registered Owner

1 thereof, upon the surrender thereof at maturity or earlier redemption at the office of the City
2 Treasurer. The interest on the Series 2020B Bonds shall be payable in like lawful money to
3 the Registered Owner whose name appears on the bond registration books of the City
4 Treasurer as the Registered Owner thereof as of the close of business on the last day of the
5 month immediately preceding an interest payment date (“Record Date”), whether or not such
6 day is a Business Day (as defined below).

7 Except as may be otherwise provided in connection with any book-entry only system
8 applicable to the Series 2020B Bonds, payment of the interest on any Series 2020B Bond
9 shall be made by check mailed on the interest payment date to its Registered Owner at such
10 Owner’s address as it appears on the registration books as of the Record Date; provided,
11 however, if any interest payment date occurs on a day that banks in California or New York
12 are closed for business or the New York Stock Exchange is closed for business, then such
13 payment shall be made on the next succeeding day that banks in both California and New
14 York are open for business and the New York Stock Exchange is open for business (each, a
15 “Business Day”); and provided, further, that the Registered Owner of an aggregate principal
16 amount of at least \$1,000,000 of Series 2020B Bonds may submit a written request to the City
17 Treasurer on or before a Record Date preceding an interest payment date for payment of
18 interest on the next succeeding interest payment date and thereafter by wire transfer to a
19 commercial bank located within the United States of America.

20 For so long as any Series 2020B Bonds are held in book-entry form by a securities
21 depository selected by the City pursuant to Section 11 hereof, payment of principal and
22 interest shall be made to the Registered Owner of the Series 2020B Bonds designated by
23 such securities depository by wire transfer of immediately available funds.

24 (c) Interest on the Series 2020B Bonds. The Series 2020B Bonds shall bear
25 interest at rates to be determined upon the sale of the Series 2020B Bonds, calculated on the

1 basis of a 360 day year comprised of twelve 30 day months, payable on December 15, 2020
2 (or such other date as may be designated in the applicable Bond Award and/or the Purchase
3 Contract), and semiannually thereafter on June 15 and December 15 of each year. Each
4 Series 2020B Bond shall bear interest from the interest payment date next preceding the date
5 of authentication thereof unless it is authenticated as of a day during the period from the
6 Record Date next preceding any interest payment date to the interest payment date, inclusive,
7 in which event it shall bear interest from such interest payment date, or unless it is
8 authenticated on or before the first Record Date, in which event it shall bear interest from the
9 Dated Date; provided, however, that if, at the time of authentication of any Series 2020B
10 Bond, interest is in default on the Series 2020B Bonds, such Series 2020B Bond shall bear
11 interest at its stated rate from the interest payment date to which interest has previously been
12 paid or made available for payment on the Series 2020B Bonds or from the Dated Date if the
13 first interest payment is not made.

14 (d) Optional Redemption. The Series 2020B Bonds shall be subject to optional
15 redemption prior to maturity as provided in the Official Notice of Sale, the Bond Award and/or
16 the Purchase Contract.

17 (e) Mandatory Redemption. The Series 2020B Bonds shall be subject to mandatory
18 redemption at par, by lot, in any year in which the purchaser thereof has designated that the
19 principal amount payable with respect to that year shall constitute a mandatory sinking fund
20 payment, as and to the extent provided in the Official Notice of Sale and/or Purchase
21 Contract. Any Series 2020B Bonds subject to mandatory redemption shall be designated as
22 such in the Official Notice of Sale, the Bond Award and/or the Purchase Contract.

23 The principal of and interest on the Series 2020B Bonds subject to mandatory redemption
24 shall be paid from the applicable Series 2020B Bond Subaccount (as defined in Section 9
25 hereof), pursuant to Section 9 hereof. In lieu of any such mandatory redemption for the

1 Series 2020B Bonds, at any time prior to the selection of the Series 2020B Bonds for
2 mandatory redemption, the City may apply amounts on deposit in the applicable Series 2020B
3 Bond Subaccount to purchase Series 2020B Bonds subject to such redemption, at public or
4 private sale, as and when and at such prices not in excess of the principal amount thereof
5 (including sales commission and other charges but excluding accrued interest), as the City
6 may determine.

7 (f) Selection of Series 2020B Bonds for Redemption. Whenever less than all of the
8 outstanding Series 2020B Bonds are called for redemption on any date, the City Treasurer will
9 select the maturities of the Series 2020B Bonds to be redeemed in the sole discretion of the
10 City Treasurer. Whenever less than all of the outstanding Series 2020B Bonds maturing on
11 any one date are called for redemption on any one date, the City Treasurer will select the
12 Series 2020B Bonds or portions thereof, in denominations of \$5,000 or any integral multiple
13 thereof, to be redeemed from the outstanding Series 2020B Bonds maturing on such date not
14 previously selected for redemption, by lot in any manner which the City Treasurer in its sole
15 discretion deems fair. If the Series 2020B Bonds to be optionally redeemed are also subject
16 to mandatory redemption, the City Treasurer shall designate the mandatory sinking fund
17 payment or payments (or portions thereof) against which the principal amount of the Series
18 2020B Bonds optionally redeemed shall be credited.

19 (g) Notice of Redemption. The date on which Series 2020B Bonds that are called
20 for redemption are to be presented for redemption is herein called the "Redemption Date."
21 The City Treasurer shall mail, or cause to be mailed by its agent, including but not limited to
22 an Escrow Agent, notice of any redemption of Series 2020B Bonds, postage prepaid, to the
23 respective Registered Owner thereof at the addresses appearing on the registration books not
24 less than twenty (20) days nor more than sixty (60) days prior to the Redemption Date. The
25 notice of redemption shall (i) state the Redemption Date; (ii) state the redemption price; (iii)

1 state the maturity dates of the Series 2020B Bonds to be redeemed and, if less than all of any
2 such maturity is called for redemption, the distinctive numbers of the Series 2020B Bonds of
3 such maturity to be redeemed, and in the case of any Series 2020B Bonds to be redeemed in
4 part only, the respective portions of the principal amount thereof to be redeemed; (iv) state the
5 CUSIP number, if any, of each Series 2020B Bond to be redeemed; (v) require that such
6 Series 2020B Bonds be surrendered by the Registered Owners at the office of the City
7 Treasurer or his or her agent; and (vi) give notice that interest on such Series 2020B Bonds or
8 portions of such Series 2020B Bonds to be redeemed will cease to accrue after the
9 designated Redemption Date. Unless funds are on deposit in the Series 2020B Redemption
10 Account for any Series 2020B Bonds called for redemption on the date the notice of
11 redemption is given, redemption shall be conditioned on sufficient moneys to redeem such
12 bonds being on deposit in the Series 2020B Redemption Account for the Series 2020B Bonds
13 called for redemption on the Redemption Date, and if sufficient moneys to redeem the Series
14 2020B Bonds called for redemption are not on deposit in the Series 2020B Redemption
15 Account for such Series 2020B Bonds on the Redemption Date, the Series 2020B Bonds
16 called for redemption shall not be redeemed and shall remain Outstanding for all purposes of
17 this Resolution and the redemption not occurring shall not constitute an event of default under
18 this Resolution.

19 The actual receipt by the Registered Owner of any Series 2020B Bond of notice of
20 such redemption shall not be a condition precedent to redemption, and failure to receive such
21 notice, or any defect in such notice so mailed, shall not affect the validity of the proceedings
22 for the redemption of such Series 2020B Bonds or the cessation of accrual of interest on such
23 Series 2020B Bonds on the Redemption Date.

24 The notice or notices required for redemption shall be given by the City Treasurer, or
25 any agent appointed by the City. A certificate of the City Treasurer or such other appointed

1 agent of the City that notice of redemption has been given to the Registered Owner of any
2 Series 2020B Bond in accordance with this Resolution shall be conclusive against all parties.

3 (h) Series 2020B Redemption Account. At the time the City Treasurer determines
4 to optionally call and redeem any of the Series 2020B Bonds, the City Treasurer or his or her
5 agent shall establish a redemption account to be described or known as the “General
6 Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B
7 Redemption Account” (“Series 2020B Redemption Account”), and prior to or on the
8 Redemption Date there must be set aside in the Series 2020B Redemption Account moneys
9 available for the purpose which, taken together with any interest earned thereon, will be
10 sufficient to redeem, as provided in this Resolution, the Series 2020B Bonds designated in
11 said notice of redemption, subject to the provisions of Section 8(j) hereof. Said moneys must
12 be set aside in the Series 2020B Redemption Account solely for the purpose of, and shall be
13 applied on or after the Redemption Date to, payment of the redemption price of the Series
14 2020B Bonds to be redeemed upon presentation and surrender of such Series 2020B Bonds.
15 Any interest due on or prior to the Redemption Date may be paid from the applicable Series
16 2020B Bond Subaccount as provided in Section 9 hereof or from the Series 2020B
17 Redemption Account. Moneys held from time to time in the Series 2020B Redemption
18 Account shall be invested by the City Treasurer pursuant to the City’s policies and guidelines
19 for investment of moneys in the General Fund of the City. If, after all of the Series 2020B
20 Bonds called for redemption have been redeemed and canceled or paid and canceled, there
21 are moneys remaining in the Series 2020B Redemption Account, said moneys shall be
22 transferred to the General Fund of the City or to such other fund or account as required by
23 applicable law; provided, however, that if said moneys are part of the proceeds of refunding
24 bonds, said moneys shall be transferred pursuant to the resolution authorizing such refunding
25 bonds.

1 (i) Effect of Redemption. When notice of optional redemption has been given,
2 substantially as provided in this Resolution, the Series 2020B Bonds designated for
3 redemption shall become due and payable on the Redemption Date therefor (subject to the
4 condition set forth in Section 8(g) herein and any conditions set forth in the notice of
5 redemption pursuant to subsection (j) of this Section), and upon presentation and surrender of
6 said Series 2020B Bonds at the place specified in the notice of redemption, such Series
7 2020B Bonds shall be redeemed and paid at said redemption price out of the Series 2020B
8 Redemption Account. No interest will accrue on such Series 2020B Bonds called for
9 redemption after the Redemption Date and the Registered Owners of such Series 2020B
10 Bonds shall look for payment of such Series 2020B Bonds only to the Series 2020B
11 Redemption Account. All Series 2020B Bonds redeemed shall be canceled forthwith by the
12 City Treasurer and shall not be reissued.

13 (j) Conditional Notice of Optional Redemption; Rescission of Redemption. Any
14 notice of optional redemption given as provided in Section 8(g) hereof may provide that such
15 redemption is conditioned upon: (i) deposit in the Series 2020B Redemption Account of
16 sufficient moneys to redeem the Series 2020B Bonds called for optional redemption on the
17 anticipated Redemption Date, or (ii) the occurrence of any other event specified in the notice
18 of redemption. If conditional notice of optional redemption has been given, substantially as
19 provided herein, and on the scheduled Redemption Date (A) sufficient moneys to redeem the
20 Series 2020B Bonds called for optional redemption on the Redemption Date have not been
21 deposited in the Series 2020B Redemption Account, or (B) any other event specified in the
22 notice of redemption as a condition to the redemption has not occurred, then (y) the Series
23 2020B Bonds for which conditional notice of redemption was given shall not be redeemed on
24 the anticipated Redemption Date and shall remain Outstanding for all purposes of this
25

1 Resolution, and (z) the redemption not occurring shall not constitute an event of default under
2 this Resolution or the Authorizing Resolution.

3 The City may rescind any optional redemption and notice thereof for any reason on any
4 date prior to any Redemption Date by causing written notice of the rescission to be given to
5 the Registered Owners of all Series 2020B Bonds so called for redemption. Notice of such
6 rescission of redemption shall be given in the same manner notice of redemption was
7 originally given. The actual receipt by the Registered Owner of any Series 2020B Bond of
8 notice of such rescission shall not be a condition precedent to rescission, and failure to
9 receive such notice or any defect in such notice so mailed shall not affect the validity of the
10 rescission.

11 Section 9. Series 2020B Bond Subaccount. There is hereby established with the
12 City Treasurer a special subaccount in the General Obligation Bonds (Transportation and
13 Road Improvement Bonds, 2014) Bond Account (“Bond Account”) created pursuant to the
14 Authorizing Resolution to be designated the “General Obligation Bonds (Transportation and
15 Road Improvement Bonds, 2014), Series 2020B Bond Subaccount” and, in the event the
16 Series 2020B Bonds shall consist of multiple series or subseries, a special subaccount therein
17 for each such series or subseries (individually and collectively, the “Series 2020B Bond
18 Subaccount”), the designation of which subaccounts may be approved by the Director of
19 Public Finance, each to be held separate and apart from all other accounts of the City. All
20 taxes collected pursuant to Section 7 of the Authorizing Resolution shall be deposited in the
21 Bond Account, and the Bonds shall be equally and ratably secured by the taxes collected
22 pursuant to that Section 7 of the Authorizing Resolution. In addition, principal and interest on
23 the Bonds shall be secured by the statutory lien of California Government Code Section
24 53515. Any bid premium received upon the delivery of the Series 2020B Bonds shall be
25 deposited into the applicable Series 2020B Bond Subaccount. All interest earned on amounts

1 on deposit in each Series 2020B Bond Subaccount shall be retained in such Series 2020B
2 Bond Subaccount.

