

1 [Issuance of General Obligation Bonds (Proposition A, 2024) - Not to Exceed \$300,000,000]

2
3 **Resolution providing for the issuance of not to exceed \$300,000,000 aggregate**
4 **principal amount of City and County of San Francisco General Obligation Bonds**
5 **(Affordable Housing, 2024)(Bonds); authorizing the issuance and sale of said Bonds;**
6 **providing for the levy of a tax to pay the principal and interest thereof; providing for the**
7 **appointment of depositories and other agents for said Bonds; providing for the**
8 **establishment of accounts related thereto; adopting findings under the California**
9 **Environmental Quality Act ("CEQA"), the CEQA Guidelines and San Francisco**
10 **Administrative Code Chapter 31; finding that the proposed project is in conformity with**
11 **the priority policies of Planning Code Section 101.1(8) and with the general plan**
12 **consistency requirement of Charter Section 4.105 and Administrative Code Section**
13 **2A.53; ratifying certain actions previously taken; and granting general authority to city**
14 **officials to take necessary actions in connection with the issuance and sale of said**
15 **Bonds.**

16
17 WHEREAS, By Ordinance No. 231-23 ("2023 Bond Ordinance"), adopted by the Board
18 of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City") on
19 November 14, 2023, the Board of Supervisors duly called a special election on March 5, 2024,
20 for the purpose of submitting to the electors of the City a proposition to incur bonded
21 indebtedness of the City in the amount of up to \$300,000,000 of general obligation bonds to
22 finance the construction, development, acquisition, improvement, rehabilitation, preservation,
23 and repair of affordable housing improvements; and

24 WHEREAS, The City may establish a loan program ("Loan Program") to provide loans
25 for the foregoing purposes; and

1 WHEREAS, A special election was held in the City on March 5, 2024, for the purpose
2 of submitting to the qualified voters of the City said proposition, denominated as Proposition A
3 (“Proposition A”), as follows:

4 "SAN FRANCISCO AFFORDABLE HOUSING BONDS. \$300,000,000 to construct,
5 develop, acquire, and/or rehabilitate housing, including workforce housing and senior
6 housing, that will be affordable to households ranging from extremely low-income to
7 moderate income households, subject to independent citizen oversight and regular
8 audits; with a duration of up to 30 years from the time of issuance, an estimated
9 average tax rate of \$0.0057/\$100 of assessed property value, and projected average
10 annual revenues of \$25,000,000 and authorizing landlords to mass through to
11 residential tenants 50 percent of the resulting increase, if any, in the real property taxes
12 attributable to the cost of the repayment of such bonds, as set forth in Administrative
13 Code Chapter 37, as it may be amended from time to time"; and

14 WHEREAS, On April 2, 2024 by Resolution No. 171-24 this Board of Supervisors
15 declared the results of the March 5, 2024 special election finding that, as certified by the
16 Director of Elections of the City, the requisite two-thirds of all voters voting on the proposition
17 approved such proposition; and

18 WHEREAS, This Board of Supervisors has determined, and does hereby declare, that
19 it is necessary and desirable that all of said bonds designated generally as "City and County
20 of San Francisco General Obligation Bonds (Affordable Housing, 2024)" ("Bonds") in the
21 aggregate principal amount of \$300,000,000, be issued and sold in one or more series from
22 time to time, for the purposes authorized and on the conditions set forth in this Resolution;
23 and,

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

1 WHEREAS, The Bonds are being issued pursuant to (i) this Resolution duly adopted
2 by the Board of Supervisors, (ii) Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the
3 California Government Code, (iii) the Charter of the City ("Charter"), (iv) the 2023 Bond
4 Ordinance, and (v) a duly held election; and,

5 WHEREAS, Pursuant to Section 9.106 of the Charter, there shall be delivered a
6 certificate of a duly authorized officer of the City, concurrently with the issuance of each series
7 of Bonds, except for any series of Bonds issued to refund any bond anticipation notes issued
8 in anticipation of the issuance of such series of Bonds, stating that the outstanding general
9 obligation bond indebtedness of the City, including all series of the Bonds issued and to be
10 issued and outstanding on the date of delivery of such series, will not exceed three percent of
11 the assessed value of all taxable real and personal property located within the City; now,
12 therefore, be it

