Resolution providing for the issuance of not to exceed $248,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Road Repaving and Street Safety Bonds, 2011); authorizing the execution, authentication, and registration of said Bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; ratifying certain actions previously taken; declaring the City's intent to reimburse certain expenditures; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds.

WHEREAS, By Resolution No. 248-11 adopted by the Board of Supervisors (the “Board of Supervisors”) of the City and County of San Francisco (the “City”) on June 7, 2011 and signed by the Mayor of the City on June 13, 2011, it was determined and declared that public interest and necessity demand the repaving and reconstruction of roads, the rehabilitation and seismic improvement of street structures, the replacement of sidewalks, the installation and renovation of curb ramps, the redesign of streetscapes to include pedestrian and bicycle safety improvements, and the construction, rehabilitation, and renovation of traffic infrastructure within the City; and

WHEREAS, By Ordinance No. 148-11, finally passed by the Board of Supervisors on July 26, 2011, and signed by the Mayor of the City on July 26, 2011, the Board of Supervisors duly called a special election to be held on November 8, 2011, for the purpose of submitting to the electors of the City a proposition to incur bonded indebtedness to finance the repaving
and reconstruction of roads, the rehabilitation and seismic improvement of street structures, the replacement of sidewalks, the installation and renovation of curb ramps, the redesign of streetscapes to include pedestrian and bicycle safety improvements, and the construction, rehabilitation, and renovation of traffic infrastructure within the City, as therein described (the "Project"); and

WHEREAS, A special election was held in the City on November 8, 2011, for the purpose of submitting to the qualified voters of the City Proposition B for incurring bonded indebtedness of the City in the aggregate principal amount of $248,000,000 to finance the Project; and

WHEREAS, The Registrar of Voters of the City duly and regularly canvassed the returns of said election and; as the result of such canvass, certified to the Board of Supervisors that more than two-thirds of the votes cast on said proposition favored the incurring of such bonded Indebtedness; and

WHEREAS, This Board of Supervisors has determined, and does hereby declare that it is necessary and desirable that all of said bonds designated generally as City and County of San Francisco General Obligation Bonds (Road Repaving and Street Safety Bonds, 2011) (the "Bonds") (each series of such Bonds to bear such additional or other designation as may be necessary or appropriate to distinguish such series from every other series and from other bonds issued by the City) in the aggregate principal amount of $248,000,000, be issued and sold in series from time to time, for the purposes authorized and on the conditions set forth in this Resolution of the Board of Supervisors; and

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

WHEREAS, The City has paid and expects to pay certain expenditures in connection with the Project to be financed by the Bonds prior to the issuance and sale of each series of
the Bonds to be sold, and the City intends to reimburse itself and to pay third parties for such prior expenditures from the proceeds of each series of Bonds; and

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

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

WHEREAS, The Bonds are being issued pursuant to a resolution duly adopted by the Board of Supervisors, Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the California Government Code, the Charter of the City (the “Charter”) and a duly held election; and

WHEREAS, The adoption of this Resolution shall constitute authorization of the Bonds within the meaning of Section 864 of the California Code of Civil Procedure; and

WHEREAS, Pursuant to Section 9.106 of the Charter, there shall be delivered a certificate of a duly authorized officer of the City, concurrently with the issuance of each series of Bonds stating that the outstanding general obligation bonded indebtedness of the City, including all series of the Bonds issued and to be issued and outstanding on the date of delivery of such series, will not exceed three percent of the assessed value of all taxable real and personal property located within the City;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the City and County of San Francisco, as follows:

Section 1. Recitals. All of the recitals herein are true and correct.
Section 2. **Conditions Precedent.** All conditions, things and acts required by law to exist, to happen and to be performed precedent to the adoption of this Resolution authorizing the issuance of the Bonds exist, have happened and have been performed in due time, form and manner in accordance with applicable law, and the City is now authorized pursuant to the Charter and applicable law to incur indebtedness in the manner and form provided in this Resolution.

Section 3. **Issuance of the Bonds.** The Board of Supervisors hereby authorizes the issuance and sale of not to exceed $248,000,000 aggregate principal amount of the Bonds for the following proposition:

"SAN FRANCISCO ROAD REPAVING AND STREET SAFETY BONDS, 2011. To fix potholes and repave deteriorating streets in neighborhoods throughout San Francisco, repair and strengthen deteriorating stairways, bridges and overpasses, improve safety for pedestrians and bicyclists, improve disabled access to sidewalks, and construct and renovate traffic infrastructure to improve Municipal Transportation Agency transit reliability and traffic flow on local streets, shall the City and County of San Francisco issue $248,000,000 in general obligation bonds subject to independent oversight and regular audits?"