3 On or prior to the date on which any payment of principal of or interest on the Series
4 2020B Bonds is due, including any Series 2020B Bonds subject to mandatory redemption on
5 said date, the City Treasurer shall allocate to and deposit in the Series 2020B Bond
6 Subaccount, from amounts held in the Bond Account, an amount which, when added to any
7 available moneys contained in such Series 2020B Bond Subaccount, is sufficient to pay
8 principal of and interest on the Series 2020B Bonds on such date.

9 On or prior to the date on which any Series 2020B Bonds are to be redeemed at the
10 option of the City pursuant to this Resolution, the City Treasurer may allocate to and deposit
11 in the Series 2020B Redemption Account, from amounts held in the Bond Account pursuant to
12 Section 8 of the Authorizing Resolution, an amount which, when added to any available
13 moneys contained in the Series 2020B Redemption Account and any interest to be earned
14 thereon between the date moneys are deposited and the Redemption Date, is sufficient to pay
15 principal, interest and premium, if any, with respect to such Series 2020B Bonds on such
16 date. The City Treasurer may make such other provision for the payment of principal of and
17 interest and any redemption premium on the Series 2020B Bonds as is necessary or
18 convenient to permit the optional redemption of the Series 2020B Bonds.

19 Amounts in the Series 2020B Bond Subaccount may be invested in any investment of
20 the City in which moneys in the General Fund of the City are invested. The City Treasurer
21 may (i) commingle any of the moneys held in the Series 2020B Bond Subaccount with other
22 City moneys, or (ii) deposit amounts credited to the Series 2020B Bond Subaccount into a
23 separate fund or funds for investment purposes only; provided, however, that all of the
24 moneys held in each Series 2020B Bond Subaccount shall be accounted for separately
25 notwithstanding any such commingling or separate deposit by the City Treasurer.

1 Section 10. Series 2020B Project Subaccount. There is hereby established with the
2 City Treasurer a special subaccount in the General Obligation Bonds (Transportation and
3 Road Improvement Bonds, 2014) Project Account (“Project Account”) created pursuant to the
4 Authorizing Resolution to be designated the “General Obligation Bonds (Transportation and
5 Road Improvement Bonds, 2014), Series 2020B Project Subaccount”, and in the event the
6 Series 2020B Bonds shall consist of multiple series or subseries, a special subaccount therein
7 for each such series or subseries (individually and collectively, the “Series 2020B Project
8 Subaccount”), the designation of which subaccounts may be approved by the Director of
9 Public Finance, each to be held separate and apart from all other accounts of the City. All
10 interest earned on amounts on deposit in each Series 2020B Project Subaccount shall be
11 retained in such Series 2020B Project Subaccount. Amounts in the Series 2020B Project
12 Subaccount shall be expended in accordance with the provisions of the Authorizing
13 Resolution for the acquisition, construction or reconstruction of the Project or portions thereof.

14 Amounts in the Series 2020B Project Subaccount may be invested in any investment of
15 the City in which moneys in the General Fund of the City are invested. The City Treasurer
16 may (i) commingle any of the moneys held in the Series 2020B Project Subaccount with other
17 City moneys, or (ii) deposit amounts credited to the Series 2020B Project Subaccount into a
18 separate fund or funds for investment purposes only; provided, however, that all of the
19 moneys held in each Series 2020B Project Subaccount (including interest earnings)
20 hereunder shall be accounted for separately notwithstanding any such commingling or
21 separate deposit by the City Treasurer.

22 The City Treasurer also is hereby authorized to pay or cause to be paid from the
23 proceeds of the Series 2020B Bonds on deposit in each Series 2020B Project Subaccount, on
24 behalf of the City, the costs of issuance associated with such Series 2020B Bonds. Costs of
25 issuance of the Series 2020B Bonds shall include, without limitation, bond and financial

1 printing expenses, mailing and publication expenses, rating agency fees, the fees and
2 expenses of paying agents, registrars, financial consultants, disclosure counsel and co-bond
3 counsel and the reimbursement of departmental expenses in connection with the issuance of
4 the Series 2020B Bonds.

5 Section 11. Appointment of Depositories and Other Agents; Paying Agent Agreement.

6 The City Treasurer is authorized and directed to appoint one or more depositories as he or
7 she may deem desirable and the procedures set forth in Sections 6, 7 and 8 hereof relating to
8 registration of ownership of the Series 2020B Bonds and payments and redemption notices to
9 owners of the Series 2020B Bonds may be modified to comply with the policies and
10 procedures of such depository. The City will not have any responsibility or obligation to any
11 purchaser of a beneficial ownership interest in any Series 2020B Bonds or to any participants
12 in such depository with respect to: (i) the accuracy of any records maintained by such
13 securities depository or any participant therein; (ii) any notice that is permitted or required to
14 be given to the Registered Owners of such Series 2020B Bonds under this Resolution; (iii) the
15 selection by such securities depository or any participant therein of any person to receive
16 payment in the event of a partial redemption of such Series 2020B Bonds; (iv) the payment by
17 such securities depository or any participant therein of any amount with respect to the
18 principal or redemption premium, if any, or interest due with respect to such Series 2020B
19 Bonds; (v) any consent given or other action taken by such securities depository as the
20 Registered Owner of such Series 2020B Bonds; or (vi) any other matter.

21 The Depository Trust Company or any successor thereto ("DTC") is hereby appointed
22 as securities depository for the Series 2020B Bonds. The Series 2020B Bonds shall be
23 initially issued only in book-entry form. Upon initial issuance, the ownership of each Series
24 2020B Bond shall be registered in the bond registration books in the name of Cede & Co., as
25 nominee of DTC. So long as each Series 2020B Bond is registered in book-entry form, each

1 Series 2020B Bond shall be registered in the name of Cede & Co. or in the name of such
2 successor nominee as may be designated from time to time by DTC or any successor as
3 depository.

