

FILE NO. [_____]

ORDINANCE NO. _____

1 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation– (Multiple
2 Affordable Housing and Community Facilities Projects) - Not to Exceed \$[146,800,000]]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation,**
4 **in one or more series on a tax-exempt and/or taxable basis and from time to time,**
5 **evidencing and representing an aggregate principal amount of not to exceed**
6 **[\$[146,800,000] (“Certificates”), to finance and refinance certain capital**
7 **improvement, affordable housing and community facilities development projects**
8 **within the City and County of San Francisco’s (“City”), including site acquisition,**
9 **demolition and site preparation, design work, construction, repairs, renovations,**
10 **improvements and the equipment of such facilities, including through the**
11 **retirement of certain commercial paper notes of the City issued for such**
12 **purposes; approving the form of a Supplement to Trust Agreement between the**
13 **City and U.S. Bank Trust Company, National Association (as successor-in-**
14 **interest to U.S. Bank National Association), as trustee (“Trustee”) (including**
15 **certain indemnities contained therein); approving respective forms of a**
16 **Supplement to Property Lease and a Supplement to Project Lease, each between**
17 **the City and the Trustee, for the lease and lease back of all or a portion of certain**
18 **real property and improvements owned by the City and located at 375 Laguna**
19 **Honda Boulevard within the City, at 1 Moreland Drive, San Bruno, California,**
20 **and/or any other property as determined by the City’s Director of Public Finance;**
21 **approving the form of an Official Notice of Sale and a Notice of Intention to Sell**
22 **the Certificates; approving the form of an official statement in preliminary and**
23 **final form; approving the form of a purchase contract between the City and one or**
24 **more initial purchasers of the Certificates; approving the form of a Continuing**
25 **Disclosure Certificate, as defined herein; granting general authority to City**

1 **officials to take necessary actions in connection with the authorization, sale,**
2 **execution and delivery of the Certificates; approving modifications to documents;**
3 **and ratifying previous actions taken in connection therewith, as defined herein.**
4

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

6 Section 1. Background.

7 (a) The Board of Supervisors (“Board of Supervisors” or “Board”) of the City
8 and County of San Francisco (“City”) desires to provide funds to (i) finance and
9 refinance certain capital improvement, affordable housing and community facilities
10 development projects within the City and County of San Francisco’s (“City”), including
11 site acquisition, demolition and site preparation, design work, construction, repairs,
12 renovations, improvements and the equipment of such facilities], and (ii) retire certain
13 commercial paper notes of the City issued for such purposes (collectively with the
14 projects described in the preceding clause (i), the “Project”), (iii) fund a debt service or
15 other similar reserve for the Certificates, as appropriate; and (iv) pay costs of
16 issuance of the Certificates, and the City is authorized pursuant to its charter
17 (“Charter”) and the laws of the State to enter into lease financings for such purposes.

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

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

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

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

12 (f) The Original Trust Agreement provides for the issuance of additional
13 certificates of participation by the execution and delivery of a supplement to the
14 Original Trust Agreement, and authorizes the principal and interest with respect to
15 said certificates of participation to be secured by a supplement to the Original
16 Property Lease and to be paid from amounts paid by the City under a supplement to
17 the Original Project Lease.

18 (g) The City subsequently caused the execution and delivery of the City and
19 County of San Francisco Certificates of Participation, Series 2009B (Multiple Capital
20 Improvement Projects) ("2009B Certificates" and, together with the 2009A
21 Certificates, "2009 Certificates") pursuant to a First Supplement to Trust Agreement,
22 dated as of September 1, 2009 ("First Supplement to Trust Agreement"),
23 supplementing the Original Trust Agreement.

24 (h) In connection therewith, the City and the Trustee have previously
25 entered into a First Supplement to Property Lease, dated as of September 1, 2009
("First Supplement to Property Lease"), supplementing the Original Property Lease.

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

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

7 (k) The City subsequently caused the execution and delivery of the City and
8 County of San Francisco Certificates of Participation, Series 2012A (Multiple Capital
9 Improvement Projects) (“2012A Certificates”), in order to provide funds for certain
10 street improvements of the City, pursuant to a Second Supplement to Trust
11 Agreement, dated as of June 1, 2012 (“Second Supplement to Trust Agreement”),
12 supplementing the Original Trust Agreement.

13 (l) WHEREAS, In connection therewith, the City and the Trustee have
14 previously entered into a Second Supplement to Property Lease, dated as of June 1,
15 2012 (“Second Supplement to Property Lease”), supplementing the Original Property
16 Lease.

