AMENDING PART I OF THE SAN FRANCISCO MUNICIPAL CODE (ADMINISTRATIVE CODE) BY REPEALING CHAPTER 84, REGARDING PUBLIC UTILITIES COMMISSION SHORT-TERM INDEBTEDNESS.

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 repealing Chapter 84 (Sections 84.1 through 84.6) in its entirety.

((SEC. 84.1. DEFINITIONS. For purposes of this Chapter, 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 "Commission" shall mean the Public Utilities Commission of the City.
(e) The term "Director" shall mean Director of the Mayor's Office of Public Finance or any successor to that office.))

((SEC. 84.2. AUTHORIZATION OF SHORT-TERM INDEBTEDNESS. Following voter approval or Board approval, as the case may be, of the issuance of revenue bonds by the Commission pursuant to Section 9.107 of the Charter, the Commission, in anticipation of the issuance of such revenue bonds, may incur short-term indebtedness in the form of commercial paper, temporary notes or other forms of indebtedness subject to the limitations set forth below.)
The issuance of such short-term indebtedness, and certain of the terms and conditions thereof, shall be subject to prior authorization by the Board.

Except as provided in Section 84.5, use of the proceeds of any such short-term indebtedness shall be limited to the purposes for which the applicable revenue bonds were approved by the voters or by the Board, as the case may be. Short-term indebtedness incurred pursuant to this Chapter shall not result in interest costs or a maturity date exceeding the limits, if any, fixed by the voters or the Board, as the case may be, with respect to the applicable revenue bond approval(s).

Such short-term indebtedness shall be payable solely from the proceeds of the applicable revenue bonds, or revenues of the Commission pledged, or to be pledged, to the payment of such revenue bonds. If any of the principal of such short-term indebtedness is paid from revenues of the Commission (other than revenues derived from grants) rather than from the proceeds of revenue bonds, the principal amount of revenue bonds the Commission is thereafter authorized to issue shall be reduced by the principal amount of short-term indebtedness paid from revenues (other than revenues derived from grants).

Any pledge of revenues by the Commission for the payment of short-term indebtedness may, in the sole discretion of the Director upon recommendation of the Commission, be subordinate to any pledge of the Commission for its revenue bonds.

All indebtedness incurred pursuant to this Chapter shall not constitute or evidence a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the City, or upon any income, receipt, revenue of the City, except the revenues or funds, if any, pledged by the Commission.

All short-term indebtedness incurred pursuant to this Chapter must additionally comply with each of the following provisions:

SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS
(a) Shall be evidenced by notes, warrants, commercial paper or other evidences of indebtedness maturing not later than five years from their issuance date; and

(b) Any draw on such short-term indebtedness shall be subject to approval by the Director.

Such short-term indebtedness may be sold at the discretion of the Director, upon recommendation of the Commission, by public or private sale. All other terms and conditions for such short-term indebtedness shall be determined by the Director, upon recommendation of the Commission.)

(SEC. 84.3. CREDIT OR LIQUIDITY SUPPORT. The Director, upon recommendation of the Commission, may arrange for credit or liquidity support for short-term indebtedness issued pursuant to this Chapter or may arrange for credit or liquidity support to provide an additional source of repayment for such short-term indebtedness.

Notwithstanding anything to the contrary in this Chapter, any monies paid by a financial institution under any agreement for credit or liquidity support (a "credit facility") shall:

(a) Be repaid over a period not exceeding the maximum maturity, if any, fixed by the voters or the Board, as the case may be, with respect to the applicable revenue bond approval;

(b) Bear interest at a rate that does not cause the aggregate average interest cost to exceed the maximum approved interest cost on such short-term indebtedness over the entire period such short-term indebtedness is outstanding; and

(c) Have such other terms and conditions as the Director, upon the recommendation of the Commission, shall fix.)

(SEC. 84.4. MAXIMUM SHORT-TERM INDEBTEDNESS. The maximum principal amount of all short-term indebtedness outstanding and incurred under this Chapter, including any amounts outstanding under any credit facility, together with the outstanding principal
amount of related revenue bonds, shall not at any time exceed the maximum principal amount
of the applicable revenue bonds approved by the voters or the Board, as the case may be.))

((SEC. 84.5. REFUNDING SHORT-TERM INDEBTEDNESS. The Commission, with
the prior approval of the Director, may issue commercial paper, refunding notes, warrants, or
other evidences of short-term indebtedness, in anticipation of the issuance of revenue bonds,
for the purpose of paying and redeeming, at or prior to maturity, outstanding short-term
indebtedness issued in accordance with this Chapter. Notwithstanding the preceding
sentence, any short-term indebtedness issued to refund outstanding short-term indebtedness
may not:

(a) Exceed the interest cost limitation set forth in Section 84.2; and

(b) Exceed the limitation on the maximum principal amount of short-term
indebtedness set forth in Section 84.4; and

(c) Mature more than five years from the original date of issuance of the original
short-term indebtedness it is refunding.

Short-term indebtedness issued to refund outstanding short-term indebtedness may be
refunded by the Commission in accordance with this Section 84.5.))

((SEC. 84.6. CONSTRUCTION. The powers conferred by the provisions of this
Chapter are in addition to and supplemental to the powers conferred by the Charter or any
other ordinance or law.))

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By:  ______________________________________
      THOMAS J. OWEN
      Deputy City Attorney

SUPERVISOR KAUFMAN
BOARD OF SUPERVISORS
Ordinance amending Administrative Code by repealing Chapter 84 (Sections 84.1 through 84.6), regarding Public Utilities Commission short-term indebtedness.

February 7, 2000  Board of Supervisors — PASSED, ON FIRST READING
Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

February 14, 2000  Board of Supervisors — FINALLY PASSED
Ayes: 10 - Ammiano, Becerril, Bierman, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee
Absent: 1 - Brown
I hereby certify that the foregoing Ordinance was FINALLY PASSED on February 14, 2000 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young  
Clerk of the Board

FEB 25 2000  
Date Approved

Mayor Willie L. Brown Jr.