4 The City Treasurer is hereby also authorized and directed to appoint one or more
5 agents, as he or she may deem necessary or desirable. To the extent permitted by applicable
6 law and under the supervision of the City Treasurer, such agents may serve as paying agent,
7 fiscal agent, rebate calculation agent, escrow agent or registrar for the Series 2020B Bonds,
8 or may assist the City Treasurer in performing any or all of such functions and such other
9 duties as the City Treasurer shall determine. If the City Treasurer appoints one or more
10 paying agents, the procedures set forth in Sections 6 and 8 hereof relating to registration of
11 ownership of the Series 2020B Bonds and payments and redemption notices to Registered
12 Owner of the Series 2020B Bonds may be modified to comply with the policies and
13 procedures of such paying agent. Such agents shall serve under such terms and conditions
14 as the City Treasurer shall determine. The City Treasurer may remove or replace agents
15 appointed pursuant to this paragraph at any time. The form of Paying Agent Agreement
16 (“Paying Agent Agreement”) by and between the City and the paying agent(s) named therein
17 (“Paying Agent”) submitted to the Board is hereby approved and adopted as the Paying Agent
18 Agreement, with such additions, corrections and revisions as may be determined to be
19 necessary or desirable to be made in accordance with Section 22 hereof. The City Treasurer
20 is hereby authorized and directed to execute the Paying Agent Agreement on behalf of the
21 City.

22 Section 12. Defeasance Provisions. Payment of all or any portion of the Series
23 2020B Bonds may be provided for prior to the respective stated maturities of the Series
24 2020B Bonds by irrevocably depositing with the City Treasurer (or any commercial bank or
25 trust company designated by the City Treasurer to act as escrow agent with respect thereto):

1 (a) An amount of cash equal to the principal amount of all of such Series 2020B
2 Bonds or a portion thereof, and all unpaid interest thereon to maturity, except that in the case
3 of the Series 2020B Bonds that are to be redeemed prior to such Series 2020B Bonds'
4 respective stated maturities and in respect of which notice of such redemption shall have
5 been given as provided in Section 8 hereof or an irrevocable election to give such notice shall
6 have been made by the City, the amount to be deposited shall be the principal amount
7 thereof, all unpaid interest thereon to the Redemption Date, and premium, if any, due on such
8 Redemption Date; or

9 (b) Defeasance Securities (as defined below) not subject to call, except as provided
10 below in the definition thereof, maturing and paying interest at such times and in such
11 amounts, together with interest earnings and cash, if required, as will, without reinvestment,
12 as certified by an independent certified public accountant, be fully sufficient to pay the
13 principal and all unpaid interest to maturity, or to the Redemption Date, as the case may be,
14 and premium, if any, due on the Series 2020B Bonds to be paid or redeemed, as such
15 principal and interest come due; provided, that, in the case of such Series 2020B Bonds that
16 are to be redeemed prior to maturity, irrevocable notice of such redemption shall be given as
17 provided in Section 8 hereof or an irrevocable election to give such notice shall have been
18 made by the City; then, all obligations of the City with respect to said outstanding Series
19 2020B Bonds shall cease and terminate, except only the obligation of the City to pay or cause
20 to be paid from the funds deposited pursuant to paragraph (a) or (b) of this Section 12, to the
21 owners of such Series 2020B Bonds all sums due with respect thereto; provided, that the City
22 shall have received, if desirable, an opinion of nationally recognized bond counsel, that
23 provision for the payment of such Series 2020B Bonds has been made in accordance with
24 this Section 12.

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1 For purposes of this Section 12, "Defeasance Securities" shall mean any of the
2 following that at the time are legal investments under the laws of the State of California for the
3 moneys proposed to be invested therein:

4 (1) United States Obligations (as defined below); and

5 (2) Pre-refunded fixed interest rate municipal obligations meeting the following
6 conditions: (a) the municipal obligations are not subject to redemption prior to maturity, or the
7 trustee has been given irrevocable instructions concerning their calling and redemption and
8 the issuer has covenanted not to redeem such obligations other than as set forth in such
9 instructions; (b) the municipal obligations are secured by cash or United States Obligations;
10 (c) the principal of and interest on the United States Obligations (plus any cash in the escrow
11 fund or the Series 2020B Redemption Account) are sufficient to meet the liabilities of the
12 municipal obligations; (d) the United States Obligations serving as security for the municipal
13 obligations are held by a trustee or escrow agent; (e) the United States Obligations are not
14 available to satisfy any other claims, including those against the trustee or escrow agent; and
15 (f) the municipal obligations are rated (without regard to any numerical modifier, plus or minus
16 sign or other modifier), at the time of original deposit to the escrow fund, by two of the Rating
17 Agencies (as defined herein) not lower than the rating then maintained by the respective
18 Rating Agency on United States Obligations.

19 For purposes of this Section 12, "United States Obligations" shall mean (i) direct and
20 general obligations of the United States of America, or obligations that are unconditionally
21 guaranteed as to principal and interest by the United States of America, including without
22 limitation, the interest component of Resolution Funding Corporation (REFCORP) bonds that
23 have been stripped by request to the Federal Reserve Bank of New York in book-entry form
24 or (ii) any security issued by an agency or instrumentality of the United States of America that
25 is selected by the Director of Public Finance that results in the escrow fund being rated by two

1 of the Rating Agencies, at the time of the initial deposit to the escrow fund and upon any
2 substitution or subsequent deposit to the escrow fund, no lower than the rating then
3 maintained by the respective Rating Agency on United States Obligations described in (i)
4 above.

5 For purposes of this Section 12, "Rating Agencies" shall mean Moody's Investors
6 Service, Inc., Fitch Ratings, and S&P Global Ratings, or any other nationally recognized bond
7 rating agency that is the successor to any of the foregoing rating agencies or that is otherwise
8 recognized as a national rating agency after the date hereof.

9 Section 13. Sale of Series 2020B Bonds by Competitive and/or Negotiated Sale. The
10 Board authorizes the sale of the Series 2020B Bonds by solicitation of competitive bids and/or
11 by negotiated sale as a public offering to one or more underwriters to be appointed in
12 accordance with City policies, or a private placement to one or more purchasers, if so
13 determined by the Director of Public Finance. If the Series 2020B Bonds are sold by
14 competitive sale such sale shall be conducted in accordance with the Official Notice of Sale
15 described in Section 14 below.

16 Section 14. Official Notice of Sale; Receipt of Bids; Bond Award.

17 (a) Official Notice of Sale. The form of proposed Official Notice of Sale inviting bids
18 for the Series 2020B Bonds ("Official Notice of Sale") submitted to the Board is hereby
19 approved and adopted as the Official Notice of Sale inviting bids for the Series 2020B Bonds,
20 with such changes, additions and modifications as may be made in accordance with Section
21 22 hereof. The Director of Public Finance is hereby authorized and directed to cause to be
22 mailed or otherwise circulated to prospective bidders for the Series 2020B Bonds copies of
23 the Official Notice of Sale, subject to such corrections, revisions or additions as may be
24 acceptable to the Director of Public Finance.

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1 (b) Receipt of Bids. Bids shall be received on the date designated by the Director of
2 Public Finance pursuant to Section 4 hereof and the Official Notice of Sale.

