

File No. 111191

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: November 16, 2011

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget & Legislative Analyst Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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OTHER

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Completed by: Victor Young

Date: November 10, 2011

Completed by: Victor Young

Date: _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

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

2
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 (Commission); approving the execution and delivery by the**
7 **Commission of an Equipment Lease/Purchase Agreement, an Acquisition Fund and**
8 **Account Control Agreement, a Direct Purchase Agreement, and a Filing Agent**
9 **Agreement; and authorizing the taking of appropriate actions in connection therewith;**
10 **and related matters.**

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

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

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

23 WHEREAS, The Allocation provides the Commission with an opportunity to issue
24 QECCBs (Commission QECCBs) to finance a portion of the costs of acquiring and constructing
25 the sustainability measures for the new headquarters of the Commission, being constructed at

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
24
25

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
25

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.

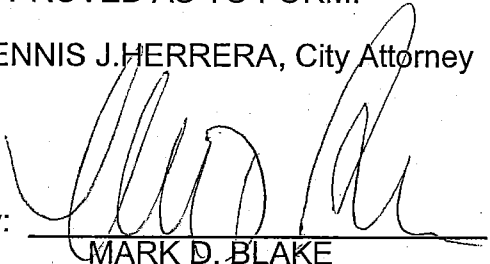
19 Section 9. General Authority. The Authorized Officer of the Commission (as defined in
20 the Commission Resolution), the Controller, the Treasurer of the City, the City Attorney, and
21 all other appropriate officers, employees, representatives and agents of the City are hereby
22 authorized and directed 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
25

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.

4
5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA, City Attorney

7
8
9 By:



MARK D. BLAKE
Deputy City Attorney

**Items 8 and 9
Files 11-1191 & 11-1192**

**Department(s):
Public Utilities Commission (PUC)**

EXECUTIVE SUMMARY

Legislative Objective

- **11-1191:** The proposed resolution would (a) authorize the PUC to issue Qualified Energy Conservation Revenue Bonds (Conservation Bonds) for a not-to-exceed \$8,291,079 to finance the costs of acquiring and constructing sustainability measures for the PUC's new headquarters at 525 Golden Gate Avenue, (b) approve an Equipment Lease/Purchase Agreement, (c) approve an Acquisition Fund and Account Control Agreement, (d) approve a Direct Purchase Agreement, (e) approve a Filing Agent Agreement, and (f) authorize taking appropriate actions in connection with the Bond issuance.
- **11-1192:** The proposed resolution would (a) authorize the PUC to issue Clean Renewable Energy Revenue Bonds (Renewable Energy Bonds) for a not-to-exceed \$6,600,000 to finance the costs of acquiring and installing solar energy facilities at the City Hall Solar Energy Facility, the Davies Symphony Hall Solar Energy Facility and the University Mound Reservoir North Basin Micro Hydro Energy Facility, (b) approve a Equipment Lease/Purchase Agreement, (c) approve an Acquisition Fund and Account Control Agreement, (d) approve a Direct Purchase Agreement, and (e) approve a Filing Agent Agreement, and (f) authorize taking appropriate actions in connection with the Bond issuance.

Key Points

- **11-1191:** The total estimated cost to acquire and construct the sustainability measures for the PUC's new headquarters is \$9,407,606. The proposed issuance of \$8,291,000 of the not-to-exceed \$8,291,079 in Conservation Bonds, less issuance costs of \$55,000, will provide net funding of \$8,236,000 to fund the sustainability measures for the new PUC headquarters, such that an additional \$1,171,606 is needed to fully fund the sustainability measures. The remaining \$1,171,606 will be funded from the \$167,670,000 in COPs previously issued to fund the overall construction of the new PUC headquarters.
- **11-1192:** The total estimated cost for the three renewable energy projects is \$8,280,687. The proposed issuance of \$6,600,000 of Renewable Energy Bonds, less \$40,000 in issuance costs, will provide net funding of \$6,560,000 to fund the proposed renewable energy projects, such that an additional \$1,680,687 in is needed to fully fund the three projects. The remaining \$1,720,687 will be funded from PUC's Hetch Hetchy Power Enterprise revenues, which were appropriated by the Board of Supervisors for the University Mound Reservoir North Basin Micro Hydro Energy Facility project in the FY 2009-10 and FY 2010-11 budgets.

Fiscal Impacts

- **11-1191:** The proposed \$8,291,000 Conservation Bonds issuance, at an estimated annual interest rate of 4.87 percent, for a period of 16 years or through FY 2027-28 has a total estimated debt service cost of \$11,836,432 including (a) \$3,545,432 for interest costs, and (b) \$8,291,000 for principal costs. Based on the Federal subsidy of 70 percent of the interest, equal to \$2,685,647, the net effective interest rate is 1.18 percent, or a total debt service cost over 16 years of

\$9,150,785,000 including (a) \$859,785 for interest costs, and (b) \$8,291,000 for principal costs. The annual net debt service cost for the PUC would be \$590,373.