13 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
14 follows:

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

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

22 Section 3. Issuance of the Bonds. The Board of Supervisors hereby authorizes the
23 issuance and sale of \$300,000,000 aggregate principal amount of Bonds, designated
24 generally as "City and County of San Francisco General Obligation Bonds (Affordable
25 Housing, 2024)." The Director of the Office of Public Finance is hereby authorized to modify

1 the general designation of the Bonds if in her sole discretion if a different designation is in the
2 best interest of the City for administrative, marketing or descriptive purposes. The Bonds may
3 be sold in one or more series as the Board of Supervisors shall determine, may be sold on a
4 federally taxable or tax-exempt basis, and shall be sold in accordance with law, as such law
5 may from time to time be amended, supplemented or revised, and on the terms and
6 conditions approved by the Board of Supervisors in this Resolution, as supplemented by such
7 other resolution or resolutions relating to such series of Bonds and as provided in the
8 resolution of the Board of Supervisors authorizing and directing the sale of each series of
9 Bonds (each, a "Sale Resolution"). Each series of such Bonds may bear such additional or
10 other designation as may be necessary or appropriate to distinguish such series from every
11 other series and from other bonds issued by the City, or to identify the tax treatment of
12 interest, interest rate determination methodology or other characteristics of such series, in
13 each case as set forth in the applicable Sale Resolution or as may be determined by the
14 Director of the Office of Public Finance in her sole discretion. The offering and sale of the
15 Bonds may be aggregated with the offering and sale of other general obligation bonds being
16 issued by the City, as authorized from time to time by the Board of Supervisors. Each series
17 of Bonds may bear interest at fixed or variable rates, in each case as provided in the
18 applicable Sale Resolution.

19 Section 4. Authentication and Registration. The Sale Resolution for each series of
20 Bonds shall set forth the form of such Bond, with such necessary or appropriate variations,
21 omissions and insertions as may be permitted by resolution. "CUSIP" identification numbers
22 may be imprinted on Bonds, but such numbers shall not constitute a part of the contract
23 evidenced by the Bonds and any error or omission with respect thereto shall not constitute
24 cause for refusal of any purchaser to accept delivery of and to pay for the Bonds. In addition,
25 failure on the part of the City to use such CUSIP numbers in any notice to owners of the

1 Bonds shall not constitute an event of default or any violation of the City's contract with such
2 owners and shall not impair the effectiveness of any such notice.

3 The Bonds shall be signed by the Mayor of the City ("Mayor") and countersigned by the
4 Clerk of the Board of Supervisors. The signature of the Mayor may be facsimile or manual.
5 The signature of the Clerk of the Board of Supervisors shall be manual. The Treasurer of the
6 City ("City Treasurer") shall authenticate the Bonds by facsimile or manual signature and,
7 when so authenticated, shall deliver the Bonds to or for the account of the purchasers in
8 exchange for the purchase price thereof.

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

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

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

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

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

23 (a) Tax Levy. For the purpose of paying the principal of and interest on the Bonds,
24 the Board of Supervisors at the time of fixing the general tax levy shall fix, and in the manner
25 provided for such general tax levy, levy and collect annually until the Bonds are paid, or until

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

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

12 All taxes collected pursuant to this Section 7(a) shall be deposited forthwith in a special
13 subaccount to be designated as the "Tax Revenues Subaccount," which shall be a
14 subaccount within a special account to be designated as the " General Obligation Bonds
15 (Affordable Housing, 2024) Bond Account" ("Bond Account"). The Bond Account and all
16 subaccounts therein shall be administered by the City Treasurer with all disbursements of
17 funds therefrom subject to authorization of the Controller. The Bond Account shall be kept
18 separate and apart from all other accounts, and each subaccount therein shall be kept
19 separate and apart from all other subaccounts. Pursuant to the applicable Sale Resolution,
20 the Controller may establish such additional accounts and subaccounts within the Bond
21 Account or with any agent, including but not limited to any paying agent or fiscal agent, as
22 may be necessary or convenient in connection with the administration of any series of Bonds,
23 to provide for the payment of principal and interest on such series of Bonds.