17 (m) In connection therewith, the City and the Trustee have previously
18 entered into a Second Supplement to Project Lease, dated as of June 1, 2012
19 (“Second Supplement to Project Lease”), supplementing the Original Project Lease.

20 (n) The 2012A Certificates evidenced direct undivided interests in the lease
21 payments made by the City under the Original Project Lease, as supplemented by the
22 First Supplement to Project Lease and Second Supplement to Project Lease, on a
23 parity basis with the 2009 Certificates.

24 (o) The City subsequently caused the execution and delivery of the City and
25 County of San Francisco Refunding Certificates of Participation, Series 2019-R1
(Multiple Capital Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third

1 Supplement to Trust Agreement, dated as of November 1, 2019 (“Third Supplement
2 to Trust Agreement”), supplementing the Original Trust Agreement, which 2019-R1
3 Certificates were issued to prepay all of the then-outstanding 2009 Certificates.

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

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

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

15 (s) The City subsequently caused the execution and delivery of the City and
16 County of San Francisco Refunding Certificates of Participation, Series 2020-R1
17 (Multiple Capital Improvement Projects) (“2020-R1 Certificates”) pursuant to a Fourth
18 Supplement to Trust Agreement, dated as of November 1, 2020 (“Fourth Supplement
19 to Trust Agreement”), supplementing the Original Trust Agreement, which 2020-R1
20 Certificates were issued to prepay all of the then-outstanding City and County of San
21 Francisco Refunding Certificates of Participation, Series 2010A (“2010A Certificates”) issued pursuant to that certain Trust Agreement, dated as of September 1, 2010
22 (“2010A Trust Agreement”), by and between the City and the City and U.S. Bank
23 National Association, as successor trustee (“2010A Trustee”).

24 (t) The City’s prepayment of all of the 2010A Certificates permitted the City
25 to terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease between

1 the City and the 2010A Trustee, dated as of September 1, 2010 (“2010A Property
2 Lease”), pursuant to which the City had leased certain City-owned real property
3 located at 1 Moreland Drive, San Bruno, California and all improvements thereon,
4 generally known as the San Bruno Complex (“San Bruno Complex Property”) to the
5 2010A Trustee, and (iii) that certain Project Lease between the City and the 2010A
6 Trustee, dated as of September 1, 2010 (“2010A Project Lease”), pursuant to which
7 the 2010A Trustee had leased the San Bruno Complex Property back to the City,
8 which termination of the 2010A Trust Agreement, 2010A Property Lease and 2010A
9 Project Lease caused the San Bruno Complex Property to then be unencumbered
10 and vest in the City.

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

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

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

1 (x) The City subsequently caused the execution and delivery of the City and
2 County of San Francisco Certificates of Participation, Series 2021A (Multiple Capital
3 Improvement Projects) ("2021A Certificates") pursuant to a Fifth Supplement to Trust
4 Agreement, dated as of May 1, 2021 ("Fifth Supplement to Trust Agreement"),
5 supplementing the Original Trust Agreement.

6 (y) In connection therewith, the City and the Trustee have previously
7 entered into a Fifth Supplement to Property Lease, dated as of May 1, 2021 ("Fifth
8 Supplement to Property Lease"), supplementing and amending the Original Property
9 Lease, including to add the improvements on the Laguna Honda Hospital campus
10 generally known as the South Residence building and the land associated therewith
11 (collectively, the "South Residence") to the Leased Property subject thereto, as
12 authorized by the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each
13 approved as of October 11, 2019.

14 (z) In connection therewith, the City and the Trustee have previously
15 entered into a Fifth Supplement to Project Lease, dated as of May 1, 2021 ("Fifth
16 Supplement to Project Lease"), supplementing and amending the Original Project
17 Lease, including to add the South Residence to the Leased Property subject thereto,
18 as authorized by the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each
19 approved as of October 11, 2019.

20 (aa) The 2021A Certificates evidence direct undivided interests in the lease
21 payments made by the City under the Original Project Lease, as supplemented by the
22 First Supplement to Project Lease, the Second Supplement to Project Lease, the
23 Third Supplement to Project Lease, the Fourth Supplement to Project Lease and the
24 Fifth Supplement to Project Lease, on a parity basis with the 2012A Certificates, the
25 2019-R1 Certificates and the 2020-R1 Certificates.

1 (bb) The 2021A Certificates were executed and delivered by the City in the
2 aggregate principal amount of \$76,020,000 as portions of the issuance authority
3 provided therefor under the City's Ordinance No. 226-19 and its Ordinance No. 227-
4 19, each approved as of October 11, 2019.