- 11-1192: The proposed \$6,600,000 Renewable Energy Bonds issuance, at an estimated annual interest rate of 4.87 percent, for a period of 16 years or through FY 2027-28 has a total estimated debt service cost of \$9,422,320 including (a) \$2,822,320 estimated interest costs and (b) \$6,600,000 estimated principal costs. Based on the Federal subsidy of 70 percent of the interest, equal to \$2,137,893, the net effective interest rate is 1.18 percent, or a total debt service cost over 16 years of \$7,284,427 including (a) \$684,427 for interest costs and (b) \$6,600,000 for principal costs. The annual net debt service cost for the PUC would be \$469,963.

Recommendations

- Approve the two proposed resolutions.

MANDATE STATEMENT & BACKGROUND

Mandate Statement

According to San Francisco Charter Section 9.107(8), any revenue bonds issued to finance or refinance the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation is subject to approval by the Board of Supervisors.

Background

11-1191: On September 15, 2009, the Board of Supervisors approved the appropriation of \$194,279,046 to fund the construction of a new Public Utilities Commission (PUC) headquarters building at 525 Golden Gate Avenue. This \$194,279,046 appropriation was funded from (a) \$167,670,000 from the issuance of Certificates of Participation (COPs) and (b) \$26,609,046 from Hetch Hetchy Power Enterprise revenues (Ordinance No. 211-09). Construction at 525 Golden Gate Avenue commenced in December, 2009 and is estimated to be completed by June, 2012.

According to Mr. Mike Brown, Utility Specialist for the PUC, on July 22, 2009, the City, through the Office of Public Finance, received an allocation of \$8,291,079 from the California Debt Limit Allocation Committee¹ under the Federal Internal Revenue Service's (IRS) Qualified Energy Conservation Revenue Bonds (Conservation Bonds) Program². The \$8,291,079 allocation was not subject to Board of Supervisors approval because the allocation simply gives the City permission to issue the bonds but doesn't take any definitive action on that issuance. The City has three years from the date of allocation, on July 22, 2009, or through July 21, 2012, to issue the Conservation Bonds. Conservation Bonds are tax credit bonds that allow the qualified issuer to receive up to 70 percent of the interest cost on the bonds in the form of a Federal subsidy to reimburse a portion of the interest owed by the issuer. Mr. Brown advises that

¹ The California Debt Limit Allocation Committee is a State Committee which sets and allocates California's annual debt ceiling, and administers the State's tax-exempt bond program to issue debt.

² The Conservation Bond Program allows for a Federal subsidy of up to 70 percent of interest on the bonds issued by local governments with populations of 100,000 or more, to fund projects, including those that (a) reduce energy consumption in publicly-owned buildings, (b) implement green community programs, and (c) fund rural development involving the production of electricity from renewable energy resources.

the initial \$8,291,079 allocation was based on San Francisco's population. The PUC submitted an initial Plan of Issuance, required by the IRS, in January 29, 2010, stating the PUC's intention to use the \$8,291,079 allocation to finance the purchase and installation of light-emitting diode (LED) lights. However, on August 13, 2010, the initial Plan of Issuance was revised to state that the PUC will use the \$8,291,079 allocation for sustainability measures associated with the construction of the new PUC headquarters.

11-1192: In July of 2005, Congress passed the Energy Tax Incentives Act, which included the New Clean Renewable Energy Revenue Bonds (Renewable Energy Bonds) Program under the IRS. The Renewable Energy Bonds Program authorizes the issuance of tax credit bonds by municipalities and power providers in order to finance renewable energy projects, such as the installation of solar panels. Renewable Energy Bonds are tax credit bonds that allow the qualified issuer to receive up to 70 percent of the interest cost on the bonds in the form of a Federal subsidy to reimburse a portion of the interest owed by the issuer.

According to Mr. Brown, on July 28, 2009, the PUC applied to the Federal IRS to receive an allocation for Renewable Energy Bonds for renewable energy projects and was awarded an allocation of \$6,600,000 on October 27, 2009. The \$6,600,000 allocation was not subject to Board of Supervisors approval because the allocation simply gives the City permission to issue the bonds but doesn't take any definitive action on that issuance. The PUC has three years from the date of allocation, on October 27, 2009, or through October 26, 2012, to issue the Renewable Energy Bonds. Mr. Brown advises that this is the second Renewable Energy Bonds allocation that the PUC has been granted by the IRS.³

DETAILS OF PROPOSED LEGISLATION

11-1191: The proposed resolution would (a) authorize the PUC to issue Conservation Bonds for a not-to-exceed amount of \$8,291,079 to finance the costs of acquiring and constructing sustainability measures for the new PUC headquarters at 525 Golden Gate Avenue, (b) approve an Equipment Lease/Purchase Agreement, (c) approve the execution and delivery of an Acquisition Fund and Account Control Agreement, (d) approve the execution and delivery of a Direct Purchase Agreement, (e) approve the execution and delivery of a Filing Agent Agreement, and (f) authorize the taking of appropriate action in connection with the issuance. Mr. Brown advises that the PUC anticipates issuing the not-to-exceed \$8,291,079 Conservation Bonds in December, 2011, subsequent to Board of Supervisors approval of this proposed resolution.