The Bonds may be sold in one or more series, as the Board of Supervisors shall determine, and shall be sold in accordance with law, as such law may from time to time be amended, supplemented or revised, and on the terms and conditions approved by the Board of Supervisors in this Resolution, as supplemented by such other resolution or resolutions relating to such series of Bonds and as provided in the resolution of the Board of Supervisors authorizing and directing the sale of each series of the Bonds (each, a "Sale Resolution"). The offering and sale of the Bonds may be aggregated with the offering and sale of other general obligation bonds being issued by the City, as authorized from time to time by the Board of Supervisors.

Mayor Lee
BOARD OF SUPERVISORS
Section 4. **Execution and Authentication.** The Sale Resolution authorizing the sale of any series of the Bonds shall set forth the form of such Bond, with such necessary or appropriate variations, omissions and insertions as may be permitted by such Sale Resolution. “CUSIP” identification numbers may be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and to pay for the Bonds. In addition, failure on the part of the City to use such CUSIP numbers in any notice to owners of the Bonds shall not constitute an event of default or any violation of the City’s contract with such owners and shall not impair the effectiveness of any such notice.

The Bonds shall be signed by the Mayor of the City and countersigned by the Clerk of the Board of Supervisors. All signatures hereinbefore referred to may be facsimile or manual. The Treasurer of the City or his or her designee (the “City Treasurer”) shall authenticate the Bonds by manual signature, and when so executed and authenticated, the Controller of the City or his or her designee (the “Controller”) shall cause the Bonds to be delivered to or for the account of the purchaser in exchange for the purchase price thereof.

In case any of such officers whose signatures or countersignatures appear on a Bond shall cease to be such officers before the delivery of such Bond to the purchaser, such signatures or countersignatures shall nevertheless be valid and sufficient for all purposes as if they had remained in office until the delivery of such Bond.

Section 5. **Transfer or Exchange and Registration of Bonds.** Any Bond may be transferred or exchanged in accordance with its terms and the Sale Resolution authorizing its sale. Each Bond shall be registered in accordance with the Sale Resolution authorizing its sale.
Section 6. **General Redemption Provisions.** The terms of redemption (whether optional redemption, special optional redemption, or mandatory redemption), if any, of any series of Bonds and the manner prescribed for notice of any redemption of such series of Bonds shall be set forth in the Sale Resolution authorizing the sale of the Bonds to be redeemed.

The Sale Resolution authorizing the sale of each series of Bonds shall provide that the City Treasurer shall establish a Redemption Account for such series of Bonds and shall further provide for the deposit and application of moneys in such Redemption Account.

Section 7. **Tax Levy.** For the purpose of paying the principal of and interest on the Bonds, the Board of Supervisors at the time of fixing the general tax levy shall fix, and in the manner provided for such general tax levy, levy and collect annually until the Bonds are paid or until there shall be a sum set apart for that purpose in the treasury of the City sufficient to meet all sums coming due for payment of principal of and interest on the Bonds, a tax sufficient to pay the annual interest on the Bonds as the same becomes due and also such part of the principal thereof as shall become due.

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

All taxes collected pursuant to this Section 7 shall be deposited forthwith in a special account to be designated as the “General Obligation Bonds (Road Repaving and Street Safety Bonds, 2011) Bond Account” (the “Bond Account”) and each and every series of Bonds issued under this Resolution shall be equally and ratably secured by the taxes collected pursuant to this Section 7. The Bond Account shall be administered by the City Treasurer and kept separate and apart from all other accounts. Pursuant to the Sale Resolution authorizing the sale of any series of the Bonds, the City Treasurer may establish such additional accounts.
and subaccounts within the Bond Account or with any agent, including but not limited to any paying agent or fiscal agent, as may be necessary or convenient in connection with the administration of any series of the Bonds. The Sale Resolution authorizing the sale of any series of the Bonds shall establish subaccounts within the Bond Account for each series of the Bonds to provide for the payment of principal and interest on such series of Bonds.