24 The City Treasurer shall deposit in the Bond Account from the proceeds of sale of the
25 Bonds, any moneys received on account of original issue premium and interest accrued on

1 the Bonds to the date of payment of the purchase price thereof, and such other moneys, if
2 any, as may be specified in the applicable Sale Resolution. So long as any of the Bonds are
3 outstanding, moneys in the Bond Account shall be used and applied by the City Treasurer
4 solely for the purpose of paying the principal of and interest on the Bonds as such principal
5 and interest shall become due and payable, or for purchase of Bonds if permitted by the
6 applicable Sale Resolution; provided, however, that when all of the principal of and interest on
7 the Bonds have been paid, any moneys then remaining in said Bond Account shall be
8 transferred to the City for any legally permitted purpose. The Board of Supervisors shall take
9 such actions annually as are necessary or appropriate to cause the debt service on the Bonds
10 due in any fiscal year to be included in the budget for such fiscal year and to make the
11 necessary appropriations therefor.

12 (b) Pledge. The Bond Account and all subaccounts and amounts on deposit therein
13 are hereby pledged for the payment of the principal of and interest on the Bonds when and as
14 the same become due, including the principal of any term Bonds required to be paid upon the
15 mandatory sinking fund redemption thereof. In addition, the payment of such principal and
16 interest shall be secured by the statutory lien of California Government Code Section 53515,
17 to the extent applicable to the amounts on deposit in the Bond Account. Each and every
18 series of Bonds issued under this Resolution shall be equally and ratably secured by the
19 pledge of this subsection (c), the foregoing statutory lien, and the taxes collected pursuant to
20 this Section 7.

21 Section 8. Administration and Disbursements From Bond Account.

22 (a) Interest. On or before June 15 and December 15 in each year that any of the
23 Bonds are outstanding (or, for any series of Bonds bearing interest at variable rates, on such
24 other dates as may be provided by the applicable Sale Resolution), the City Treasurer shall
25 set aside in the Bond Account and the appropriate subaccounts therein relating to each series

1 of the Bonds an amount which, when added to the amount contained in the Bond Account and
2 subaccounts therein on that date, if any, will be equal to the aggregate amount of the interest
3 becoming due and payable on each series of the Bonds outstanding on such interest payment
4 date.

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

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

24 Section 9. Appointment of Depositories and Other Agents. The City Treasurer is
25 hereby authorized and directed to appoint one or more depositories as he or she may deem

1 desirable and may authorize such depository to perform, under the supervision of the City
2 Treasurer, any of the City Treasurer's duties and responsibilities under this Resolution, to the
3 extent permitted by applicable law.

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, escrow agent or registrar for the Bonds or may assist the City Treasurer in
8 performing any or all of such functions and such other duties as the City Treasurer shall
9 determine including such duties and responsibilities of the City Treasurer provided for in this
10 Resolution. Such agents shall serve under such terms and conditions as the City Treasurer
11 shall determine. The City Treasurer may remove or replace agents appointed pursuant to this
12 paragraph at any time.

13 Section 10. Project Account. There is hereby established a project account to be
14 designated as the "General Obligation Bonds (Affordable Housing, 2024) Project Account"
15 ("Project Account"). The Project Account shall be maintained by the City Treasurer, as a
16 separate account, segregated and distinct from all other accounts. The City Treasurer may
17 establish such accounts and subaccounts within the Project Account as may be necessary or
18 convenient in connection with the administration of the Project or the Bonds.