5 (cc) The City, pursuant to its Ordinance No. 61-16, approved as of April 27,
6 2016; pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-19, each
7 approved as of October 11, 2019; pursuant to its Ordinance No. 281-19, approved as
8 of December 20, 2019; pursuant to its Ordinance No. 222-20, approved as of
9 November 6, 2020; pursuant to its Ordinance No. 123-21, approved as of August 4,
10 2021; and pursuant to its Ordinance No. 183-22, approved as of August 4, 2022, has
11 authorized (i) the expansion of the Leased Property subject to the Original Property
12 Lease, as previously supplemented, and to the Original Project Lease, as previously
13 supplemented, pursuant to additional supplements to such Original Property Lease
14 and Original Project Lease to be executed and delivered in the future, to include the
15 entire campus of Laguna Honda Hospital (except for the portion thereof generally
16 known as the City's Juvenile Detention Center), and (ii) the execution and delivery of
17 additional certificates of participation of the City to be issued as "Additional
18 Certificates" under the Original Trust Agreement, pursuant to additional supplements
19 to the Original Trust Agreement, as previously supplemented, to be executed and
20 delivered in the future, to finance various projects of the City in an aggregate principal
21 amount of up to \$623,680,000 (collectively, "Additional Certificates for Projects") and
22 when issued, to be secured and payable on a parity basis with the 2012A Certificates,
23 the 2019-R1 Certificates, the 2020-R1 Certificates, the 2021A Certificates, the
24 Refunding Certificates (defined below) any Certificates herein authorized, which
25 supplements to the Original Property Lease, Original Project Lease and Original Trust
Agreement may be executed and delivered and which Additional Certificates for

1 Projects may be issued, in whole or in part, on a tax-exempt and/or taxable basis,
2 prior to, on, or after the date of the adoption of this Ordinance.

3 (dd) The City, pursuant to an ordinance [approved as of the date of the
4 adoption of this Ordinance [insert refunding Ordinance number if available]], has
5 authorized (i) the execution and delivery in one or more series, from time to time, of
6 certain City and County of San Francisco Refunding Certificates of Participation
7 (Multiple Capital Improvement Projects) (“Refunding Certificates”) pursuant to one or
8 more Supplements to Trust Agreement supplementing the Original Trust Agreement,
9 to be executed and delivered in connection with such issuance, which Refunding
10 Certificates are to be issued as “Additional Certificates” under the Original Trust
11 Agreement, as supplemented, to prepay any one or more of the following: (A) all or
12 any part of the outstanding 2012A Certificates; (B) all or any part of the outstanding
13 City and County of San Francisco Refunding Certificates of Participation, Series
14 2014-R2 (Juvenile Hall Project) (“2014-R2 Certificates”), issued pursuant to a Trust
15 Agreement, dated as of April 1, 2014 (“2014-R2 Trust Agreement”), by and between
16 the City and U.S. Bank National Association, as trustee (as succeeded by U.S. Bank
17 Trust Company, National Association, “2014-R2 Trustee”), and, in connection with
18 such prepayment in full of the 2014-R2 Certificates, there shall be permitted the
19 termination of (x) the 2014-R2 Trust Agreement; (y) the Facilities Lease between the
20 City and the 2014-R2 Trustee, dated as of April 1, 2014 (“2014-R2 Facilities Lease”),
21 pursuant to which the City has leased certain City-owned real property located on the
22 Laguna Honda Hospital campus within the City, having the address 375 Woodside
23 Avenue and generally known as the City’s Juvenile Detention Center, and all
24 improvements thereon (“Juvenile Detention Center Property”); and (z) the Lease
25 Agreement between the City and the 2014-R2 Trustee, dated as of April 1, 2014
26 (“2014-R2 Lease Agreement”), pursuant to which the 2014-R2 Trustee has leased the

