

1 [Issuance of Qualified Energy Conservation Bonds - Not to Exceed \$8,291,079]

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3 **Resolution approving the issuance of not to exceed \$8,291,079 aggregate principal**
4 **amount of Qualified Energy Conservation Bonds to be issued by the Public Utilities**
5 **Commission of the City and County of San Francisco, acting on behalf of the City and**
6 **County of San Francisco; approving the execution and delivery by the Commission of an**
7 **Equipment Lease/Purchase Agreement, an Acquisition Fund and Account Control**
8 **Agreement, a Direct Purchase Agreement, and a Filing Agent Agreement; and authorizing**
9 **the taking of appropriate actions in connection therewith; and related matters.**

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11 WHEREAS, Pursuant to Section 9.107(8) of the Charter of the City and County of San
12 Francisco (City), the Board of Supervisors of the City (Board) is authorized to provide for the
13 issuance of revenue bonds by the Commission for the acquisition, construction, installation,
14 equipping, improvement or rehabilitation of equipment or facilities for renewable energy and
15 energy conservation; and

16 WHEREAS, The Commission received an allocation of \$8,291,079 (Allocation) from
17 the California Debt Limit Allocation Committee (CDLAC) under the Qualified Energy
18 Conservation Bond (QECBs) program of the United States federal government; and

19 WHEREAS, QECBs are tax credit bonds that allow a qualified issuer to receive a
20 reimbursement from the United States government, equal to the lesser of the interest payable
21 on such bonds or 70% of the tax credit rate applicable to such bonds; and

22 WHEREAS, The Allocation provides the Commission with an opportunity to issue
23 QECBs (Commission QECBs) to finance a portion of the costs of acquiring and constructing
24 the sustainability measures for the new headquarters of the Commission, being constructed at
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1 525 Golden Gate Avenue in the City (together, the "QECB Project"), all as more fully
2 described in the Commission's updated plan of finance for the QECB Project submitted to
3 CDLAC on August 15, 2010; and

4 WHEREAS, The Commission, pursuant to the terms of Resolution No. 11-0180,
5 adopted by the Commission on October 25, 2011 (Commission Resolution), has authorized
6 the execution and delivery of Commission QECBs, in the form of an Equipment
7 Lease/Purchase Agreement (Taxable Direct Pay Qualified Energy Conservation Bond),
8 expected to be dated as of October 1, 2011, by and between the Commission and Banc of
9 America Leasing & Capital, LLC (Bank of America), in the principal amount of not to exceed
10 \$8,291,079 (QECB Lease/Purchase Agreement) for the purpose of financing the costs of
11 acquiring and installing the QECB Project (including reimbursement to the Commission for
12 such costs), as well as for the payment of costs of issuance and other incidental costs
13 therefor; and

14 WHEREAS, The obligation of the Commission to make payments under the QECB
15 Lease/Purchase Agreement is payable solely from the Net Revenues (as defined in the QECB
16 Lease/Purchase Agreement) of the hydroelectric portion of the City's Power Enterprise; now,
17 therefore, be it

18 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
19 follows:

20 Section 1. Recitals. All of the recitals herein are true and correct.

21 Section 2. Approval and Authorization of Commission QECBs. The execution and
22 delivery of the Commission QECBs, in the form of the QECB Lease/Purchase Agreement, in
23 an aggregate principal amount not to exceed \$8,291,079, with a term not in excess of 20
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1 years, and bearing interest at an interest rate not to exceed 12%, is hereby authorized and
2 approved by the Board.

3 Section 3. Approval and Authorization of QECB Lease/Purchase Agreement. The
4 Board hereby authorizes and approves the execution and delivery by the Commission of the
5 QECB Lease/Purchase Agreement in an aggregate principal amount not to exceed
6 \$8,291,079, to provide funds to be used for the QECB Project. The form of the QECB
7 Lease/Purchase Agreement, in substantially the form presented to the Board, is hereby
8 approved. The authorized officers of the Commission specified in the Commission Resolution
9 (the "Authorized Officers") are hereby authorized and directed to approve and to execute the
10 QECB Lease/Purchase Agreement; with such changes, additions, amendments or
11 modifications therein which the Authorized Officers may deem necessary or desirable and as
12 the City Attorney may require or approve, the approval of such additions or changes to be
13 conclusively evidenced by the execution and delivery of the QECB Lease/Purchase
14 Agreement.

15 Section 4. Approval and Authorization of Acquisition Fund and Account Control
16 Agreement. The Board hereby authorizes and approves the execution and delivery by the
17 Commission of an Acquisition Fund and Account Control Agreement (the "Acquisition Fund
18 and Account Control Agreement"), to provide investment direction and disbursement
19 procedures for funds to be used for the QECB Project. The form of the Acquisition Fund and
20 Account Control Agreement, in substantially the form presented to the Board, is hereby
21 approved. The Authorized Officers are hereby authorized and directed to approve and to
22 execute the Acquisition Fund and Account Control Agreement, with such changes, additions,
23 amendments or modifications therein which the Authorized Officers may deem necessary or
24 desirable and as the City Attorney may require or approve, the approval of such additions or
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1 changes to be conclusively evidenced by the execution and delivery of the Acquisition Fund
2 and Account Control Agreement.