The not-to-exceed \$8,291,079 would be used by the PUC to finance a portion of the sustainability measures at the new PUC headquarters at 525 Golden Gate Ave., including (a) the equipment and construction of a solar power generation system and roof support structure for that system, (b) the equipment and construction of a wind power generation system and support structure for that system, (c) the equipment and construction of wastewater and stormwater

³ On October 7, 2008, the Board of Supervisors approved the issuance of not-to-exceed \$6,325,000 in Renewable Energy Bonds to fund the installation of renewable energy equipment projects (Resolution No. 413-08).

treatment systems, (d) construction of envelope solar controls⁴, and (e) Heating, Ventilation, and Air Conditioning (HVAC) system for under floor air distribution previously included in the construction plan for the new PUC headquarters.

Mr. Brown advises that the construction of the HVAC system has already begun due to its integral nature in the construction of the building itself. The other projects, which would be constructed after building completion, are currently in the final design phase. Construction of the new PUC headquarters, including the sustainability measures proposed to be funded with the subject Conservation Bonds, has undergone California Environmental Quality Act (CEQA) review and the project was certified to be compliant with CEQA regulations by the Planning Department on October 3, 2003.

11-1192: The proposed resolution would (a) authorize the PUC to issue Renewable Energy Bonds for a not-to-exceed amount of \$6,600,000 to finance the costs of acquiring and installing solar energy facilities at the City Hall Solar Energy Facility, the Davies Symphony Hall Solar Energy Facility and the University Mound Reservoir North Basin Micro Hydro Energy Facility, (b) approve a Equipment Lease/Purchase Agreement, (c) approve the execution and delivery of an Acquisition Fund and Account Control Agreement, (d) approve the execution and delivery of a Direct Purchase Agreement, (e) approve the execution and delivery of a Filing Agent Agreement, and (f) authorize the taking of appropriate actions in connection with the issuance.

The not-to-exceed \$6,600,000 in Renewable Energy Bonds would be used to fund the following projects:

- (a) **City Hall Solar Energy Facility** – Includes the installation of a 100 kilowatt solar energy system on 9,900 square feet of the south half roof and parts of the north half roof of City Hall, located at 1 Dr. Carlton B. Goodlett Place. The electricity generated from the proposed solar panels would be used to power City Hall. The project is estimated to generate a minimum of 134,000 kilowatt-hours per year and would offset a portion of the current electrical load of City Hall.
- (b) **Davies Symphony Hall Solar Energy Facility** – Includes the installation of a 214 kilowatt solar energy system on 17,800 square feet of the main roof and portions of the low roof of the Davies Symphony Hall, located at 201 Van Ness Avenue. The electricity generated from the proposed solar panels would be used to power Davies Symphony Hall. The project is estimated to generate a minimum of 269,000 kilowatt-hours per year and would offset a portion of the current electrical load of Davies Symphony Hall.
- (c) **University Mound Reservoir North Basin Micro Hydro Energy Facility** – Includes the installation of a non-hydroelectric dam facility, located at University Mound Reservoir in the Portola District of San Francisco, which will produce renewable electrical energy recovered from excess hydraulic energy (or pressure) within the water system that would otherwise be unused. Electricity from this hydro energy facility would

⁴ An envelope solar control is part of a solar installation system which reads the direction of the sun and communicates that data to program lighting and shade controls.

be generated using pre-filtered and chlorinated drinking water that normally flows in the potable water system, without changing the normal system flow rates or the water quality. The proposed hydro energy facility would be immediately adjacent to the north end of the existing pedestrian and vehicle pavement within the McLaren Pumping Plant at the University Mound Reservoir. The power generated from this facility would be exported, via the existing McLaren Pumping Plant, to serve other off-site City municipal loads. The project is estimated to generate approximately 1,500,000 kilowatt-hours of renewable energy per year.

Mr. Brown advises that the City Hall Solar Energy Facility project and the Davies Symphony Hall Solar Energy Facility project are currently in the planning phase, such that the bid packages to select the contractors are anticipated to be issued in March, 2012, with bids received in May, 2012, and contracts⁵ for the construction expected to be awarded in June, 2012. Construction is estimated to commence between October and December, 2012 and be completed by September, 2013. An Environmental Impact Report for the San Francisco City Hall Solar Energy Facility project and the Davies Symphony Hall Solar Energy Facility project was completed and certified to be compliant with California Environmental Quality Act (CEQA) regulations by the Planning Department on April 15, 2009.

According to Mr. Brown, the University Mound Reservoir North Basin Micro Hydro Energy Facility project, located at the University Mound Reservoir in the Portola District of San Francisco, is currently in the design phase, such that the PUC will issue bids to select the contractor in the summer of 2012 with the contract award expected in October, 2012. Construction is estimated to commence between October and December, 2012 and be completed by September, 2014. The University Mound Reservoir North Basin Micro Hydro Energy Facility project is currently under CEQA review and a categorical CEQA exemption is expected by early 2012.

