Ordinance amending the San Francisco Administrative Code by adding Article 43.11, Sections 43.11.1 through 43.11.5, to authorize the issuance of short-term indebtedness in anticipation of the issuance of general obligation bonds authorized by the voters.

Note: Additions are _single-underlined_ _italics_ Times New Roman; deletions are __strikethrough_ _italics_ Times New Roman. Board amendment additions are ___double underlined___. Board amendment deletions are __strikethrough normal___.

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

Section 1. The San Francisco Administrative Code is hereby amended by adding Article 43.11, Sections 43.11.1 through 43.11.5, to read as follows:

**ARTICLE XI  GENERAL OBLIGATION BOND SHORT-TERM INDEBTEDNESS**

**SEC. 43.11.1. FINDINGS.**

The City and County of San Francisco (the “City”) is a municipal corporation and chartered city and county duly organized and existing under a charter pursuant to which the City has the right and power to make and enforce all laws and regulations in respect to municipal affairs and certain other matters in accordance with and as more particularly provided in Sections 3, 5 and 7 of Article XI of the Constitution of the State of California and Section 1.101 of the Charter of the City (the “Charter”).

Pursuant to Section 9.113(e) of the Charter, this Article sets forth a procedure by which the City may issue short-term indebtedness in anticipation of the issuance of general obligation bonds which have been approved by the voters.

Mayor Newsom
BOARD OF SUPERVISORS

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SEC. 43.11.2. DEFINITIONS.

For purposes of this Article, the following terms shall have the meanings given below:

(a) The term "Board" shall mean the Board of Supervisors of the City.

(b) The term "Charter" shall mean the Charter of this City.

(c) The term "City" shall mean the City and County of San Francisco.

(d) The term "Director" shall mean Director of the Office of Public Finance, or his/her designee, or any successor to that Office.

(e) The terms "Short-Term Indebtedness" and "Bonds" shall have the meanings set forth in Section 43.11.3.

SEC. 43.11.3. AUTHORIZATION OF SHORT-TERM INDEBTEDNESS.

(a) When the Board deems it in the best interests of the City, the Board may authorize the issuance, upon such terms and conditions as it may determine, of notes or other obligations ("Short-Term Indebtedness"), maturing within a period not to exceed five years of its date of issuance (or of the date of issuance of any refunded Short-Term Indebtedness), in anticipation of the sale of general obligation bonds ("Bonds") which have been approved by the voters and authorized for issuance by the Board at the time such Short-Term Indebtedness is issued.

(b) The proceeds from the sale of the Short-Term Indebtedness shall be used only for the purposes for which the Bonds were approved by the voters, together with the costs of issuing such Short-Term Indebtedness.

(c) All Short-Term Indebtedness issued and any renewal or refunding thereof shall be payable solely from the proceeds of the sale of the Bonds, provided that (i) all or a portion of the principal and interest on such Short-Term Indebtedness may be payable from the levy of the tax authorized by the voters if authorized by the Board or required by law; (ii) interest payable on the
Short Term Indebtedness may be payable from the proceeds of such Short Term Indebtedness if authorized by the Board, and (iii) in the event that the sale of the Bonds shall not have occurred prior to the maturity of the Short-Term Indebtedness issued in anticipation of the sale, the Director, in order to meet the Short-Term Indebtedness then maturing, shall issue refunding Short-Term Indebtedness for such purpose. No refunding of Short-Term Indebtedness shall be issued after the sale of Bonds in anticipation of which the original Short-Term Indebtedness was issued.

SEC. 43.11.4. MISCELLANEOUS PROVISIONS

(a) The Short-Term Indebtedness shall have such terms and conditions, not inconsistent with the terms of this Article, as the Director shall determine, provided that no Short-Term Indebtedness shall have a final maturity in excess of five years from its date or, in the case of refunding Short-Term Indebtedness, the date of the first issuance of Short-Term Indebtedness to which such refunding relates. The Short-Term Indebtedness shall be sold upon such terms and conditions as the Director shall determine. The Short-Term Indebtedness may be sold at competitive or negotiated sale as determined by the Board is in the best financial interest of the City and such determination may be delegated by the Board to the Director. Any Short-Term Indebtedness may be sold at a discount not to exceed 5% and at a premium, as the Director shall determine is in the best financial interest of the City.

(b) In connection with the issuance of any Short-Term Indebtedness, the Board may authorize the City to enter into credit enhancement or liquidity agreements, with payment, interest rate, currency, security, default, remedy, and other terms and conditions as the Director shall determine are in the best financial interest of the City.

(c) In connection with the issuance of any Short-Term Indebtedness, the Board may authorize the City to appoint such agents and other professionals as necessary or desirable as the Director shall determine.
(d) The total amount of Short-Term Indebtedness issued and outstanding shall at no time exceed the total amount of the authorized but unissued Bonds.

SEC. 43.11.5. LIBERAL CONSTRUCTION.

The powers conferred by the provisions of this Article are in addition to and supplemental to the powers conferred by the Charter or any other ordinance or law.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: Kenneth David Roux
Deputy City Attorney

Mayor Newsom
BOARD OF SUPERVISORS
File Number: 081523  Date Passed:  

Ordinance amending the San Francisco Administrative Code by adding Article 43.11, Sections 43.11.1 through 43.11.5, to authorize the issuance of short-term indebtedness in anticipation of the issuance of general obligation bonds authorized by the voters.

December 16, 2008  Board of Supervisors — PASSED ON FIRST READING
  Ayes: 11 - Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

January 6, 2009  Board of Supervisors — FINALLY PASSED
  Ayes: 10 - Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin
File No. 081523

I hereby certify that the foregoing Ordinance was FINALLY PASSED on January 6, 2009 by the Board of Supervisors of the City and County of San Francisco.

1/16/09
Date Approved

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom