

# TEXT OF ORDINANCE AUTHORIZING ELECTION PROPOSITION A

[Bond Special Election]

CALLING AND PROVIDING FOR A SPECIAL ELECTION TO BE HELD IN THE CITY AND COUNTY OF SAN FRANCISCO ON TUESDAY, NOVEMBER 2, 1999, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS A PROPOSITION TO INCUR BONDED DEBT AND/OR OTHER EVIDENCES OF INDEBTEDNESS AND/OR UNDERTAKE LEASE FINANCING BY OR FOR THE CITY AND COUNTY IN THE PRINCIPAL AMOUNT OF \$299,000,000 FOR THE ACQUISITION, IMPROVEMENT, CONSTRUCTION AND/OR RECONSTRUCTION OF A HEALTH CARE, ASSISTED LIVING AND/OR OTHER TYPE OF CONTINUING CARE FACILITY OR FACILITIES TO REPLACE LAGUNA HONDA HOSPITAL; PROVIDING FOR THE USE OF AVAILABLE TOBACCO SETTLEMENT REVENUES AND FOR THE USE OF STATE AND/OR FEDERAL GRANTS OR FUNDS RECEIVED BY THE CITY AND COUNTY THAT ARE REQUIRED TO FUND SUCH PROPOSED PROJECT; FINDING THAT THE ESTIMATED COST OF SUCH PROPOSED PROJECT IS AND WILL BE TOO GREAT TO BE PAID OUT OF THE ORDINARY ANNUAL INCOME AND REVENUE OF THE CITY AND COUNTY AND WILL REQUIRE EXPENDITURES GREATER THAN THE AMOUNT ALLOWED THEREFOR BY THE ANNUAL TAX LEVY; RECITING THE ESTIMATED COST OF SUCH PROPOSED PROJECT; FIXING THE DATE OF ELECTION AND THE MANNER OF HOLDING SUCH ELECTION AND THE PROCEDURE FOR VOTING FOR OR AGAINST THE PROPOSITION; FIXING THE MAXIMUM RATE OF INTEREST ON SUCH LEASE FINANCING, BONDED DEBT AND/OR OTHER EVIDENCES OF INDEBTEDNESS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES TO PAY BOTH PRINCIPAL AND INTEREST OF SUCH BONDED DEBT AND/OR OTHER EVIDENCES OF INDEBTEDNESS; PRESCRIBING NOTICE TO BE GIVEN OF SUCH ELECTION; ESTABLISHING THE ELECTION PRECINCTS, VOTING PLACES AND OFFICERS FOR THE ELECTION; WAIVING THE WORD LIMITATION ON BALLOT PROPOSITIONS IMPOSED BY SAN FRANCISCO MUNICIPAL ELECTIONS CODE SECTION 510; AND ACKNOWLEDGING RECEIPT OF FINDINGS BY THE CITY AND COUNTY PLANNING DEPARTMENT.

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

Section 1. A special election is hereby

called and ordered to be held in the City and County of San Francisco on Tuesday, the 2nd day of November, 1999, for the purpose of submitting to the electors of the City and County a proposition to incur bonded debt and/or other evidences of indebtedness and/or undertake lease financing by or for the City and County of San Francisco for the Project hereinafter described in the amount and for the purposes stated in Section 7 hereof.

The special election hereby called and ordered shall be referred to herein as the "Bond Special Election."

Section 2. For purposes of this ordinance and the proposition to be voted upon set forth in Section 7 hereof, the following terms shall have the meanings set forth below:

"Available tobacco settlement revenues" is defined as the total payments the City and County receives under the 1998 Master Settlement Agreement (the "Agreement") over the term of any lease financing, bonded debt and/or other evidences of indebtedness authorized hereby that the City and County may use for the Project under applicable law, less \$1,000,000 of the amount the City and County receives each year under the Agreement during the term of any obligations authorized hereby, which amount the City and County will use for tobacco education, prevention and control purposes.

"Project" is defined to include, without limitation, all works, property and structures necessary or convenient for the acquisition, improvement, construction and/or reconstruction of a new health care, assisted living and/or other type of continuing care facility or facilities to replace Laguna Honda Hospital, including, without limitation, infrastructure or other improvements in the areas appurtenant to, or which provide access to, such new facility or facilities.

Section 3. The first \$100,000,000 of available tobacco settlement revenues and/or any state and/or federal funds or grants received by the City and County that are required to be used to fund the Project shall first be applied to finance the costs of acquisition, construction and/or reconstruction of the Project. Any additional amounts from such sources received by the City and County shall be applied to reduce the amount of the outstanding obligations authorized hereby.

Section 4. The estimated costs of the Project to be financed with the obligations authorized hereby were fixed by the Board of Supervisors by the following resolution and in the principal amount specified below:

General Obligation Bonds, Resolution No. 577-99, \$299,000,000.

Such resolution was passed by two-thirds or more of the Board of Supervisors and approved by the Mayor. In such resolution it was recited

and found that the estimated cost of said Project is and will be too great to be paid out of the ordinary annual income and revenue of the City and County in addition to the other annual expenses of the City and County and will require expenditures greater than the amount allowed therefor by the annual tax levy and will require lease financing and/or the issuance or incurrence of bonded debt and/or other evidences of indebtedness by or for the City and County not exceeding the principal amount specified.

Such estimate of cost as set forth in such resolution is hereby adopted and determined to represent a portion of the estimated cost of such improvements and financing.

Section 5. The Bond Special Election shall be held and conducted and the votes thereof received and canvassed, and the returns thereof made and the results thereof ascertained, determined and declared as herein provided and in all particulars not herein recited such election shall be held according to the laws of the State of California, Municipal Elections Code, and the Charter of the City and County of San Francisco providing for and governing elections in the City and County of San Francisco, and the polls for such election shall be and remain open during the time required by such laws.

Section 6. The Bond Special Election is hereby consolidated with the Consolidated General Election scheduled to be held in the City and County of San Francisco on Tuesday, November 2, 1999. The voting precincts, polling places and officers of election for the November 2, 1999 Consolidated General Election are hereby adopted, established, designated and named, respectively, as the voting precincts, polling places and officers of election for the Bond Special Election hereby called, and reference is hereby made to the notice of election setting forth the voting precincts, polling places and officers of election for the November 2, 1999 Consolidated General Election by the Director of Elections to be published in the official newspaper of the City and County on the date required under the laws of the State of California.

Section 7. The ballots to be used at the Bond Special Election shall be the ballots to be used at the November 2, 1999 Consolidated General Election. The word limit for the ballot proposition imposed by San Francisco Municipal Elections Code Section 510 is hereby waived. On the ballots to be used at the Bond Special Election, in addition to any other matter required by law to be printed thereon, shall appear the following proposition:

"LAGUNA HONDA HOSPITAL, 1999. Shall the City and County incur bonded debt and/or other evidences of indebtedness and/or undertake lease financing, in an aggregate principal amount not exceeding \$299,000,000,

## LEGAL TEXT OF PROPOSITION A (CONTINUED)

for the acquisition, improvement, construction and/or reconstruction of a new health care, assisted living and/or other type of continuing care facility or facilities to replace Laguna Honda Hospital, and reduce the property tax impact by requiring the application of available tobacco settlement revenues received by the City and County, and any state and/or federal grants or funds received by the City and County that are required to be used to fund these facilities, (a) to finance the acquisition, improvement, construction and/or reconstruction costs of such facilities, and (b) to pay the principal and redemption price of, interest on, reserve fund deposits, if any, and/or financing costs for the obligations authorized hereby?"

Each voter to vote in favor of the issuance of the foregoing proposition shall punch the ballot card in the hole after the word "YES" to the right of the proposition, and to vote against the proposition shall punch the ballot card in the hole after the word "NO" to the right of the proposition. If a numerical or other system is used at such special election, each voter to vote in favor of the proposition shall mark the ballot card or equivalent device after the number or in the location corresponding to a "YES" vote for the proposition and to vote against the proposition shall mark the ballot card or equivalent device after the number or in the location corresponding to a "NO" vote for the proposition.

Section 8. If the Director of Elections shall certify to the Board of Supervisors that two-thirds of all the voters voting on such proposition voted in favor of and authorized the incurring of bonded debt and/or other evidences of indebtedness and/or lease financing for the purposes set forth in such proposition, then such proposition shall have been accepted by the electors, and bonded debt and/or other evidences of indebtedness and/or lease financing authorized thereby shall be issued or incurred upon the order of the Board of Supervisors. Such bonded debt and/or other evidences of indebtedness and/or lease financing shall bear interest at a rate not to exceed twelve percent (12%) per annum.

Section 9. In anticipation of the issuance or incurrence of bonded debt and/or other evidences of indebtedness and/or lease financing, the City and County may issue commercial paper notes, bond anticipation notes or other short-term evidences of indebtedness to finance and refinance the costs of the Project, provided that the aggregate principal amount thereof outstanding at any time shall not exceed the authorized but unissued amount of obligations authorized hereby.

Section 10. For the purpose of paying the principal of and interest on any general obligation bonds or other evidences of indebtedness (excluding any lease financing), the Board of Supervisors shall, at the time of fixing the gen-

eral tax levy and in the manner for such general tax levy provided, levy and collect annually each year until such bonded debt and/or other evidences of indebtedness are paid, or until there are sufficient sums set apart for that purpose to meet all sums coming due for the principal of and interest on such bonded debt and/or other evidences of indebtedness, a tax sufficient to pay the annual interest on such bonded debt and/or other evidences of indebtedness as the same becomes due and also such part of the principal thereof as shall become due before the proceeds of a tax levied at the time for making the next general tax levy can be made available for the payment of such principal.

Section 11. The Board of Supervisors hereby acknowledges receipt of findings by the City and County Planning Department that the Bond Special Election is in conformity with the priority policies of Section 101.1(b) of the City and County Planning Code and with the City and County's General Plan, as set forth in a letter dated April 27, 1999 on file with the Clerk of the Board of Supervisors in File No. 990921.

Section 12. This ordinance shall be published once a day for at least seven (7) days in the official newspaper of the City and County and such publication shall constitute notice of the election and no other notice of the election hereby called need be given.

Section 13. The appropriate officers, employees, representatives and agents of the City and County of San Francisco are hereby authorized and directed to do everything necessary or desirable to accomplish the calling and holding of the Bond Special Election, and to otherwise carry out the provisions of this ordinance.