FISCAL IMPACTS

Financing Agreements and Structure

The proposed resolutions would individually approve the execution and delivery of both the Conservation Bonds and Renewable Energy Bonds in the form of (a) an Equipment Lease/Purchase Agreement, (b) an Acquisition Fund and Account Control Agreement, (c) a Direct Purchase Agreement, and (d) a Filing Agent Agreement, to allow for the currently estimated proposed issuances of an aggregate principal amount not to exceed \$8,291,079 in Conservation Bonds and an aggregate principle amount not to exceed \$6,600,000 in Renewable Energy Bonds. Upon approval by the Board of Supervisors, the PUC will execute the Lease/Purchase Agreements with Bank of America⁶ for each of the Conservation Bonds and the Renewable Energy Bonds projects for the purpose of financing the costs of acquiring and

⁵ Mr. Brown advises that contractors for all three Renewable Energy Bonds-funded projects will be selected through a competitive process with specific qualifications and award given to the lowest responsive responsible bidder.

⁶ Mr. Brown advises that a competitive Request for Proposal (RFP) was sent to 20 firms on March 12, 2010 and PUC received responses from six firms. The selected firm, Bank of America, offered the lowest overall cost and was the most experienced respondent with over 35 relevant transactions.

installing the Conservation Bonds and Renewable Energy Bonds projects, as well as for the payment of costs of issuance.

Mr. Brown advises that the Conservation Bonds are anticipated to be issued in December, 2011 and the Renewable Energy Bonds are anticipated to be issued in May, 2012. Upon issuance, the Bank of America will deposit the net proceeds into an Acquisition Fund, one for each of the Conservation Bond and Renewable Energy Bond projects as specified by the Direct Purchase Agreement. The Acquisition Fund will be maintained by US Bank⁷, acting as the Fund Custodian, who will be responsible for releasing reimbursement or disbursement funds specified by the Acquisition Fund and Account Control Agreement. US Bank will file the necessary Federal tax credit forms in accordance with the terms of the Filing Agent Agreement to assure the PUC's receipt of the Federal subsidy payable by the Federal government as reimbursement for the interest payments due by the PUC under the Equipment Lease/Purchase Agreement.

Anticipated Annual Debt Service and Total Costs

11-1191: Mr. Brown anticipates that the requested not-to-exceed \$8,291,079 Conservation Bond issuance will have an estimated annual interest rate of 4.87 percent, to be repaid over 16 years or through FY 2027-28 for a total debt service cost of \$11,836,432 including (a) estimated total interest costs of \$3,545,432 and (b) estimated total principal costs of \$8,291,000. Mr. Brown notes that the estimated total principal amount of Conservation Bonds that would be issued is \$8,291,000, out of the requested not-to-exceed authorized amount of \$8,291,079, due to rounding. In addition, due to the Federal subsidy of 70 percent of the interest expense, which is equal to \$2,685,647⁸, the net effective interest rate is 1.18 percent⁹. Based on the 70 percent Federal subsidy, the total estimated debt service cost over 16 years is \$9,150,785 including (a) estimated total interest costs of \$859,785 and (b) estimated total principal costs of \$8,291,000.

As shown in Attachment 1, based on an actual issuance of \$8,291,000 in Conservation Bonds, and including the reduction for the Federal subsidy, the annual net debt service cost for the PUC would be \$590,373. Mr. Brown states that the annual debt service payments would be paid over the next 16 years from net revenues from the City's Hetch Hetchy Power Enterprise. Based on an estimated issuance of \$8,291,000 Conservation Bonds, Mr. Brown estimates issuance costs of \$55,000¹⁰, which leaves a remaining \$8,236,000 available to fund the sustainability measures for the new PUC building.

⁷According to Mr. Brown, US Bank will act as the Fund Custodian or trustee bank. Mr. Brown notes that the firm competitively awarded the issuance of the Conservation Bonds and CREBs to Bank of America, which requested that Deutsche Bank be used as Fund Custodian. On July 26, 2011, Deutsche Bank estimated their Fund Custodian fee at \$7,500 - \$10,000 per year. On September 8, 2011 PUC requested fee quotes to act as Fund Custodian from US Bank. On September 9, 2011 PUC received a fee quote of \$250 per year from US Bank and therefore selected US Bank as the Fund Custodian.

⁸ The estimated Federal subsidy for the proposed Conservation Bonds issuance is determined by calculating 70 percent of the Federal tax credit rate, estimated to be 5.27 percent, with 70 percent of that Federal tax credit rate equal to 3.69 percent rather than 70 percent of the 4.87 percent tax credit rate by which the interest is actually calculated. The 3.69 percent interest rate by which the Federal subsidy is calculated on the \$8,291,000 Conservation Bonds issuance will result in an estimated Federal subsidy of \$2,685,647.

⁹ The estimated 1.18 percent effective interest rate was calculated by subtracting the estimated interest rate of 4.87 percent from the estimated interest rate at which the federal subsidy would be calculated, 3.69 percent.

¹⁰ An estimated \$55,000 of issuance costs are comprised of \$45,000 for Bond Counsel and \$10,000 for the Financial Advisor.