The City Treasurer shall also deposit in the Bond Account from the proceeds of sale of a series of the Bonds, any moneys received on account of original issue premium and interest accrued on the Bonds to the date of payment of the purchase price thereof, and such other moneys, if any, as may be specified in the Sale Resolution authorizing the sale of such series of Bonds. So long as any of the Bonds are outstanding, moneys in the Bond Account shall be used and applied by the City Treasurer solely for the purpose of paying the principal of and interest on the Bonds as such principal and interest shall become due and payable, or for purchase of Bonds if permitted by the Sale Resolution authorizing the sale of such series of Bonds; provided, however, that when all of the principal of and interest on the Bonds have been paid, any moneys then remaining in said Bond Account shall be transferred to the General Fund of the City or as otherwise permitted by law. The Board of Supervisors shall take such actions annually as are necessary or appropriate to cause the debt service on the Bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations therefor.

Section 8. Administration and Disbursements From Bond Account.

(a) Interest. On or before June 15 and December 15 in each year (or on such other dates as provided in a Sale Resolution) that any of the Bonds are outstanding, the City Treasurer shall transfer to and set aside in the Bond Account and the appropriate subaccounts therein relating to each series of the Bonds an amount which, when added to the amount contained in the Bond Account and subaccounts therein on that date, if any, will be

Mayor Lee
BOARD OF SUPERVISORS

Page 7
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equal to the aggregate amount of the interest becoming due and payable on each series of the Bonds outstanding on such interest payment date.

(b) **Principal.** On or before June 15 in each year (or on such other dates as provided in a Sale Resolution) that any of the Bonds are outstanding, the City Treasurer shall transfer to and set aside in the Bond Account and the appropriate subaccounts therein relating to each series of the Bonds an amount which will be equal to the principal on each series of the Bonds outstanding that will become due and payable on said June 15, including those Bonds subject to mandatory redemption on such date pursuant to the provisions of the Sale Resolution authorizing the sale of such Bonds.

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

Section 9. **Appointment of Depositories and Other Agents.** The City Treasurer is hereby authorized and directed to appoint one or more depositaries as he or she may deem
desirable and may authorize such depository to perform, under the supervision of the City
Treasurer, any of the City Treasurer’s duties and responsibilities under this Resolution and
each Sale Resolution, to the extent permitted by applicable law.

The City Treasurer is hereby also authorized and directed to appoint one or more
agents as he or she may deem necessary or desirable. To the extent permitted by applicable
law and under the supervision of the City Treasurer, such agents may serve as paying agent,
fiscal agent, escrow agent or registrar for the Bonds or may assist the City Treasurer in
performing any or all of such functions and such other duties as the City Treasurer shall
determine including such duties and responsibilities of the City Treasurer provided for in this
Resolution. Such agents shall serve under such terms and conditions as the City Treasurer
shall determine. The City Treasurer may remove or replace agents appointed pursuant to this
paragraph at any time.

Section 10. **Project Account.** There is hereby established a project account to be
designated as the “General Obligation Bonds (Road Repaving and Street Safety Bonds,
2011) Project Account” (the “Project Account”). The Project Account shall be maintained by
the City Treasurer, as a separate account, segregated and distinct from all other accounts.
The City Treasurer may establish such accounts and subaccounts within the Project Account
as may be necessary or convenient in connection with the administration of the Project or the
Bonds.

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

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

Section 11. Defeasance Provisions. The Sale Resolution authorizing the sale of any
series of Bonds may provide for the defeasance of such series of Bonds. Any Bonds that
have been deemed paid in accordance with the defeasance provisions of the Sale Resolution
authorizing their sale shall no longer be deemed outstanding under this Resolution.

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

Section 13. Other Terms and Provisions Relating To the Bonds. The Sale Resolution
providing for the sale of any series of Bonds may provide for (a) the purchase of bond
insurance or other credit enhancement relating to such series of Bonds and to the
establishment of such additional terms and procedures as may be necessary to provide for
the application of such bond insurance or other credit enhancement for the benefit of such
Bondholders; (b) the investment of moneys held in any fund or account relating to such series
of the Bonds in specific categories or types of investments, so long as such investments are
legal investments for the City and in compliance with any policy or guideline of the City
applicable thereto; and (c) the adoption of any supplemental resolutions relating solely to such
series of Bonds.
Section 14. **Supplemental Resolutions.** For any one or more of the following purposes and at any time or from time to time, a supplemental resolution may be adopted by the Board of Supervisors, which supplemental resolution, without the requirement of consent of the owners of the Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the City in this Resolution or any Sale Resolution authorizing the sale of any series of Bonds, other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Resolution or any Sale Resolution as then in effect;

(b) To add to the limitations and restrictions in this Resolution or any Sale Resolution authorizing the sale of any series of Bonds, other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Resolution or Sale Resolution as then in effect;

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

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

(e) To make such additions, deletions or modifications as shall not, in the determination of the Board of Supervisors, be materially adverse to the owners of the Bonds.