1 2014-R2 Leased Property back to the City (“2014-R2 Lease Agreement” and, together
2 with the 2014-R2 Trust Agreement and the 2014-R2 Facilities Lease, the “2014-R2
3 Agreements”), which termination of the 2014-R2 Agreements would cause the
4 Juvenile Detention Center Property to then be unencumbered and vest in the City;
5 (C) all or any part of the outstanding City and County of San Francisco Certificates of
6 Participation, Series 2015A (Tax-Exempt) (War Memorial Veterans Building Seismic
7 Upgrade and Improvements) (“2015A Certificates”) issued (together with the City and
8 County of San Francisco Certificates of Participation, Series 2015B (Federally
9 Taxable) (War Memorial Veterans Building Seismic Upgrade and Improvements), a
10 portion of which remain outstanding) pursuant to a Trust Agreement, dated as of
11 July 1, 2015, by and between the City and U.S. Bank Trust Company, National
12 Association (as successor-in-interest to U.S. Bank National Association), as trustee;
13 and (D) all or any part of the outstanding City and County of San Francisco Refunding
14 Certificates of Participation, Series 2015-R1 (City Office Buildings – Multiple
15 Properties Project) (“2015-R1 Certificates”), issued pursuant to a Trust Agreement,
16 dated as of October 1, 2015 (“2015-R1 Trust Agreement”), by and between the City
17 and U.S. Bank Trust Company, National Association (as successor-in-interest to U.S.
18 Bank National Association), as trustee (“2015-R1 Trustee”), and, in connection with
19 such prepayment in full of the 2015-R1 Certificates, there shall be permitted the
20 termination of (x) the 2015-R1 Trust Agreement; (y) the Facilities Lease, dated as of
21 October 1, 2015 (“2015-R1 Facilities Lease”), pursuant to which the City has leased
22 certain City-owned real property located at One South Van Ness Avenue within the
23 City and all improvements thereon (“2015-R1 Leased Property”) to the 2015-R1
24 Trustee; and (z) the Lease Agreement, dated as of October 1, 2015 (“2015-R1 Lease
25 Agreement”), pursuant to which the 2015-R1 Trustee has leased the 2015-R1 Leased
Property back to the City (“2015-R1 Lease Agreement” and, together with the 2015-

1 R1 Trust Agreement and the 2015-R1 Facilities Lease, the “2015-R1 Agreements”),
2 which termination of the 2015-R1 Agreements would cause the 2015-R1 Leased
3 Property to then be unencumbered and vest in the City; (ii) if determined to be
4 necessary and advisable by the City Controller’s (defined below) Director of Public
5 Finance (“Director of Public Finance”) in connection with the issuance of the
6 Refunding Certificates, the expansion of the Leased Property subject to the Original
7 Property Lease, as previously supplemented, and subject to the Original Project
8 Lease, as previously supplemented, pursuant to additional supplements to the
9 Original Property Lease and to the Original Project Lease, such additional
10 supplements to Original Property Lease and Original Project Lease authorized to be
11 executed and delivered in connection with the issuance of any series of the Refunding
12 Certificates, to include as part of such Leased Property such other then-
13 unencumbered City property as shall be determined by the Director of Public Finance.

14 (ee) The Refunding Certificates, when issued, shall be secured and payable
15 on a parity basis with the 2019-R1 Certificates, the 2020-R1 Certificates, the 2021A
16 Certificates, the Additional Certificates, when issued, and any Certificates herein
17 authorized, when issued.

18 (ff) The Board desires to finance the Project and to cause the execution and
19 delivery of one or more additional series of certificates of participation (as further
20 defined herein, the “Certificates”) in an aggregate principal amount not to exceed
21 \$[146,800,000].

22 (gg) The Certificates will be executed and delivered in one or more series,
23 from time to time, on a tax-exempt and/or taxable basis pursuant to a one or more
24 supplements to the Original Trust Agreement (each, a “Supplement to Trust
25 Agreement”), by and between the City and the Trustee, supplementing the Original
Trust Agreement.

1 (hh) In connection with the execution and delivery of the Certificates, the
2 Board desires to cause the execution of one or more supplements to the Original
3 Property Lease (each, a "Supplement to Property Lease"), supplementing and
4 amending the Original Property Lease (i) if determined to be necessary and advisable
5 by the Director of Public Finance, supplementing and amending the Original Property
6 Lease to supplement the Leased Property (defined below), pursuant to Section 18 of
7 the Original Property Lease, Section 7.02 of the Original Trust Agreement and
8 Sections 16 and 20 of the Original Project Lease (collectively, the "Leased Property
9 Amendment Provisions"), by the addition to such Leased Property of any City-owned
10 and then-unencumbered property, in each case as determined by the Director of
11 Public Finance and all as specified in the Supplement to Property Lease (collectively,
12 the "Additional Leased Property"), and (ii) to provide for additional rental to be paid by
13 the Trustee in connection with the financing of the Project and certain related matters
14 and pursuant to which the City intends to lease to the Trustee the Prior Leased
15 Property, as previously supplemented and as supplemented to include the Additional
16 Leased Property, if any, as specified in the Supplement to Property Lease
17 (collectively, the "Leased Property"); one or more supplements to the Original Project
18 Lease (each, a "Supplement to Project Lease"), supplementing and amending the
19 Original Project Lease to supplement the Leased Property pursuant to the Leased
20 Property Amendment Provisions, by the addition of all or a portion of the Additional
21 Leased Property, if any, all as specified in the applicable Supplement or Supplements
22 to Project Lease, and to provide for (i) the leasing of the Leased Property back to the
23 City, (ii) the additional Base Rental to be paid by the City in connection with the
24 issuance of the Certificates and the financing of the Project and (iii) certain related
25 matters, with such additional changes to the Supplement to Property Lease and
Supplement to Project Lease as shall be determined by the Director of Public

