

1 [Issuance and Sale of Special Tax Bonds - GreenFinanceSF Program - Not to Exceed  
2 \$100,000,000]

3 **Resolution authorizing the issuance and sale of special tax bonds (federally taxable) in**  
4 **an aggregate principal amount not to exceed \$100,000,000 and authorizing related**  
5 **documents and actions in connection therewith.**  
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7 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
8 “City”) has conducted proceedings under and pursuant to Chapter 43, Article X of the San  
9 Francisco Administrative Code (the “Code”), which incorporates the Mello-Roos Community  
10 Facilities Act of 1982 (the “Act”), to form “City and County of San Francisco Special Tax  
11 District No. 2009-1 (San Francisco Sustainable Financing)” (the “Special Tax District”), to  
12 authorize the levy of special taxes upon the land within the Special Tax District, and to issue  
13 bonds secured by said special taxes for the purpose of financing and refinancing the  
14 acquisition, installation and improvement of energy efficiency, water conservation and  
15 renewable energy improvements to or on real property and in buildings, whether such real  
16 property or buildings are privately owned or publicly owned (the “Facilities”), all as described  
17 in those proceedings; and,

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

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

20           WHEREAS, On \_\_\_\_\_, 2011, by Resolution No. \_\_\_\_\_-11, this Board of  
21 Supervisors adopted a Resolution approving administrative terms and conditions of the  
22 owner-arranged financing program, including the related underwriting standards; and

23           WHEREAS, The Board of Supervisors now wishes to provide for the issuance of the  
24 special tax bonds and the execution and delivery of the related documents for the  
25 GreenFinanceSF owner-arranged financing program; and

1           WHEREAS, All conditions, things and acts required to exist, to have happened and to  
2 have been performed precedent to this approval, the issuance of the bonds pursuant to this  
3 approval, and the execution and delivery of the related documents pursuant to this approval,  
4 have happened and have been performed in due time, form and manner as required by the  
5 laws of the State of California, including the Code; now, therefore, be it

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

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

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

21           FURTHER RESOLVED, because Section 53345.8(a) of the Act requires, with certain  
22 exceptions specified in the Act, that, in connection with the issuance of bonds secured by  
23 special taxes in the Special Tax District with respect to an Improvement Area, the value of the  
24 real property subject to special taxes levied in the Improvement Area be at least three times  
25 the principal amount of the bonds that are secured by a special tax levied on property within

1 the Improvement Area or a special assessment levied on property within the Improvement  
2 Area, the City will issue bonds for the Special Tax District with respect to an Improvement  
3 Area, including the Bonds, if both of the following requirements have been met:

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

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

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

1           FURTHER RESOLVED, that the Board of Supervisors hereby approves the form of the  
2 following documents:

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

16           (b)    A Bond Purchase Contract (a "Bond Purchase Contract") by and between the  
17 City and a Qualified Investor to be identified by the Director of the Controller's Office of Public  
18 Finance, in substantially the form on file with the Clerk of the Board of Supervisors. The Bond  
19 Purchase Contract shall contain representations and warranties that the purchaser of the  
20 Bonds constitutes a Qualified Investor. A separate Bond Purchase Contract will be executed  
21 in connection with the issuance of bonds for each improvement area as long as the Director of  
22 the Controller's Office of Public Finance concludes that the Bond Purchase Contract is  
23 necessary to implement the owner-arranged financing program. The terms and provisions of  
24 each such Bond Purchase Contract, as executed, are incorporated herein by this reference as  
25 if fully set forth herein. An Authorized Officer is hereby authorized and directed to execute

1 each such Bond Purchase Contract on behalf of the City, subject to the terms of this  
2 Resolution. The Board of Supervisors hereby finds that sale of the Bonds to a Qualified  
3 Investor at a private sale pursuant to a Bond Purchase Contract will result in a lower overall  
4 cost than would be achieved by selling the Bonds at a public sale utilizing competitive bidding  
5 and any applicable City requirements for public bidding are hereby waived; and, be it

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

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

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

23 FURTHER RESOLVED, that all actions heretofore taken by the officers and agents of  
24 the City (including, but not limited to, the Authorized Officers) with respect to the  
25 establishment of the Special Tax District and the sale and issuance of the Bonds are hereby

1 approved, confirmed and ratified, and the appropriate officers of the City are hereby  
2 authorized and directed to do any and all things and take any and all actions and execute any  
3 and all certificates, agreements and other documents, which they, or any of them, may deem  
4 necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds  
5 in accordance with this resolution, and any certificate, agreement, and other document  
6 described in the documents herein approved. All actions to be taken by an Authorized Officer,  
7 as defined herein, may be taken by such Authorized Officer or any designee, with the same  
8 force and effect as if taken by the Authorized Officer; and, be it

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

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

By: \_\_\_\_\_  
MARK D. BLAKE  
Deputy City Attorney