19 All of the proceeds of the sale of the Bonds (excluding any premium and accrued
20 interest received thereon, unless otherwise determined by the Director of Public Finance)
21 shall be deposited by the City Treasurer to the credit of the Project Account and shall be
22 applied exclusively to the objects and purposes specified in Proposition A. When such objects
23 and purposes have been accomplished, any moneys remaining in such account shall be
24 transferred to the Bond Account established pursuant to Section 7 hereof and applied to the
25 payment of the principal of and interest on any series of Bonds. Amounts in the Project

1 Account may be applied to the payment of costs of issuance of the Bonds, including, without
2 limitation, bond and financial printing expenses, mailing and publication expenses, rating
3 agency fees, and the fees and expenses of paying agents, registrars, financial consultants,
4 bond counsel and disclosure counsel.

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

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

15 Section 13. Other Terms and Provisions Relating To the Bonds. The Sale Resolution
16 for any series of Bonds may provide for (a) the purchase of bond insurance or other credit
17 enhancement relating to such series of Bonds and to the establishment of such additional
18 terms and procedures as may be necessary to provide for the application of such bond
19 insurance or other credit enhancement for the benefit of the bondholders; (b) the investment
20 of moneys held in any fund or account relating to the Bonds in specific categories or types of
21 investments, so long as such investments are legal investments for the City and in compliance
22 with any policy or guideline of the City applicable thereto; and (c) the adoption of any
23 supplemental resolutions relating solely to such series of Bonds.

24 Section 14. Supplemental Resolutions. For any one or more of the following purposes
25 and at any time or from time to time, a supplemental resolution of the City may be adopted,

1 which, without the requirement of consent of the owners of the Bonds, shall be fully effective
2 in accordance with its terms:

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

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

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

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

15 (e) To make such additions, deletions or modifications as shall not be materially
16 adverse to the owners of the Bonds as the City may reasonably determine from time to time.

17 Any modification or amendment of this Resolution or any Sale Resolution and of the
18 rights and obligations of the City and of the owners of the Bonds, in any particular, may be
19 made by a supplemental resolution, with the written consent of the owners of at least a
20 majority in aggregate principal amount of the Bonds outstanding at the time such consent is
21 given (except as provided in the preceding paragraph). No such modification or amendment
22 shall permit a change in the terms or maturity of the principal of any outstanding Bonds or of
23 any interest payable thereon or a reduction in the principal amount thereof or in the rate of
24 interest thereon, or shall reduce the percentage of Bonds the consent of the owners of which
25 is required to effect any such modification or amendment, or shall reduce the amount of

1 moneys for the repayment of the Bonds, without the consent of all the owners of such affected
2 Bonds.

3 Section 15. Citizens' Oversight Committee. The Bonds are subject to, and incorporate
4 by reference, the applicable provisions of San Francisco Administrative Code Section 5.30 –
5 5.36 ("Admin. Code"). Under Section 5.31 of the Admin. Code, to the extent permitted by law,
6 one-tenth of one percent (0.1%) of the gross proceeds of each series of the Bonds shall be
7 deposited in the fund established by the Controller's Office and appropriated by the Board of
8 Supervisors at the direction of the Citizens' General Obligation Bond Oversight Committee to
9 cover the costs of such Committee.

10 Section 16. CEQA Findings. The Board of Supervisors finds and declares that this
11 legislation is not a project subject to CEQA because it is a funding mechanism involving no
12 commitment to any specific projects at any specific locations, as set forth in the CEQA
13 Guidelines Section 15378.

14 Section 17. Planning Code. The Board of Supervisors hereby adopts and incorporates
15 by reference the findings and declarations in Ordinance No. 231-23 relative to (i) the
16 conformance of the Bonds to the priority policies of Section 101.1(b) of the San Francisco
17 Planning Code, (ii) the conformance of the Bonds to Section 4.105 of the San Francisco
18 Charter and Section 2A.53(f) of the San Francisco Administrative Code, and (iii) the
19 consistency of the Bonds with the City's General Plan, all as more fully set forth in the General
20 Plan Referral Report dated September 22, 2023, a copy of which is on file with the Clerk of
21 the Board of Supervisors in File No. 230972.

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

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

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16 APPROVED AS TO FORM:

17 DAVID CHIU City Attorney

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19 By: /s/ Mark D. Blake
20 MARK D. BLAKE
21 Deputy City Attorney

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