1 Finance; a form of a purchase contract between the City and one or more initial
2 purchasers of the Certificates (“Purchase Contract”); a Continuing Disclosure
3 Certificate and certain other related documents.

4 (ii) The Certificates, when issued, will evidence direct undivided interests in
5 the lease payments made by the City under the Original Project Lease, as previously
6 supplemented and amended and as supplemented and amended by the Supplement
7 or Supplements to Project Lease, on a parity basis with the outstanding 2019-R1
8 Certificates, 2020-R1 Certificates and 2021A Certificates and any other Additional
9 Certificates, including Refunding Certificates, authorized and issued pursuant to
10 additional, respective, executed and delivered supplements to the Original
11 Agreements, prior to the issuance of the Certificates.

12 (jj) The Board has been presented with the forms of certain documents and
13 agreements referred to herein relating to the Certificates, and the Board has
14 examined and is approving each such document and agreement and desires to
15 authorize the execution of such documents and agreements and the consummation of
16 such financing.

17 (kk) The Board has received from the City’s Office of Public Finance and
18 disclosed to the public certain good faith estimates, as required by Section 5852.1 of
19 the California Government Code, regarding certain costs relating to, the net proceeds
20 of, and the debt service cost of the proposed issuance of the Certificates, which
21 estimated information has been provided by the City’s co-municipal advisors, KNN
22 Public Finance, LLC and NHA Advisors, LLC, and which estimated information is
23 based upon conditions that are subject to change prior to, on, or after the date of final
24 adoption of this Ordinance, including prevailing market conditions.

25 (ll) Upon the effectiveness of this Ordinance, all conditions, things and acts
required by law to exist, to happen and to be performed precedent to and as a

1 condition of the execution and delivery of the Supplement or Supplements to Property
2 Lease, the Supplement or Supplements to Project Lease, the Supplement or
3 Supplements to Trust Agreement, the Purchase Contract(s), the Continuing
4 Disclosure Certificate, the Official Statement (as defined herein) and the Certificates
5 will exist, have happened and have been performed in due time, form and manner in
6 accordance with applicable law, and the City shall be authorized pursuant to its
7 Charter and other applicable law to execute and deliver each Supplement to Property
8 Lease, each Supplement to Project Lease, the Purchase Contract(s), the Continuing
9 Disclosure Certificate, each Supplement to Trust Agreement and the Official
10 Statement and to cause the execution and delivery of the Certificates in the manner
11 and form provided in this Ordinance.

12 (mm) The City has paid and expects to pay certain expenditures in connection
13 with the Project to be financed by the Certificates prior to the execution and delivery of
14 the Certificates, and the City intends to reimburse itself and to pay third parties for
15 such prior expenditures from the proceeds of the Certificates.

16 (nn) Section 1.150-2 of the Treasury Regulations promulgated under the
17 Internal Revenue Code of 1986, as amended ("Reimbursement Regulations"),
18 requires the City to declare its reasonable official intent to reimburse prior
19 expenditures with the proceeds of a subsequent borrowing.

20 (oo) The Reimbursement Regulations require that any reimbursement
21 allocation of proceeds of the Certificates to be made with respect to expenditures
22 incurred prior to the execution and delivery of the Certificates will occur not later than
23 eighteen (18) months after the later of (i) the date on which the expenditure is paid or
24 (ii) the date on which the facilities are placed in service, but in no event later than
25 three (3) years after the expenditure is paid.

1 (pp) The adoption of this Ordinance constitutes authorization of the
2 Certificates within the meaning of Section 864 of the California Code of Civil
3 Procedure, as amended, and any Validation Act that is effective after this Ordinance
4 takes effect.

5
6 Section 2. Findings and Determinations.

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

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

15
16 Section 3. File Documents. The documents presented to the Board and on file
17 with the Clerk of the Board of Supervisors or his, her or their designee (collectively, the
18 "Clerk") are contained in File No. [_____].