3 (c) Bond Award. As provided in the Official Notice of Sale, the City may reject any
4 and all bids received for any reason. The Controller or the Director of Public Finance is
5 hereby authorized to award the Series 2020B Bonds to the responsible bidder whose bid (i) is
6 timely received and conforms to the Official Notice of Sale, except to the extent informalities
7 and irregularities are waived by the City as permitted by the Official Notice of Sale, and (ii)
8 represents the lowest true interest cost to the City in accordance with the procedures
9 described in the Official Notice of Sale. The award, if made, shall be set forth in a certificate
10 signed by the Controller or the Director of Public Finance setting forth the terms of the Series
11 2020B Bonds and the original purchasers thereof ("Bond Award"). The Controller shall
12 provide a copy of the Bond Award as soon as practicable to the Clerk of the Board and the
13 Director of Public Finance; provided, however, that failure to provide such copies shall not
14 affect the validity of the Bond Award.

15 Section 15. Publication of Notice of Intention to Sell Bonds. The form of proposed
16 Notice of Intention to Sell the Series 2020B Bonds ("Notice of Intention to Sell Bonds")
17 submitted to the Board is hereby approved and adopted as the Notice of Intention to Sell the
18 Series 2020B Bonds, and the Director of Public Finance is hereby authorized and directed to
19 cause the Notice of Intention to Sell Bonds, subject to such corrections, revisions or additions
20 as may be made in accordance with Section 22 hereof, to be published once in The Bond
21 Buyer or another financial publication generally circulated throughout the State of California.

22 Section 16. Sale of Series 2020B Bonds by Negotiated Sale; Authorization to Select
23 Underwriters or Purchasers; Form of Purchase Contract. The Controller, in consultation with
24 the Director of Public Finance, is hereby authorized to conduct the sale of the Series 2020B
25 Bonds by negotiated sale pursuant to one or more Purchase Contracts (each, a "Purchase

1 Contract”), each by and between the City and the underwriter(s) (“Underwriters”) or
2 purchaser(s) (“Purchasers”) named therein, if the Controller determines pursuant to California
3 Government Code Section 53508.9 that such manner of sale is in the best financial interest of
4 the City, such determination to be conclusively evidenced by the execution and delivery of
5 such Purchase Contract as hereinafter approved. The form of such Purchase Contract as
6 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
7 approved. The Controller or the Director of Public Finance is hereby authorized to execute
8 such Purchase Contract with such changes, additions and modifications as the Controller or
9 the Director of Public Finance may make or approve in accordance with Section 22 hereof;
10 provided however, that the Underwriters’ discount or Purchasers’ discount or commitment fee
11 under any such Purchase Contract shall not exceed 1% of the principal amount of the Series
12 2020B Bonds.

13 In order to facilitate the sale of the Series 2020B Bonds by negotiated sale, the
14 Controller or the Director of Public Finance is hereby authorized and directed (a) to appoint
15 one or more financial institutions to act as underwriter for a public offering of the Series 2020B
16 Bonds, or (b) to select one or more purchasers to purchase the Series 2020B Bonds through
17 a private placement, in accordance with City policies and procedures, including, but not
18 limited to, the City’s policy to provide locally disadvantaged minority business enterprises and
19 women enterprises an equal opportunity to participate in the performance of all City contracts.

20 Section 17. Disposition of Proceeds of Sale. The proceeds of sale of the Series
21 2020B Bonds shall be applied by the City Treasurer as follows: (a) accrued interest, if any,
22 shall be deposited into the Series 2020B Bond Subaccount, (b) original issue premium, if any,
23 shall be deposited into the Series 2020B Bond Subaccount, and (c) remaining proceeds of
24 sale shall be deposited into the Series 2020B Project Subaccount.

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1 Section 18. Official Statement. The form of proposed Preliminary Official Statement
2 describing the Series 2020B Bonds (“Preliminary Official Statement”) submitted to the Board
3 is hereby approved and adopted as the Preliminary Official Statement describing the Series
4 2020B Bonds in connection with a public offering thereof, with such additions, corrections and
5 revisions as may be determined to be necessary or desirable to be made in accordance with
6 Section 22 hereof. The Controller is hereby authorized to cause the distribution of a
7 Preliminary Official Statement deemed final for purposes of Securities and Exchange
8 Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as
9 amended (“Rule”), and to sign or to designate the Director of Public Finance to sign a
10 certificate to that effect. The Controller or the Director of Public Finance is hereby authorized
11 and directed to cause to be printed and mailed or electronically distributed to prospective
12 bidders for the Series 2020B Bonds copies of one or more Preliminary Official Statements in
13 substantially the form of the Preliminary Official Statement approved and adopted hereby, as
14 completed, supplemented, corrected or revised. The Controller is authorized and directed to
15 approve, execute, and deliver the final Official Statement with respect to the Series 2020B
16 Bonds, which final Official Statement shall be in the form of the Preliminary Official Statement,
17 with such additions, corrections and revisions as may be determined to be necessary or
18 desirable made in accordance with Section 22 hereof and as are permitted under the Rule.
19 The Controller or the Director of Public Finance is hereby authorized and directed to cause to
20 be printed and mailed or electronically distributed copies of the final Official Statement to all
21 actual initial purchasers of the Series 2020B Bonds. The Controller or the Director of Public
22 Finance is also hereby authorized to authorize, approve, and cause to be published any
23 supplements or amendments that may be necessary in connection with the Preliminary
24 Official Statement and Final Official Statement.

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1 Section 19. Tax Covenants.

2 (a) General. The City hereby covenants with the owners and holders of the tax-
3 exempt Series 2020B-1 Bonds, or such other designated name for a tax-exempt series, that,
4 notwithstanding any other provisions of this Resolution, it shall not take any action, or fail to
5 take any action, if any such action or failure to take action would adversely affect the
6 exclusion from gross income of interest on the Series 2020B-1 Bonds under Section 103 of
7 the Code, and the regulations issued thereunder, as the same may be amended from time to
8 time, and any successor provisions of law. Reference to a particular section of the Code shall
9 be deemed to be a reference to any successor to any such section. The City shall not,
10 directly or indirectly, use or permit the use of proceeds of the Series 2020B-1 Bonds or any of
11 the property financed or refinanced with proceeds of the Series 2020B-1 Bonds, or any
12 portion thereof, by any person other than a governmental unit (as such term is used in Section
13 141 of the Code), in such manner or to such extent as would result in the loss of exclusion of
14 interest on the Series 2020B-1 Bonds from gross income for federal income tax purposes.

