Resolution authorizing the issuance and sale of special tax bonds (federally taxable) in an aggregate principal amount not to exceed $100,000,000 and authorizing related documents and actions in connection therewith.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (the "City") has conducted proceedings under and pursuant to Chapter 43, Article X of the San Francisco Administrative Code (the "Code"), which incorporates the Mello-Roos Community Facilities Act of 1982 (the "Act"), to form "City and County of San Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the "Special Tax District"), to authorize the levy of special taxes upon the land within the Special Tax District, and to issue bonds secured by said special taxes for the purpose of financing and refinancing the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on real property and in buildings, whether such real property or buildings are privately owned or publicly owned (the "Facilities"), all as described in those proceedings; and,

WHEREAS, On October 6, 2009, by Resolution No. 387-09, this Board of Supervisors adopted a Resolution adopting local goals and policies for community facilities districts (the "Goals and Policies"); and

WHEREAS, Pursuant to 43.10.19 of the Code, the City may, without additional hearings or procedures to those required under Sections 43.10.17 and 43.10.18 of the Code, designate a parcel or parcels as an improvement area within the Special Tax District; and
WHEREAS, There has been presented to this Board of Supervisors a description of a program to be a part of the GreenFinanceSF program, referred to as an "owner-arranged financing program," under which (i) the City will provide financing for the acquisition, installation and improvement of Facilities on one or a limited number of non-residential properties or residential (including, without limitation, transitional or mixed use) properties with five units or more (collectively, "Non-Residential Properties") through the issuance of special tax bonds payable solely from special taxes levied on such properties, (ii) each such property or group of properties will be designated a unique improvement area within the Special Tax District, (iii) the special tax bonds will be purchased by a financial institution or other sophisticated investor with experience in providing financing to Non-Residential Properties of the type participating in the GreenFinanceSF owner-arranged financing program (each, a "Qualified Investor"), on a private placement basis and (iv) because City staff anticipates that the City will be asked to issue numerous series of bonds for a similar number of improvement areas, with the related underwriting standards and the related documentation to be uniform or very similar among transactions, it has proposed that this Board of Supervisors approve such documentation in the forms on file with the Clerk of the Board of Supervisors and delegate the authority to approve the issuance of each series of bonds and the execution of each set of related documents to the Controller's Office of Public Finance, following consultation with the City Attorney and the City's bond counsel; and

WHEREAS, On July 26, 2011, by Resolution No. 323-11, this Board of Supervisors adopted a Resolution approving administrative terms and conditions of the owner-arranged financing program, including the related underwriting standards; and

WHEREAS, The Board of Supervisors now wishes to provide for the issuance of the special tax bonds and the execution and delivery of the related documents for the GreenFinanceSF owner-arranged financing program; and
WHEREAS, All conditions, things and acts required to exist, to have happened and to
have been performed precedent to this approval, the issuance of the bonds pursuant to this
approval, and the execution and delivery of the related documents pursuant to this approval,
have happened and have been performed in due time, form and manner as required by the
laws of the State of California, including the Code; now, therefore, be it

RESOLVED, That pursuant to the Code and this resolution, one or more series of
special tax bonds in an aggregate principal amount not to exceed $100 million (the “Bonds”) are hereby authorized to be issued, with the authority to approve each such series of Bonds to be delegated to the Controller’s Office of Public Finance, following consultation with the Department of the Environment, the City Attorney and the City’s bond counsel; and, be it

FURTHER RESOLVED, that each such series of Bonds approved as set forth in the previous paragraph shall be issued by the City on behalf of the Special Tax District with respect to an improvement area, and shall be designated the “Improvement Area No. ____ of the City and County of San Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing) Special Tax Bonds (Federally Taxable)”. The Bonds shall be executed in the form, mature, be payable in the priorities and bear interest at the rates as provided in a Fiscal Agent Agreement (to be approved as set forth below) to be executed by the City and a corporate trustee; and, be it

FURTHER RESOLVED, that the issuance of the Bonds is in compliance with the Code and applicable provisions of the Goals and Policies; and, be it

FURTHER RESOLVED, because Section 53345.8(a) of the Act requires, with certain exceptions specified in the Act, that, in connection with the issuance of bonds secured by special taxes in the Special Tax District with respect to an Improvement Area, the value of the real property subject to special taxes levied in the Improvement Area be at least three times the principal amount of the bonds that are secured by a special tax levied on property within
the Improvement Area or a special assessment levied on property within the Improvement
Area, the City will issue bonds for the Special Tax District with respect to an Improvement
Area, including the Bonds, if both of the following requirements have been met:

(i) For each parcel that will be improved with Facilities as a result of issuance of the
Bonds, the value of such parcel shall be an amount acceptable to the purchaser of the Bonds,
who shall be a Qualified Investor.