As shown in Table 1 below, the total costs of acquiring and constructing the sustainability measures at the new PUC headquarters at 525 Golden Gate Avenue is currently budgeted at \$9,407,606 and are currently included in the budget for the construction of the new PUC headquarters.

| Project | Budget |
|---------------------------------------------|--------------------|
| Solar Power | \$1,732,126 |
| Wind Power | 1,830,967 |
| Wastewater and Stormwater Treatment Systems | 1,661,711 |
| Solar Controls | 1,285,789 |
| HVAC | 2,897,013 |
| Total | \$9,407,606 |

Therefore, an additional \$1,171,606 (\$9,407,606 less \$8,236,000) would be needed to complete the sustainability measures at the new PUC headquarters. Mr. Brown advises that the remaining \$1,171,606 needed to finance the construction of the sustainability measures at the new PUC headquarters would be funded from Hetch Hetchy Power Enterprise revenues previously appropriated to fund the overall construction of the new PUC headquarters.

This not-to-exceed \$8,291,079 allocation would allow the PUC to issue Conservation Bonds to finance a portion of the costs to acquire and construct sustainability measures, explained above and summarized in Table 1 above, for the new PUC headquarters, which is currently under construction¹¹. Therefore, the PUC will not have to expend the \$8,236,000 in revenue from Hetch Hetchy Power Enterprise revenues which were previously appropriated by the Board of Supervisors to fund the construction of the sustainability measures. This savings would enable the PUC to invest in other projects or increase the Hetch Hetchy Power Enterprise Fund balance. The construction agreement currently in place would not need to be increased because the sustainability measures proposed to be funded with funds from the Conservation Bonds issuance were already included in the total estimated budget for the new PUC headquarters.

11-1192: Mr. Brown anticipates that the requested not-to-exceed \$6,600,000 Renewable Energy Bond issuance will have an estimated annual interest rate of 4.87 percent, to be paid over 16 years or through FY 2027-28 for a total debt service cost of \$9,422,320 including (a) estimated total interest costs of \$2,822,320 and (b) estimated total principal costs of \$6,600,000. Due to the Federal subsidy of 70 percent of the interest expense, which is equal to \$2,137,893¹², the net

¹¹ According to Mr. Brown, the contractor who is responsible for the overall construction of the new PUC headquarters, WebCor Builders, who was selected through a competitive RFP process, will also acquire and construct the sustainability measures which would be funded by the subject Conservation Bonds. The existing agreement with Webcor Builders has a not-to-exceed amount of \$145,500,000, which would not be changed and \$101,800,000 has been expended as of November 7, 2011.

¹² The estimated Federal subsidy for the proposed \$6,600,000 Renewable Energy Bonds issuance was determined by calculating 70 percent of the Federal Tax Credit rate, estimated to be 5.27 percent, with 70 percent of that Federal Tax Credit rate equal to 3.69 percent rather than 70 percent of the 4.87 percent tax credit rate by which the interest is actually calculated. The 3.69 percent interest rate on the \$6,600,000 Renewable Energy Bonds issuance will result in an estimated subsidy of \$2,137,893.

effective interest rate would be 1.18¹³ percent. Assuming the 70 percent Federal subsidy results in a total debt service cost over 16 years of \$7,284,427 including (a) estimated total interest costs of \$684,427 and (b) estimated total principal costs of \$6,600,000.

As shown in Attachment II, based on the issuance of the \$6,600,000 in Renewable Energy Bonds, including the reduction for the Federal subsidy, the annual net debt service cost for the PUC would be \$469,963. Mr. Brown states that the annual debt service payments would be paid over the next 16 years from the City's Hetch Hetchy Power Enterprise revenues.

Based on an estimated issuance of \$6,600,000, Mr. Brown estimates issuance costs of \$40,000¹⁴, which leaves a remaining \$6,560,000 available to fund the three proposed renewable energy projects. As shown in Table 2 below, the total budget for the three renewable energy projects is \$8,280,687.

| Project | Budget |
|--------------------------------------------------------------------|--------------------|
| City Hall Solar Energy Facility | \$1,500,000 |
| Davies Symphony Hall Solar Energy Facility | 2,600,000 |
| University Mound Reservoir North Basin Micro Hydro Energy Facility | 4,180,687 |
| Total | \$8,280,687 |

Therefore, an additional \$1,720,687 (\$8,280,687 total costs less \$6,560,000 available funds) would be needed to complete the three projects. Mr. Brown advises that the source of funding for this additional \$1,720,687 would be PUC Hetch Hetchy Power Enterprise revenues and would be used to supplement funding for the University Mound Reservoir North Basin Micro Hydro Energy Facility project, previously appropriated for this purpose.

The Board of Supervisors previously appropriated \$890,000 in the FY 2009-10 budget and \$3,000,000 in the FY 2010-11 budget from Hetch Hetchy Power Enterprise revenues for the University Mound Reservoir North Basin Micro Hydro Energy Facility project, for a total appropriation of \$3,890,000. In addition, the Board of Supervisors previously appropriated \$2,600,000 for the Davies Symphony Hall Solar Energy Facility project and \$1,500,000 for the City Hall Solar Energy Facility project in the FY 2010-11 budget from Hetch Hetchy Power Enterprise revenues, for a total of \$4,100,000¹⁵. Therefore, a total of \$7,990,000 was previously

¹³ The estimated 1.18 percent effective interest rate was calculated by subtracting the estimated interest rate of 4.87 percent from the estimated interest rate at which the Federal subsidy would be calculated, 3.69 percent.