15 (b) Use of Proceeds. The City shall not take any action, or fail to take any action, if
16 any such action or failure to take action would cause the Series 2020B-1 Bonds to be “private
17 activity bonds” within the meaning of Section 141 of the Code, and in furtherance thereof,
18 shall not make any use of the proceeds of the Series 2020B-1 Bonds or any of the property
19 financed or refinanced with proceeds of the Series 2020B-1 Bonds, or any portion thereof, or
20 any other funds of the City, that would cause the Series 2020B-1 Bonds to be “private activity
21 bonds” within the meaning of Section 141 of the Code. To that end, so long as any Series
22 2020B-1 Bonds are outstanding, the City, with respect to such proceeds and property and
23 such other funds, will comply with applicable requirements of the Code and all regulations of
24 the United States Department of the Treasury issued thereunder, to the extent such
25 requirements are, at the time, applicable and in effect. The City shall establish reasonable

1 procedures necessary to ensure continued compliance with Section 141 of the Code and the
2 continued qualification of the Series 2020B Bonds-1 as “governmental bonds.”

3 (c) Arbitrage. The City shall not, directly or indirectly, use or permit the use of any
4 proceeds of the Series 2020B-1 Bonds, or of any property financed or refinanced by the
5 Series 2020B-1 Bonds, or other funds of the City, or take or omit to take any action, that
6 would cause the Series 2020B-1 Bonds to be “arbitrage bonds” within the meaning of Section
7 148 of the Code. To that end, the City shall comply with all requirements of Section 148 of the
8 Code and all regulations of the United States Department of the Treasury issued thereunder
9 to the extent such requirements are, at the time, in effect and applicable to the Series 2020B-
10 1 Bonds.

11 (d) Federal Guarantee. The City shall not make any use of the proceeds of the
12 Series 2020B-1 Bonds or any other funds of the City, or take or omit to take any other action,
13 that would cause the Series 2020B-1 Bonds to be “federally guaranteed” within the meaning
14 of Section 149(b) of the Code.

15 (e) Information Reporting. The City shall take or cause to be taken all necessary
16 action to comply with the informational reporting requirement of Section 149(e) of the Code
17 with respect to the Series 2020B-1 Bonds.

18 (f) Hedge Bonds. The City shall not make any use of the proceeds of the Series
19 2020B-1 Bonds or any other amounts or property, regardless of the source, or take any action
20 or refrain from taking any action that would cause the Series 2020B Bonds-1 to be considered
21 “hedge bonds” within the meaning of Section 149(g) of the Code unless the City takes all
22 necessary action to assure compliance with the requirements of Section 149(g) of the Code.

23 (g) Compliance with Tax Certificate. In furtherance of the foregoing tax covenants
24 of this Section 19, the City covenants that it will comply with the provisions of the Tax
25 Certificate to be executed by the City with respect to the Series 2020B-1 Bonds, dated the

1 date of issuance of the Series 2020B-1 Bonds, as such Tax Certificate may be amended from
2 time to time. This covenant shall survive payment in full or defeasance of the Series 2020B-1
3 Bonds.

4 Section 20. Continuing Disclosure Certificate. The form of Continuing Disclosure
5 Certificate (“Continuing Disclosure Certificate”) to be signed by the City in connection with a
6 public offering of Series 2020B Bonds to permit the original purchasers of the Series 2020B
7 Bonds to comply with the Rule, submitted to the Board is hereby approved and adopted as
8 the Continuing Disclosure Certificate, with such additions, corrections and revisions as may
9 be determined to be necessary or desirable to be made in accordance with Section 22 hereof.
10 The Controller is hereby authorized and directed to execute the Continuing Disclosure
11 Certificate on behalf of the City and deliver the Continuing Disclosure Certificate to the original
12 purchasers of the Series 2020B Bonds.

13 Section 21. Placement Agent Agreement. The form of Placement Agent Agreement
14 (“Placement Agent Agreement”) by and between the City and the placement agent(s) named
15 therein (“Placement Agent”) submitted to the Board is hereby approved and adopted as the
16 Placement Agent Agreement, with such additions, corrections and revisions as may be
17 determined to be necessary or desirable to be made in accordance with Section 22 hereof;
18 provided that the Placement Agent fee shall not exceed 1% of the principal amount of the
19 Series 2020B Bonds. The Controller or the Director of Public Finance is hereby authorized
20 and directed to execute the Placement Agent Agreement on behalf of the City. In order to
21 facilitate the sale of the Series 2020B Bonds by private placement, the Controller or the
22 Director of Public Finance is hereby authorized and directed to appoint one or more financial
23 institutions to act as Placement Agent in accordance with City policies and procedures.

24 Section 22. Modification to Documents. Any City official authorized by this Resolution
25 to execute any document is hereby further authorized, in consultation with the City Attorney,

1 to approve and make such changes, additions, amendments or modifications to the document
2 or documents such official is authorized to execute as may be necessary or advisable
3 (provided that such changes, additions, amendments or modifications shall not authorize an
4 aggregate principal amount of Series 2020B Bonds in excess of \$140,000,000 or conflict with
5 the provisions of Section 4 hereof). The approval of any change, addition, amendment or
6 modification to any of the aforementioned documents shall be evidenced conclusively by the
7 execution and delivery of the document in question.

8 Section 23. Ratification. All actions heretofore taken by officials, employees and
9 agents of the City with respect to the sale and issuance of the Series 2020B Bonds, as
10 consistent with the documents herein and the Resolution, are hereby approved, confirmed
11 and ratified.

12 Section 24. Relationship to Authorizing Resolution. In the event of any conflict
13 between this Resolution and the Authorizing Resolution, the terms of this Resolution shall
14 control. Without limiting the foregoing and notwithstanding the provisions of the Authorizing
15 Resolution, the City is not obligated to transfer money from the General Fund of the City to the
16 Bond Account to pay the principal of or interest on the Series 2020B Bonds.

17 Section 25. Accountability Reports. The Series 2020B Bonds are subject to
18 accountability requirements under the City’s Administrative Code and the Bond Ordinance.
19 The deadline for submission of the Accountability Reports under Administrative Code Section
20 2.71(a) is hereby waived with respect to the Series 2020B Bonds.

21 Section 26. Citizens’ General Obligation Bond Oversight Committee. The Series
22 2020B Bonds are subject to, and incorporate by reference, the applicable provisions of San
23 Francisco Administrative Code Sections 5.30 5.36 (“Citizens’ General Obligation Bond
24 Oversight Committee”), and to the extent permitted by law, one-tenth of one percent (0.1%) of
25 the gross proceeds of the Series 2020B Bonds shall be deposited in a fund established by the

1 Controller's Office and appropriated by the Board at the direction of the Citizens' General
2 Obligation Bond Oversight Committee to cover the costs of such Committee.