(ii) The Controller’s Office of Public Finance and the Department of the Environment,
following consultation with the City Attorney and the City’s bond counsel, shall have
determined that the proposed issuance of Bonds should proceed, it hereby being found by the
Board of Supervisors that (A) the Bonds will not present unusual credit risk to their purchasers
because the purchasers of the bonds will be Qualified Investors, (B) the private placement of
the Bonds with a Qualified Investor with an independent relationship with the owner of the
property in the Improvement Area means that the City is protected against adverse
consequences of a failure by the property owner to pay special taxes, when due, and (C)
issuance of the Bonds will advance the public purposes specified in the Code; and, be it

FURTHER RESOLVED, that each of the Director of the Department of the
Environment, the Controller and the Director of the Controller’s Office of Public Finance, or
such other official of the City as may be designated by such officers (each, an “Authorized
Officer”) is hereby authorized and directed to execute and deliver the documents approved
herein in substantially the form on file with the Clerk of the Board of Supervisors, together with
such additions or changes as are approved by such Authorized Officer upon consultation with
the City Attorney and the City’s bond counsel, including such additions or changes as are
necessary or advisable to permit the timely issuance, sale and delivery of the Bonds. The
approval of such additions or changes shall be conclusively evidenced by the execution and
delivery by an Authorized Officer of the documents herein specified; and, be it
FURTHER RESOLVED, that the Board of Supervisors hereby approves the form of the following documents:

(a) A Fiscal Agent Agreement (a "Fiscal Agent Agreement") by and between the City and a banking corporation to be identified by the Director of the Controller's Office of Public Finance, as fiscal agent (the "Fiscal Agent") with respect to the Bonds, in substantially the form on file with the Clerk of the Board of Supervisors. A separate Fiscal Agent Agreement will be executed in connection with the issuance of bonds for each improvement area. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bonds shall be as provided in the Fiscal Agent Agreements as finally executed and delivered. The terms and provisions of each such Fiscal Agent Agreement, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute each such Fiscal Agent Agreement on behalf of the City and the Clerk of the Board of Supervisors is hereby authorized and directed to attest thereto, subject to the terms of this Resolution; and

(b) A Bond Purchase Contract (a "Bond Purchase Contract") by and between the City and a Qualified Investor to be identified by the Director of the Controller's Office of Public Finance, in substantially the form on file with the Clerk of the Board of Supervisors. The Bond Purchase Contract shall contain representations and warranties that the purchaser of the Bonds constitutes a Qualified Investor. A separate Bond Purchase Contract will be executed in connection with the issuance of bonds for each improvement area as long as the Director of the Controller's Office of Public Finance concludes that the Bond Purchase Contract is necessary to implement the owner-arranged financing program. The terms and provisions of each such Bond Purchase Contract, as executed, are incorporated herein by this reference as if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute
each such Bond Purchase Contract on behalf of the City, subject to the terms of this
Resolution. The Board of Supervisors hereby finds that sale of the Bonds to a Qualified
Investor at a private sale pursuant to a Bond Purchase Contract will result in a lower overall
cost than would be achieved by selling the Bonds at a public sale utilizing competitive bidding
and any applicable City requirements for public bidding are hereby waived; and, be it

FURTHER RESOLVED, that the Controller's Office of Public Finance shall provide a
written report to this Board of Supervisors twelve months following the initial issuance of
Bonds and annually thereafter through the final maturity of the last series of Bonds describing
the Bonds issued since commencement of the program and since the date of the last report,
summarizing the current status of special tax delinquencies in the Special Tax District
(including any foreclosure and other remedial action taken by the City), and identifying any
bond payment defaults or draws on debt service reserve funds; and, be it

FURTHER RESOLVED, that, in connection with the approval of the administrative
terms of the owner-arranged financing program pursuant to separate resolution, this Board of
Supervisors has required the Director of the Department of the Environment to regularly report
on certain details of the program, and the requirement for such reports is a material term of
the approvals set forth in this resolution; and be it

FURTHER RESOLVED, that this Board of Supervisors hereby finds that adoption of
this Resolution is not a "project" under the California Environmental Quality Act, because the
Resolution does not involve any commitment to a specific project which may result in a
potentially significant physical impact on the environment, as contemplated by Title 14,
California Code of Regulations, Section 15378(b)(4)); and, be it

FURTHER RESOLVED, that all actions heretofore taken by the officers and agents of
the City (including, but not limited to, the Authorized Officers) with respect to the
establishment of the Special Tax District and the sale and issuance of the Bonds are hereby
approved, confirmed and ratified, and the appropriate officers of the City are hereby
authorized and directed to do any and all things and take any and all actions and execute any
and all certificates, agreements and other documents, which they, or any of them, may deem
necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds
in accordance with this resolution, and any certificate, agreement, and other document
described in the documents herein approved. All actions to be taken by an Authorized Officer,
as defined herein, may be taken by such Authorized Officer or any designee, with the same
force and effect as if taken by the Authorized Officer; and be it

FURTHER RESOLVED, that this resolution shall take effect from and after its adoption.
The provisions of any previous resolutions in any way inconsistent with the provisions hereof
in and for the issuance of the Bonds as herein described are hereby repealed.

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

By:
MARK D. BLAKE
Deputy City Attorney
Resolution

File Number: 110729
Date Passed: July 26, 2011

Resolution authorizing the issuance and sale of special tax bonds (federally taxable) in an aggregate principal amount not to exceed $100,000,000 and authorizing related documents and actions in connection therewith.

July 18, 2011 Land Use and Economic Development Committee - RECOMMENDED

July 26, 2011 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

I hereby certify that the foregoing Resolution was ADOPTED on 7/26/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved 7/31/11