19
20 Section 4. Authorization of the Certificates. The Board hereby authorizes and
21 approves the execution and delivery of the Certificates in one or more series on a tax-
22 exempt and/or taxable basis and on one or more delivery dates in accordance with the
23 applicable Supplement to Trust Agreement. The proceeds of the Certificates will be
24 used, together with other available funds of the City, to (i) finance and/or refinance the
25 Project, including through the retirement of certain commercial paper notes of the City

1 issued therefor; (ii) fund a debt service or other similar reserve, as appropriate; and
2 (iii) pay costs of issuance of the Certificates. The Certificates shall be designated as
3 “City and County of San Francisco Certificates of Participation (Multiple Affordable
4 Housing and Community Facilities Projects)” with such other or additional designations
5 as to series and sub-series, tax-exempt and/or taxable status and the year of execution
6 and delivery as determined by the Director of Public Finance”) or his, her or their
7 designee.

8 (a) Certain Terms of the Certificates. The Certificates shall evidence an
9 aggregate principal amount of not to exceed [One Hundred and Forty Six Million Eight
10 Hundred Thousand Dollars (\$146,800,000)], and shall evidence interest at a true
11 interest cost up to but not to exceed twelve percent (12%) per annum. The Certificates
12 shall be subject to prepayment as set forth in the applicable Supplement to Project
13 Lease and Supplement to Trust Agreement. The Director of Public Finance is hereby
14 authorized, to the extent such officer deems it necessary or advisable and financially
15 advantageous to the City, to procure credit enhancement for the Certificates, including
16 but not limited to municipal bond insurance and/or a debt service reserve fund surety
17 policy.

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

24 (c) Approval of the Supplement to Trust Agreement. The form of a
25 Supplement to Trust Agreement between the City and the Trustee, as presented to the

1 Board, a copy of which is on file with the Clerk, is hereby approved. The Mayor of the
2 City ("Mayor") or the City's Controller ("Controller") is hereby authorized, and each may
3 select a designee who is authorized, to execute and deliver one or more Supplements
4 to Trust Agreement in the form hereby approved, and the Clerk is hereby authorized to
5 attest to and affix the seal of the City on such Supplement or Supplements to Trust
6 Agreement, with such changes, additions and modifications as the Mayor or the
7 Controller may make or approve in accordance with Section 20 hereof.

8
9 Section 5. Approval of the Supplement to Property Lease. The form of a
10 Supplement to Property Lease between the City and the Trustee, as presented to the
11 Board, a copy of which is on file with the Clerk, is hereby approved. The Mayor or the
12 Controller is hereby authorized, and each may select a designee who is authorized, to
13 execute and deliver one or more Supplements to Property Lease in the form hereby
14 approved, and the Clerk is hereby authorized to attest to and affix the seal of the City on
15 such Supplement or Supplements to Property Lease, with such changes, additions and
16 modifications as the Mayor or the Controller may make or approve in accordance with
17 Section 20 hereof.

18
19 Section 6. Approval of the Supplement to Project Lease. The form of a
20 Supplement to Project Lease between the City and the Trustee, as presented to the
21 Board, a copy of which is on file with the Clerk, is hereby approved. The Mayor or the
22 Controller is hereby authorized, and each may select a designee who is authorized, to
23 execute and deliver one or more Supplements to Project Lease in the form hereby
24 approved, and the Clerk is hereby authorized to attest to and affix the seal of the City on
25 such Supplement or Supplements to Project Lease with such changes, additions and

1 modifications as the Mayor or Controller may make or approve in accordance with
2 Section 20 hereof; provided, however, that the maximum Base Rental (as defined in the
3 Project Lease) to be paid under such Supplement(s) to Project Lease in any fiscal year
4 shall not exceed [_____ Million _____ [Hundred] Thousand Dollars (\$_____)] and the
5 term of any Supplement to Project Lease shall not extend beyond the [30th] year
6 following its date of execution, as such initial term may be extended in accordance with
7 the Project Lease.

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

16
17 Section 8. Sale and Award of Certificates by Competitive Sale. In the event
18 the Director of Public Finance determines to sell the Certificates by competitive sale, the
19 Director of Public Finance, on behalf of the Controller, is hereby authorized and directed
20 to receive bids for the purchase of the Certificates, and the Controller and the Director
21 of Public Finance are each hereby authorized and directed to award the Certificates to
22 the bidder whose bid represents the lowest true interest cost to the City, all in
23 accordance with the procedures described in the Official Notice of Sale (as defined
24 herein).

25

1 Section 9. Approval of Form of Official Notice of Sale. The form of an official
2 notice of sale relating to the Certificates (“Official Notice of Sale”), as presented to this
3 Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or
4 the Director of Public Finance is authorized to approve the distribution of an Official
5 Notice of Sale for the Certificates, with such changes, additions and modifications as
6 such official may make or approve in accordance with Section 20 hereof.