3 Section 27. City Services Auditor Fee. To the extent permitted by law, one-fifth of
4 one percent (0.2%) of the amount of gross proceeds of the Series 2020B Bonds deposited
5 into the Series 2020B Project Subaccount shall be applied to pay the City Services Auditor
6 Fee.

7 Section 28. Reimbursement. The City declares its official intent to reimburse prior
8 expenditures of the City incurred prior to the issuance and sale of the Series 2020B Bonds in
9 connection with the Project or portions thereof to be financed by the Series 2020B Bonds.
10 The Board declares the City's intent to reimburse the City with the proceeds of the Series
11 2020B Bonds for the expenditures with respect to the Project ("Expenditures" and each an
12 "Expenditure") made on and after that date that is no more than 60 days prior to adoption of
13 this Resolution. The City reasonably expects on the date of adoption of this Resolution that it
14 will reimburse the Expenditures with the proceeds of the Series 2020B Bonds.

15 Each Expenditure was and will be either (a) of a type properly chargeable to a capital account
16 under general federal income tax principles (determined in each case as of the date of the
17 Expenditure), (b) a cost of issuance with respect to the Series 2020B Bonds, (c) a
18 nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
19 party that is not related to or an agent of the City so long as such grant does not impose any
20 obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
21 City. The maximum aggregate principal amount of the Series 2020B Bonds expected to be
22 issued for the Project is \$140,000,000. The City shall make a reimbursement allocation,
23 which is a written allocation by the City that evidences the City's use of proceeds of the Series
24 2020B Bonds to reimburse an Expenditure, no later than 18 months after the later of the date
25 on which the Expenditure is paid or the Project is placed in service or abandoned, but in no

1 event more than three years after the date on which the Expenditure is paid. The City
2 recognizes that exceptions are available for certain “preliminary expenditures,” costs of
3 issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year of
4 issuance and not the year of expenditure) and expenditures for construction projects of at
5 least 5 years.

6 Section 29. CEQA Determinations.

7 (a) The Board hereby reaffirms and incorporates by reference the CEQA findings
8 and determinations set forth in San Francisco Municipal Transportation Commission Board of
9 Director’s Resolution No. 14-041, Resolution No.14-042, Resolution 15-081, Resolution 16-
10 013, Resolution 16-113, Resolution 16-128, and Resolution 16-132, which findings are
11 incorporated by reference as if set forth in full herein. The use of bond proceeds to finance
12 any project or portion of any project with bond proceeds will be subject, as necessary, to
13 approval of the Board upon completion of any planning and any further required
14 environmental review under CEQA for the individual facilities and projects.

15 Section 30. Appointment of Bond Counsel, Municipal Advisor and Underwriter. The

16 firms of Orrick, Herrington & Sutcliffe LLP and Curls Bartling P.C. are hereby appointed Co-
17 Bond Counsel to the City in connection with the Series 2020B Bonds. The firm of Fieldman,
18 Rolapp & Associates, Inc. is hereby appointed Municipal Advisor to the City in connection with
19 the Series 2020B Bonds. If the Controller, in consultation with the Director of Public Finance,
20 determines that a negotiated sale is in the best financial interest of the City pursuant to
21 Section 16, the Underwriters or Purchasers shall be disclosed by this Board at the public
22 meeting first occurring after such Underwriters have been selected pursuant to California
23 Government Code Section 53508.9(a)(4).

24 Section 31. General Authority. The Mayor, City Treasurer, Controller, the Director of

25 Public Finance, the City Attorney and the Clerk of the Board are each hereby authorized and

1 directed in the name and on behalf of the City to take any and all steps and to issue, deliver or
2 enter into any and all certificates, requisitions, agreements, notices, consents, and other
3 documents as may be necessary to give effect to the provisions of this Resolution, including
4 but not limited to letters of representations to any depository or depositories, which they or
5 any of them might deem necessary or appropriate in order to consummate the lawful
6 issuance, sale and delivery of the Series 2020B Bonds. Any such actions are solely intended
7 to further the purposes of this Resolution, and are subject in all respects to the terms of this
8 Resolution. No such actions shall increase the risk to the City or require the City to spend any
9 resources not otherwise granted herein. Final versions of any such documents shall be
10 provided to the Clerk of the Board for inclusion in the official file within 30 days of execution by
11 all parties, together with a brief explanation of any changes from the date of the adoption of
12 this Resolution.

13

14 APPROVED AS TO FORM:
15 Dennis J. Herrera,
16 City Attorney

17

18

19 By: /s/ Mark D. Blake
20 Mark D. Blake
21 Deputy City Attorney
22 n:\legana\as2020\2000554\01451369.docx

23

24

25

1 **EXHIBIT A**
2 **[FORM OF SERIES 2020B BOND]**

3 **Number** **Amount**
4 **R-__** **\$_____**

5 **CITY AND COUNTY OF SAN FRANCISCO**
6 **GENERAL OBLIGATION BONDS**
7 **(TRANSPORTATION & ROAD IMPROVEMENT BONDS, 2014)**
8 **SERIES 2020B-[1][2 (TAXABLE)]**

9 **Interest Rate** **Maturity Date** **Dated** **CUSIP**
10 **%** **_____, 20__** **_____, 2020** **Number**

11
12
13 REGISTERED OWNER: CEDE & CO.

14 PRINCIPAL SUM: DOLLARS

15 THE CITY AND COUNTY OF SAN FRANCISCO, State of California ("City"),
16 acknowledges itself indebted to and promises to pay to CEDE & CO. or registered assigns, on
17 the maturity date set forth above the principal sum of
18 _____ Dollars (\$_____) in lawful money of the
19 United States of America, and to pay interest thereon in like lawful money from the interest
20 payment date next preceding the date of authentication of this bond (unless this bond is
21 authenticated as of the day during the period from the last day of the month next preceding
22 any interest payment date ("Record Date") to such interest payment date, inclusive, in which it
23 shall bear interest from such interest payment date, or unless this bond is authenticated on or
24 before November 30, 2020, in which event it shall bear interest from its dated date until
25 payment of such principal sum, at the interest rate per annum stated herein above calculated

1 on the basis of a 360-day year comprised of twelve 30-day months, payable on December 15,
2 2020, and semiannually thereafter on June 15 and December 15 in each year; provided;
3 however, if any interest payment date occurs on a day that banks in California or New York
4 are closed for business or the New York Stock Exchange is closed for business, then such
5 payment shall be made on the next succeeding day that banks in both California and New
6 York are open for business and the New York Stock Exchange is open for business
7 (“Business Day”). The principal hereof is payable to the registered owner hereof upon the
8 surrender hereof at the office of the Treasurer of the City (“City Treasurer”). The interest
9 hereon is payable to the person whose name appears on the bond registration books of the
10 City Treasurer as the registered owner hereof as of the close of business on the Record Date
11 immediately preceding an interest payment date, whether or not such day is a Business Day,
12 such interest to be paid by check mailed on the interest payment date to such registered
13 owner at the owner’s address as it appears on such registration books; provided, however,
14 that the registered owner of bonds in an aggregate principal amount of at least \$1,000,000
15 may submit a written request to the City Treasurer on or before the Record Date preceding
16 any interest payment date for payment of interest hereon by wire transfer to a commercial
17 bank located in the United States of America.