In addition, any modification or amendment of this Resolution or any Sale Resolution authorizing the sale of any series of Bonds and of the rights and obligations of the City and of the owners of the Bonds, in any particular, may be made by a supplemental resolution, with the written consent of the owners of at least a majority in aggregate principal amount of the
Bonds outstanding at the time such consent is given (except as otherwise provided in the
preceding paragraphs of this Section 14). No such modification or amendment shall permit a
change in the terms or maturity of the principal of any outstanding Bonds or of any interest
payable thereon or a reduction in the principal amount thereof or in the rate of interest
thereon, or shall reduce the percentage of Bonds the consent of the owners of which is
required to effect any such modification or amendment, or shall reduce the amount of moneys
for the repayment of the Bonds without the consent of all the owners of such affected Bonds.

Section 15. Reimbursement. The City hereby declares its official intent to reimburse
prior expenditures of the City, incurred prior to the issuance and sale of each series of Bonds,
related to the Project or portions thereof to be financed by each series of Bonds. The Board
of Supervisors hereby declares the City's intent to reimburse the City with the proceeds of
each series of Bonds for the expenditures with respect to the Project (the "Expenditures" and
each, an "Expenditure") made on and after that date that is no more than 60 days prior to
adoption of this Resolution. The City reasonably expects on the date hereof that it will
reimburse the Expenditures with the proceeds of each series of Bonds.

Each Expenditure was and will be either (a) of a type properly chargeable to a capital
account under general federal income tax principles (determined in each case as of the date
of the Expenditure), (b) a cost of issuance with respect to a series of Bonds, (c) a
nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a
party that is not related to or an agent of the City so long as such grant does not impose any
obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the
City. The maximum aggregate principal amount of the Bonds expected to be issued for the
Project is $248,000,000. The City shall make a reimbursement allocation, which is a written
allocation by the City that evidences the City's use of proceeds of the applicable series of
Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on
which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

The City recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least five years.

Section 16. Citizens' Oversight Committee. The Bonds are subject to, and incorporate by reference, the applicable provisions of San Francisco Administrative Code Sections 5.30 – 5.36 (the "Citizens' General Obligation Bond Oversight Committee"). Under Section 5.31 of the Citizens' General Obligation Bond Oversight Committee, to the extent permitted by law, one-tenth of one percent (0.1%) of the gross proceeds of each series of the Bonds shall be deposited in a fund established by the Controller’s Office and appropriated by the Board of Supervisors at the direction of the Citizens’ General Obligation Bond Oversight Committee to cover the costs of such Committee.

Section 17. Ratification. All actions heretofore taken by officials, employees and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified.

Section 18. General Authority. The Clerk of the Board of Supervisors, the Budget and Finance Committee of the Board of Supervisors, the Mayor, the City Treasurer, the City Administrator, the City Attorney, the Director of Public Finance of the City and the Controller are each hereby authorized and directed in the name and on behalf of the City to take any and all steps and to issue and deliver any and all certificates, requisitions, agreements, notices, consents, and other documents, including but not limited to, letters of representations to any securities depository or depositories, which they or any of them might deem necessary.
or appropriate in order to consummate the lawful issuance, sale and delivery of the Bonds and
otherwise to give effect to this Resolution.

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

BY

KENNETH DAVID ROUX
Deputy City Attorney
Resolution providing for the issuance of not to exceed $248,000,000 aggregate principal amount of City and County of San Francisco General Obligation Bonds (Road Repaving and Street Safety Bonds, 2011); authorizing the execution, authentication, and registration of said Bonds; providing for the levy of a tax to pay the principal and interest thereof; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of accounts related thereto; ratifying certain actions previously taken; declaring the City's intent to reimburse certain expenditures; and granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale, and delivery of said bonds.

January 11, 2012 Budget and Finance Committee - CONTINUED

January 18, 2012 Budget and Finance Committee - RECOMMENDED

January 24, 2012 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 111343

I hereby certify that the foregoing Resolution was ADOPTED on 1/24/2012 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved: 2/3/12