¹⁴ An estimated \$40,000 of issuance costs are comprised of \$35,000 for Bond Counsel and \$5,000 for a Financial Advisor.

¹⁵ Mr. Brown advises that the PUC had already received the \$6,600,000 Renewable Energy Bonds allocation at the time the \$2,600,000 appropriation for the Davies Symphony Hall Solar Energy Facility project, the \$1,500,000 appropriation for the City Hall Solar Energy Facility project, and the \$3,000,000 appropriation for the University Mound Reservoir North Basin Micro Hydro Energy Facility project was approved by the Board of Supervisors in FY 2010-11 and anticipated that these Hetch Hetchy Power Enterprise revenues, less any of those monies needed to

appropriated for these three renewable energy projects proposed to be funded by the PUC. According to Mr. Brown, the PUC would not need to expend \$6,269,313 (\$7,990,000 in previously appropriated funds less \$1,720,687 in additional needed funds) of funds previously appropriated if the net bond proceeds of \$6,560,000 from the proposed Renewable Energy Bonds are issued to finance the three renewable projects.

RECOMMENDATIONS

Approve the two proposed resolutions.

complete the projects, would be returned to the Hetch Hetchy Power Enterprise Fund upon issuance of the \$6,600,000 in Renewable Energy Bonds.

| Estimated Debt Service on \$8,921,000 QECBs Issuance | | | | | | | | | | |
|------------------------------------------------------|--------------|-----------------------------|---------------------------|--------------------------|------------------------|----------------------------|---------------------------|-------------------------|--|--------------|
| Pmt. No. | Payment Date | Taxable Outstanding Balance | Taxable Principal Portion | Taxable Interest Portion | Taxable Payment Amount | US Treasury Subsidy Amount | Net Payment After Subsidy | Annual Net Debt Service | | |
| 1 | 11/1/12 | \$ 8,093,730 | \$ 197,270 | \$ 403,772 | \$ 601,042 | \$ 305,855 | \$ 295,187 | | | |
| 2 | 5/1/13 | \$ 7,846,337 | \$ 247,393 | \$ 197,082 | \$ 444,475 | \$ 149,289 | \$ 295,187 | | | |
| | 6/30/13 | | | | | | | | | |
| 3 | 11/1/13 | \$ 7,597,483 | \$ 248,854 | \$ 191,058 | \$ 439,912 | \$ 144,726 | \$ 295,187 | | | \$ 590,373 |
| 4 | 5/1/14 | \$ 7,347,159 | \$ 250,323 | \$ 184,999 | \$ 435,322 | \$ 140,136 | \$ 295,187 | | | |
| | 6/30/14 | | | | | | | | | |
| 5 | 11/1/14 | \$ 7,095,358 | \$ 251,802 | \$ 178,903 | \$ 430,705 | \$ 135,518 | \$ 295,187 | | | \$ 590,373 |
| 6 | 5/1/15 | \$ 6,842,069 | \$ 253,289 | \$ 172,772 | \$ 426,061 | \$ 130,874 | \$ 295,187 | | | |
| | 6/30/15 | | | | | | | | | |
| 7 | 11/1/15 | \$ 6,587,285 | \$ 254,784 | \$ 166,604 | \$ 421,389 | \$ 126,202 | \$ 295,187 | | | \$ 590,373 |
| 8 | 5/1/16 | \$ 6,330,996 | \$ 256,289 | \$ 160,400 | \$ 416,689 | \$ 121,502 | \$ 295,187 | | | |
| | 6/30/16 | | | | | | | | | |