7
8 Section 10. Approval of Notice of Intention to Sell Relating to the Certificates.
9 The form of a notice of intention to sell relating to the Certificates (“Notice of Intention to
10 Sell”), as presented to this Board, a copy of which is on file with the Clerk, is hereby
11 approved. The Controller or the Director of Public Finance is hereby authorized to
12 approve the publication of the Notice of Intention to Sell relating to the Certificates, with
13 such changes, additions and modifications as such official may make or approve in
14 accordance with Section 20 hereof.

15
16 Section 11. Sale of Certificates by Negotiated Sale. If the Controller or the
17 Director of Public Finance determines to sell the Certificates by negotiated sale, the
18 Controller or the Director of Public Finance is hereby authorized, and each may select a
19 designee who is authorized, to sell the Certificates by negotiated sale pursuant to one
20 or more Purchase Contracts by and between the City and the underwriter or
21 underwriters named therein; provided, however, that the underwriters’ discount under
22 any such Purchase Contract shall not exceed one-half of one percent (0.5%) of the
23 principal amount of the Certificates. The form of Purchase Contract, as presented to the
24 Board, a copy of which is on file with the Clerk, is hereby approved.

1 Section 12. Authorization to Appoint Underwriters. To accomplish the sale of
2 the Certificates by negotiated sale, if applicable, the Controller or the Director of Public
3 Finance is hereby authorized to appoint one or more financial institutions to act as
4 underwriter(s) for the Certificates in accordance with City policies and procedures,
5 including but not limited to the City's policy to provide locally disadvantaged business
6 enterprises an equal opportunity to participate in the performance of all City contracts.

7
8 Section 13. Approval of the Official Statement in Preliminary and Final Form.
9 The form of an official statement relating to the Certificates ("Official Statement"), as
10 presented to this Board, a copy of which is on file in preliminary form with the Clerk, is
11 hereby approved. The Controller is hereby authorized to approve the preliminary Official
12 Statement in substantially said form, with such changes, additions, modifications
13 (including but not limited to the inclusion of the most current City financial information)
14 or deletions as such official may make or approve in accordance with Section 20 hereof,
15 and to deem the preliminary Official Statement final for purposes of the Rule 15c2-12 of
16 the Securities and Exchange Act of 1934, as amended, to execute, and to designate the
17 Director of Public Finance to execute in his, her or their stead, a certificate to that effect,
18 and to cause the preliminary Official Statement to be delivered, in printed or electronic
19 form, to potential purchasers of the Certificates, such approval to be conclusively
20 evidenced by the delivery of said deemed-final certificate. The Controller is hereby
21 further authorized and directed to sign and deliver the Official Statement in final form to
22 purchasers of the Certificates.

23
24 Section 14. Approval of the Continuing Disclosure Certificate. The form of a
25 Continuing Disclosure Certificate of the City relating to the Certificates, as presented to

1 the Board, a copy of which is on file with the Clerk, is hereby approved. The Controller
2 or the Director of Public Finance is hereby authorized to execute the Continuing
3 Disclosure Certificate, with such changes, additions, modifications or deletions as the
4 Controller or the Director of Public Finance may approve upon consultation with the City
5 Attorney; such approval to be conclusively evidenced by the execution and delivery of
6 the Continuing Disclosure Certificate.

7
8 Section 15. Sale and Award of Certificates by Direct Placement. In the event
9 the Director of Public Finance determines to sell the Certificates by direct placement,
10 the Director of Public Finance, on behalf of the Controller, is hereby authorized and
11 directed to receive bids for the purchase of the Certificates, and the Controller is hereby
12 authorized and directed to award the Certificates to the bidder whose bid represents the
13 lowest true interest cost to the City.

14
15 Section 16. Authorization to Appoint Placement Agents. To accomplish the sale
16 of the Certificates by direct placement, if applicable, the Controller or the Director of
17 Public Finance is hereby authorized to appoint one or more financial institutions to act
18 as placement agent(s) for the Certificates in accordance with City policies and
19 procedures, including but not limited to the City's policy to provide locally disadvantaged
20 business enterprises an equal opportunity to participate in the performance of all City
21 contracts.