3 Section 5. Approval and Authorization of Direct Purchase Agreement. The Board
4 hereby authorizes and approves the execution and delivery by the Commission of a Direct
5 Purchase Agreement (the "Direct Purchase Agreement"), to provide the terms on which Bank
6 of America will purchase the QECBs from the Commission. The form of the Direct Purchase
7 Agreement, in substantially the form presented to the Board, is hereby approved. The
8 Authorized Officers are hereby authorized and directed to approve and to execute the Direct
9 Purchase Agreement; with such changes, additions, amendments or modifications therein
10 which the Authorized Officers may deem necessary or desirable and as the City Attorney may
11 require or approve, the approval of such additions or changes to be conclusively evidenced by
12 the execution and delivery of the Direct Purchase Agreement.

13 Section 6. Approval and Authorization of Filing Agent Agreement. The Board hereby
14 authorizes and approves the execution and delivery by the Commission of a Filing Agent
15 Agreement (the "Filing Agent Agreement"), to provide the terms on which U.S. Bank National
16 Association will file the necessary federal forms to assure the receipt by the Commission of
17 the federal subsidy payments payable by the federal government as a reimbursement for the
18 payments due by the Commission under the QECB Lease/Purchase Agreement. The form of
19 the Filing Agent Agreement, in substantially the form presented to the Board, is hereby
20 approved. The Authorized Officers are hereby authorized and directed to approve and to
21 execute the Filing Agent Agreement; with such changes, additions, amendments or
22 modifications therein which the Authorized Officers may deem necessary or desirable and as
23 the City Attorney may require or approve, the approval of such additions or changes to be
24 conclusively evidenced by the execution and delivery of the Filing Agent Agreement.

1 Section 7. Proposition P. Pursuant to Proposition P approved by the voters of the City
2 in November 2002, this resolution and the Commission QECBs are subject to, and
3 incorporate by reference, the provisions of Section 5A.30 et. seq. ("Public Utilities Revenue
4 Bond Oversight Committee") of Chapter V of the San Francisco Administrative Code. In
5 accordance with the requirements of Proposition P, to the extent permitted by law, one-
6 twentieth of one percent of the gross proceeds of the Commission QECBs shall be deposited
7 in a fund established by the Controller's Office and appropriated by the Board at the direction
8 of the Public Utilities Revenue Bond Oversight Committee (RBOC) established by Proposition
9 P to cover the costs of said committee; provided that any amounts so paid from the proceeds
10 of the Commission QECBs that have not been spent by RBOC in connection with such
11 Commission QECBs (as contemplated by Article 5A.31(c) of the Administrative Code) within
12 30 months of the date of issuance of such Commission QECBs shall be returned to the
13 Commission for deposit into the Acquisition Fund and expended by the Commission to
14 acquire and construct the QECB Project.

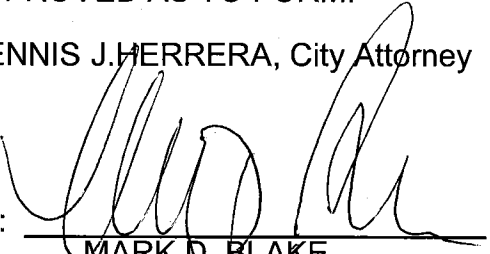
15 Section 8. CEQA Findings. The Board of Supervisors has, pursuant to Resolution No.
16 87-08, adopted February 26, 2008, adopted environmental findings under the California
17 Environmental Quality Act ("CEQA"), CEQA Guidelines, and Administrative Code Chapter 31
18 and findings pursuant to the City Planning Code Section 101.1 relating to the QECB Project.

19 Section 9. General Authority. The Authorized Officer of the Commission (as defined in
20 the Commission Resolution), the Controller, the Treasurer of the City, the City Attorney, and
21 all other appropriate officers, employees, representatives and agents of the City are hereby
22 authorized and directed to execute and deliver any and all documents, certificates and
23 representations, including, but not limited to, signature certificates, no-litigation certificates, tax
24 certificates, to do any and all things and take any and all actions which may be necessary or
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1 advisable, in their discretion, to effectuate the execution and delivery of the Commission
2 QECBs, QECB Lease/Purchase Agreement, the financing of the QECB Project, and the
3 actions that the Board has approved in this resolution.

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5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney

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8
9 By: 
10 MARK D. BLAKE
Deputy City Attorney



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 111191

Date Passed: November 22, 2011

Resolution approving the issuance of not to exceed \$8,291,079 aggregate principal amount of Qualified Energy Conservation Bonds to be issued by the Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco; approving the execution and delivery by the Commission of an Equipment Lease/Purchase Agreement, an Acquisition Fund and Account Control Agreement, a Direct Purchase Agreement, and a Filing Agent Agreement; and authorizing the taking of appropriate actions in connection therewith; and related matters.

November 16, 2011 Budget and Finance Committee - RECOMMENDED

November 22, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 111191

I hereby certify that the foregoing Resolution was ADOPTED on 11/22/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

Date Approved