| 9 | 11/1/16 | \$ 6,073,194 | \$ 257,802 | \$ 154,160 | \$ 411,962 | \$ 116,775 | \$ 295,187 | | | \$ 590,373 |
| 10 | 5/1/17 | \$ 5,813,870 | \$ 259,324 | \$ 147,882 | \$ 407,207 | \$ 112,020 | \$ 295,187 | | | |
| | 6/30/17 | | | | | | | | | |
| 11 | 11/1/17 | \$ 5,553,014 | \$ 260,856 | \$ 141,568 | \$ 402,423 | \$ 107,237 | \$ 295,187 | | | \$ 590,373 |
| 12 | 5/1/18 | \$ 5,290,618 | \$ 262,396 | \$ 135,216 | \$ 397,612 | \$ 102,425 | \$ 295,187 | | | |
| | 6/30/18 | | | | | | | | | |
| 13 | 11/1/18 | \$ 5,026,672 | \$ 263,946 | \$ 128,827 | \$ 392,772 | \$ 97,585 | \$ 295,187 | | | \$ 590,373 |
| 14 | 5/1/19 | \$ 4,761,168 | \$ 265,504 | \$ 122,399 | \$ 387,904 | \$ 92,717 | \$ 295,187 | | | |
| | 6/30/19 | | | | | | | | | |
| 15 | 11/1/19 | \$ 4,494,096 | \$ 267,072 | \$ 115,934 | \$ 383,006 | \$ 87,820 | \$ 295,187 | | | \$ 590,373 |
| 16 | 5/1/20 | \$ 4,225,447 | \$ 268,649 | \$ 109,431 | \$ 378,080 | \$ 82,894 | \$ 295,187 | | | |
| | 6/30/20 | | | | | | | | | |
| 17 | 11/1/20 | \$ 3,955,212 | \$ 270,235 | \$ 102,890 | \$ 373,125 | \$ 77,938 | \$ 295,187 | | | \$ 590,373 |
| 18 | 5/1/21 | \$ 3,683,381 | \$ 271,831 | \$ 96,309 | \$ 368,141 | \$ 72,954 | \$ 295,187 | | | |
| | 6/30/21 | | | | | | | | | |
| 19 | 11/1/21 | \$ 3,409,945 | \$ 273,436 | \$ 89,690 | \$ 363,127 | \$ 67,940 | \$ 295,187 | | | \$ 590,373 |
| 20 | 5/1/22 | \$ 3,134,894 | \$ 275,051 | \$ 83,032 | \$ 358,063 | \$ 62,896 | \$ 295,187 | | | |
| | 6/30/22 | | | | | | | | | |
| 21 | 11/1/22 | \$ 2,858,219 | \$ 276,675 | \$ 76,335 | \$ 353,010 | \$ 57,823 | \$ 295,187 | | | \$ 590,373 |
| 22 | 5/1/23 | \$ 2,579,910 | \$ 278,309 | \$ 69,598 | \$ 347,906 | \$ 52,720 | \$ 295,187 | | | |
| | 6/30/23 | | | | | | | | | |
| 23 | 11/1/23 | \$ 2,299,958 | \$ 279,952 | \$ 62,821 | \$ 342,773 | \$ 47,586 | \$ 295,187 | | | \$ 590,373 |
| 24 | 5/1/24 | \$ 2,018,352 | \$ 281,605 | \$ 56,004 | \$ 337,609 | \$ 42,423 | \$ 295,187 | | | |
| | 6/30/24 | | | | | | | | | |
| 25 | 11/1/24 | \$ 1,735,084 | \$ 283,268 | \$ 49,147 | \$ 332,415 | \$ 37,229 | \$ 295,187 | | | \$ 590,373 |
| 26 | 5/1/25 | \$ 1,450,143 | \$ 284,941 | \$ 42,249 | \$ 327,190 | \$ 32,004 | \$ 295,187 | | | |
| | 6/30/25 | | | | | | | | | |
| 27 | 11/1/25 | \$ 1,163,519 | \$ 286,624 | \$ 35,311 | \$ 321,935 | \$ 26,748 | \$ 295,187 | | | \$ 590,373 |
| 28 | 5/1/26 | \$ 875,203 | \$ 288,316 | \$ 28,332 | \$ 316,648 | \$ 21,461 | \$ 295,187 | | | |
| | 6/30/26 | | | | | | | | | |
| 29 | 11/1/26 | \$ 585,185 | \$ 290,019 | \$ 21,311 | \$ 311,330 | \$ 16,143 | \$ 295,187 | | | \$ 590,373 |
| 30 | 5/1/27 | \$ 293,454 | \$ 291,731 | \$ 14,249 | \$ 306,980 | \$ 10,794 | \$ 295,187 | | | |
| | 6/30/27 | | | | | | | | | |
| 31 | 11/1/27 | \$ (0) | \$ 293,454 | \$ 7,146 | \$ 300,599 | \$ 5,413 | \$ 295,187 | | | \$ 590,373 |
| | 6/30/28 | | | | | | | | | |
| Total | | \$ 8,291,000 | \$ 8,291,000 | \$ 3,545,432 | \$ 11,836,432 | \$ 2,685,647 | \$ 9,150,785 | | | \$ 9,150,785 |

