

1 [Public Utilities Commission Short-Term Indebtedness.]

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3 **Ordinance amending Sections 43.5.1 through 43.5.4, inclusive, of the San Francisco**
4 **Administrative Code to authorize the Director of Public Finance to designate an**
5 **alternate, to implement the provisions of Article VIII B of the Charter and to make other**
6 **clarifying revisions.**

7 Note: Additions are *single-underline italics Times New Roman*;
8 deletions are ~~*strikethrough italics Times New Roman*~~.
9 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Sections 43.5.1, 43.5.2, 43.5.3 and 43.5.4, to read as follows:

13 Sec. 43.5.1. DEFINITIONS.

14 For purposes of this Article, the following terms shall have the meanings given below:

- 15 (a) The term "Board" shall mean the Board of Supervisors of the City.
- 16 (b) The term "Charter" shall mean the Charter of this City.
- 17 (c) The term "City" shall mean the City and County of San Francisco.
- 18 (d) The term "Commission" shall mean the Public Utilities Commission of the City.
- 19 (e) The term "Director" shall mean Director of the ~~Mayor's~~ City's Office of Public
20 Finance, or her/his designee, or any successor to that Office.

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22 Sec. 43.5.2 AUTHORIZATION OF SHORT-TERM INDEBTEDNESS.

23 Following voter approval or Board approval, as the case may be, of the issuance of
24 revenue bonds by the Commission pursuant to Section 9.107 of the Charter or following Board
25 approval of any revenue bonds or other obligations pursuant to Article VIII B of the Charter, the

1 ~~commission, in anticipation of the issuance of such revenue bonds,~~ Commission may incur short-term
2 indebtedness in the form of commercial paper, temporary notes or other forms of
3 indebtedness subject to the limitations set forth below. In the case of revenue bond authority
4 obtained by the Commission pursuant to Section 9.107 of the Charter, such short-term indebtedness
5 would be incurred in anticipation of the issuance of such revenue bonds.

6 The issuance of such short-term indebtedness, ~~and certain of the terms and conditions~~
7 ~~thereof,~~ shall be subject to prior authorization by the Board.

8 Except as provided in Section 43.5.5, use of the proceeds of any such short-term
9 indebtedness shall be limited to the purposes for which the applicable revenue bonds or other
10 indebtedness were approved by the voters or by the Board, as the case may be. Short-term
11 indebtedness incurred pursuant to this Article shall not result in interest costs or a maturity
12 date exceeding the limits, if any, fixed by the voters or the Board, as the case may be, with
13 respect to the applicable revenue bond or indebtedness approval(s).

14 Such short-term indebtedness shall be payable solely from the proceeds of the
15 applicable revenue bonds, or revenues of the Commission pledged, or to be pledged, to the
16 payment of such revenue bonds or other Board-authorized indebtedness. In the case of revenue
17 bonds authorized under Section 9.107 of the Charter, if ~~if~~ any of the principal of such short-term
18 indebtedness is paid from revenues of the Commission (other than revenues derived from
19 grants) rather than from the proceeds of revenue bonds, the principal amount of revenue
20 bonds the Commission is thereafter authorized to issue shall be reduced by the principal
21 amount of short-term indebtedness paid from revenues (other than revenues derived from
22 grants).

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

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

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

10 (a) Shall be evidenced by notes, warrants, commercial paper or other evidences of
11 indebtedness maturing not later than five years from their issuance date; ~~and~~

12 (b) Any draw on such short-term indebtedness (*other than a draw to refund other*
13 *short-term indebtedness*) shall be subject to approval by the Director; and

14 (c) The proceeds of such short-term indebtedness may only be used to fund
15 projects that have been approved by the Board of Supervisors, either as part of the Public
16 Utilities Commission's annual budget or as the subject of a separate approval.

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

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22 **SEC. 43.5.3. CREDIT OR LIQUIDITY SUPPORT.**

23 The Director, upon recommendation of the Commission, may arrange for credit or
24 liquidity support for short-term indebtedness issued pursuant to this Article or may arrange for
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1 credit or liquidity support to provide an additional source of repayment for such short-term
2 indebtedness.

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

5 (a) Be repaid over a period not exceeding the maximum maturity, if any, fixed by the
6 voters or the Board, as the case may be, ~~with respect to~~ in connection with the applicable
7 approval of revenue bonds or other indebtedness approval;

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

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

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14 SEC. 43.5.4. MAXIMUM SHORT-TERM INDEBTEDNESS.

15 The maximum principal amount of all short-term indebtedness outstanding and
16 incurred under this Article, including any amounts outstanding under any credit facility,
17 together with the outstanding principal amount of related revenue bonds, shall not at any time
18 exceed the maximum principal amount of the applicable revenue bonds or other indebtedness
19 approved by the voters or the Board, as the case may be.

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

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25 By: _____
Michael J. Martin
Deputy City Attorney