22
23 Section 17. Reimbursement. The City declares its official intent to reimburse
24 prior expenditures of the City incurred prior to the execution and delivery of the
25 Certificates in connection with the Project or portions thereof with the proceeds of the

1 Certificates. The Board of Supervisors declares the City's intent to reimburse the City
2 with the proceeds of the Certificates for the expenditures with respect to the Project
3 ("Expenditures" and each, an "Expenditure") made on and after that date that is no more
4 than 60 days prior to adoption of this Ordinance. The City reasonably expects on the
5 date of adoption of this Ordinance that it will reimburse the Expenditures with the
6 proceeds of the Certificates.

7
8 Section 18. Terms of Reimbursement. Each Expenditure was and will be either
9 (a) of a type properly chargeable to a capital account under general federal income tax
10 principles (determined in each case as of the date of the Expenditure), (b) a cost of
11 issuance with respect to the Certificates, (c) a nonrecurring item that is not customarily
12 payable from current revenues, or (d) a grant to a party that is not related to or an agent
13 of the City so long as such grant does not impose any obligation or condition (directly or
14 indirectly) to repay any amount to or for the benefit of the City. The maximum aggregate
15 principal amount of the Certificates expected to be executed and delivered for the
16 Project is \$[146,800,000]. The City shall make a reimbursement allocation, which is a
17 written allocation by the City that evidences the City's use of proceeds of the
18 Certificates to reimburse an Expenditure, no later than 18 months after the later of the
19 date on which the Expenditure is paid or the Project is placed in service or abandoned,
20 but in no event more than three (3) years after the date on which the Expenditure is
21 paid. The City recognizes that exceptions are available for certain "preliminary
22 expenditures," costs of issuance, certain de minimis amounts, expenditures by "small
23 issuers" (based on the year of issuance and not the year of expenditure) and
24 expenditures for construction projects of at least five (5) years.

1 Section 19. General Authority. The Mayor, the Treasurer, the City Attorney, the
2 Controller, the City Administrator, the Director of Public Finance, the Clerk and other
3 officers of the City and their duly authorized deputies, designees and agents are hereby
4 authorized and directed, jointly and severally, to take such actions and to execute and
5 deliver such certificates, agreements, requests or other documents as they may deem
6 necessary or desirable to accomplish the purposes of this Ordinance, including but not
7 limited to the execution and delivery of any Supplement to Property Lease, any
8 Supplement to Project Lease, any Supplement to Trust Agreement, the Official
9 Statement, one or more Purchase Contracts, the Continuing Disclosure Certificate and
10 the Certificates, to obtain bond insurance or other credit enhancements and/or a surety
11 policy with respect to the Certificates, to obtain title insurance, to clear any
12 encumbrances to title and to carry out other title work. Any such actions are solely
13 intended to further the purposes of this Ordinance and are subject in all respects to the
14 terms of this Ordinance. No such actions shall increase the risk to the City or require the
15 City to spend any resources not otherwise granted herein. Final versions of any such
16 documents shall be provided to the Clerk for inclusion in the official file within 30 days of
17 execution (or as soon thereafter as final documents are available) by all parties.

18
19 Section 20. Modifications, Changes and Additions. The Mayor, the Treasurer,
20 the Controller and the Director of Public Finance each are hereby authorized, and each
21 may select a designee who is authorized, to make such modifications, changes and
22 additions to the documents and agreements approved hereby, upon consultation with
23 the City Attorney, as may be necessary or desirable and in the interests of the City, and
24 which changes do not materially increase the City's obligations or reduce its rights
25 thereunder or hereunder. The respective official's approval of such modifications,

1 changes and additions shall be conclusively evidenced by the execution and delivery by
2 such official and the Clerk of the applicable Supplement to Property Lease, Supplement
3 to Project Lease and Supplement to Trust Agreement, one or more Purchase Contracts
4 or any of the other documents approved in this Ordinance. Any such actions are solely
5 intended to further the purposes of this Ordinance and are subject in all respects to the
6 terms of this Ordinance. No such actions shall increase the risk to the City or require the
7 City to spend any resources not otherwise granted herein. Final versions of any such
8 documents shall be provided to the Clerk for inclusion in the official file within 30 days
9 (or as soon thereafter as final documents are available) of execution by all parties.

10

11 Section 21. Partial Invalidity. Any provision of this Ordinance found to be
12 prohibited by law shall be ineffective only to the extent of such prohibition, and shall not
13 invalidate the remainder of this Ordinance.

14

15 Section 22. Effective Date. This Ordinance shall take effect immediately.

16

17 Section 23. Ratification of Prior Actions. All actions authorized consistent with
18 any documents presented herein and approved by this Ordinance but heretofore taken
19 are hereby ratified, approved and confirmed by the Board.

20

21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

23

24 By: _____

25

Deputy City Attorney

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