18 This bond is one of a duly authorized issue of bonds of like tenor (except for such
19 variations, if any, as may be required to designate varying numbers, denominations, interest
20 rates and maturities), in the original aggregate principal amount of \$_____ and is one of
21 a duly authorized series of said issue which series is part of a bond authorization in the
22 aggregate principal amount of \$500,000,000 and is authorized by votes of more than two-
23 thirds of the voters voting at an election duly and legally called, held and conducted, in said
24 City on November 4, 2014 and is issued and sold by the City pursuant to and in strict
25 conformity with the provisions of the Constitution and laws of the State of California, and

1 Charter of the City, and of resolutions adopted by the Board of Supervisors of the City (“Board
2 of Supervisors”) on June 2, 2015, and _____, 2020 (collectively, the “Resolutions”).

3 The bonds are issuable as fully registered bonds without coupons in the denominations of
4 \$5,000 or any integral multiple thereof, provided that no bond shall have principal maturing on
5 more than one principal maturity date. Subject to the limitations and conditions and upon
6 payment of the charges, if any, as provided in the Resolutions, the bonds may be exchanged
7 for a like aggregate principal amount of bonds or other authorized denominations of the same
8 interest rate and maturity.

9 This bond is transferable by the registered owner hereof, in person or by attorney duly
10 authorized in writing, at said office of the City Treasurer, but only in the manner, subject to the
11 limitations and upon payment of the charges provided in the Resolutions, and upon surrender
12 and cancellation of this bond. Upon such transfer, a new bond or bonds or authorized
13 denomination or denominations for the same interest rate and same aggregate principal
14 amount will be issued to the transferee in exchange herefor.

15 The bonds maturing on or before June 15, 20__ are not subject to redemption prior to
16 maturity. The bonds maturing on or after June 15, 20__ are subject to optional redemption
17 prior to their respective maturities, at the option of the City, for any source of available funds,
18 as a whole or in part on any date (with the maturities to be redeemed to be determined by the
19 City and by lot within a maturity), on and after June 15, 20__, at redemption prices equal to
20 100% of the principal amount redeemed), together with accrued interest to the redemption
21 date, without premium.

22 The bonds maturing on June 15, 20__, shall be subject to redemption prior to their
23 respective maturity dates, in part, by lot, from mandatory sinking fund payments, on each
24 June 15, as shown in the table below, at a redemption price equal to the principal amount
25 thereof plus accrued interest thereon to the redemption date, without premium.

1 The Board of Supervisors hereby certifies and declares that the total amount of
2 indebtedness of said City, including the amount of this bond, is within the limit provided by
3 law, that all acts, conditions and things required by the law to be done or performed precedent
4 to and in the issuance of this bond have been done and performed in strict conformity with the
5 laws authorizing the issuance of this bond, that this bond is in the form prescribed by order of
6 the Board of Supervisors duly made and entered on its minutes, and the money for the
7 payment of principal of this bond, and the payment of interest thereon, shall be raised by
8 taxation upon the taxable property of said City as provided in the Resolutions.

9
10 Under the Resolutions, the City covenants and agrees that it is obligated to levy ad
11 valorem taxes without limitation as to rate or amount upon all property within the City subject
12 to taxation by the City (except certain property which is taxable at limited rates) in an amount
13 sufficient for the payment of the bonds and the interest thereon when due.

14
15 This bond shall not be entitled to any benefit under the Resolutions, or become valid or
16 obligatory for any purpose, until the certificate of authentication and registration hereon
17 endorsed shall have been signed by the City Treasurer.

1 FORM OF ASSIGNMENT

2 For value received the undersigned do(es) hereby sell, assign and transfer unto

3 _____
4 _____ (Name, Address, Tax Identification or Social Security Number of Assignee)

5 the within-mentioned registered bond and hereby irrevocably constitute(s) and appoint(s)

6 _____
7 _____ Attorney, to transfer the same on the books of the payment agent with full power
8 of substitution in the premises.

9
10 Dated: _____

11
12 NOTE: The signature to this
13 assignment must correspond with the name
14 as written on the face of the within bond in
every particular, without enlargement or any
change whatsoever.

15 Signature Guaranty: _____

16
17 Note: Signature must be approved by a qualified guarantor.
18
19
20
21
22
23
24
25



City and County of San Francisco

Tails

Resolution

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

File Number: _____

Date Passed: [_____, 2020]

Resolution authorizing and directing the sale of not to exceed \$140,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Transportation and Road Improvement Bonds, 2014), Series 2020B; prescribing the form and terms of said bonds; authorizing the execution, authentication, and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related to said bonds; providing for the manner of sale of said bonds by competitive and/or negotiated sale; approving the forms of Official Notice of Sale and Notice of Intention to Sell Bonds; directing the publication of the Notice of Intention to Sell Bonds; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of said bonds; approving the form of the Continuing Disclosure Certificate; approving the form of Placement Agent Agreement; approving the form of Paying Agent Agreement; authorizing and approving modifications to documents, as defined herein; declaring the City's official intent to reimburse certain expenditures; waiving the deadline for submission of Bond Accountability Reports; adopting findings under the California Environmental Quality Act (CEQA), CEQA Guidelines, and Chapter 31 of the Administrative Code; ratifying certain actions previously taken as defined herein; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds, as defined herein.

1 [_____, 2020] Budget and Finance Committee – [RECOMMENDED]

2 [_____, 2020] Board of Supervisors – [ADOPTED]

3 Ayes: ___ - _____

4 File No. _____ I hereby certify that the foregoing Resolution was ADOPTED on
5 [__/__/2020] by the Board of Supervisors of the City and County of San Francisco.

6
7 File No. _____ I hereby certify that the foregoing Resolution
8 was ADOPTED on [__/__/2020] by the Board of
9 Supervisors of the City and County of San
10 Francisco.

11
12 _____
13 **Angela Calvillo**
14 **Clerk of the Board**

15
16
17 _____
18 **London Breed**
19 **Mayor**
20
21 _____
22 **Date Approved**
23
24
25