| Estimated Debt Service on \$6,600,000 NCREBs Issuance | | | | | | | | | | | | | | | |
|-------------------------------------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|------------------------|--------------|----------------------------|--------------|---------------------------|--------------|-------------------------|--------------|
| Pmt. No. | Payment Date | Taxable Outstanding Balance | | Taxable Principal Portion | | Taxable Interest Portion | | Taxable Payment Amount | | US Treasury Subsidy Amount | | Net Payment After Subsidy | | Annual Net Debt Service | |
| | | | | | | | | | | | | | | | |
| 1 | 11/1/12 | \$ 6,442,964 | \$ 157,036 | \$ 321,420 | \$ 478,456 | \$ 243,474 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 2 | 5/1/13 | \$ 6,246,029 | \$ 196,936 | \$ 156,886 | \$ 353,822 | \$ 118,840 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 3 | 6/30/13 | \$ 6,047,930 | \$ 198,099 | \$ 152,091 | \$ 350,190 | \$ 115,208 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 4 | 11/1/13 | \$ 5,848,661 | \$ 199,268 | \$ 147,267 | \$ 346,536 | \$ 111,554 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 5 | 6/30/14 | \$ 5,648,216 | \$ 200,445 | \$ 142,415 | \$ 342,860 | \$ 107,879 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 6 | 11/1/14 | \$ 5,446,588 | \$ 201,629 | \$ 137,534 | \$ 339,163 | \$ 104,181 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 7 | 6/30/15 | \$ 5,243,768 | \$ 202,819 | \$ 132,624 | \$ 335,444 | \$ 100,462 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 8 | 11/1/15 | \$ 5,039,751 | \$ 204,017 | \$ 127,686 | \$ 331,703 | \$ 96,721 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 9 | 6/30/16 | \$ 4,834,529 | \$ 205,222 | \$ 122,718 | \$ 327,940 | \$ 92,958 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 10 | 11/1/16 | \$ 4,628,096 | \$ 206,434 | \$ 117,721 | \$ 324,154 | \$ 89,173 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 11 | 6/30/17 | \$ 4,420,443 | \$ 207,653 | \$ 112,694 | \$ 320,347 | \$ 85,365 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 12 | 11/1/17 | \$ 4,211,564 | \$ 208,879 | \$ 107,638 | \$ 316,517 | \$ 81,535 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 13 | 6/30/18 | \$ 4,001,452 | \$ 210,112 | \$ 102,552 | \$ 312,664 | \$ 77,682 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 14 | 11/1/18 | \$ 3,790,099 | \$ 211,353 | \$ 97,435 | \$ 308,788 | \$ 73,807 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 15 | 6/30/19 | \$ 3,577,498 | \$ 212,601 | \$ 92,289 | \$ 304,890 | \$ 69,908 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 16 | 11/1/19 | \$ 3,363,642 | \$ 213,856 | \$ 87,112 | \$ 300,968 | \$ 65,987 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 17 | 6/30/20 | \$ 3,148,522 | \$ 215,119 | \$ 81,905 | \$ 297,024 | \$ 62,042 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 18 | 11/1/20 | \$ 2,932,133 | \$ 216,389 | \$ 76,667 | \$ 293,056 | \$ 58,074 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 19 | 6/30/21 | \$ 2,714,466 | \$ 217,667 | \$ 71,397 | \$ 289,065 | \$ 54,083 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 20 | 11/1/21 | \$ 2,495,513 | \$ 218,953 | \$ 66,097 | \$ 285,050 | \$ 50,068 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 21 | 6/30/22 | \$ 2,275,268 | \$ 220,246 | \$ 60,766 | \$ 281,011 | \$ 46,030 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 22 | 11/1/22 | \$ 2,053,722 | \$ 221,546 | \$ 55,403 | \$ 276,949 | \$ 41,967 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 23 | 6/30/23 | \$ 1,830,867 | \$ 222,854 | \$ 50,008 | \$ 272,862 | \$ 37,881 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 24 | 11/1/23 | \$ 1,606,697 | \$ 224,170 | \$ 44,582 | \$ 268,752 | \$ 33,770 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 25 | 6/30/24 | \$ 1,381,203 | \$ 225,494 | \$ 39,123 | \$ 264,617 | \$ 29,636 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 26 | 11/1/24 | \$ 1,154,378 | \$ 226,826 | \$ 33,632 | \$ 260,458 | \$ 25,476 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 27 | 6/30/25 | \$ 926,213 | \$ 228,165 | \$ 28,109 | \$ 256,274 | \$ 21,292 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 28 | 11/1/25 | \$ 696,700 | \$ 229,512 | \$ 22,553 | \$ 252,066 | \$ 17,084 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 29 | 6/30/26 | \$ 465,833 | \$ 230,867 | \$ 16,965 | \$ 247,832 | \$ 12,851 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 30 | 11/1/26 | \$ 233,602 | \$ 232,231 | \$ 11,343 | \$ 243,574 | \$ 8,592 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 31 | 6/30/27 | \$ (0) | \$ 233,602 | \$ 5,688 | \$ 239,290 | \$ 4,309 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 31 | 11/1/27 | | | | | | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| 31 | 6/30/28 | | | | | | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 | \$ 234,982 |
| Total | | | \$ 6,600,000 | \$ 2,822,320 | \$ 9,422,320 | \$ 2,137,893 | \$ 7,284,427 | \$ 7,284,427 | \$ 7,284,427 | \$ 2,137,893 | \$ 7,284,427 | \$ 7,284,427 | \$ 7,284,427 | \$ 7,284,427 | \$ 7,284,427 |

| | |
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| Item 10 File 11-1153 | Department(s): Department of Elections |
| EXECUTIVE SUMMARY | |
| <p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve an amendment to an existing agreement between the City, through the Department of Elections, and Dominion Voting Systems to either (a) exercise the two existing one-year options in order to extend the term of the existing agreement through December 10, 2013, for an additional cost of \$2.26 million; or (b) exercise the two existing one-year options, and further extend the agreement by an additional three years, or through December 11, 2016, for an additional cost of \$4.53 million. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • On December 11, 2007, based on the results of a competitive RFP process, the Board of Supervisors approved the award of a not-to-exceed \$12,650,233 agreement between the Department of Elections and Sequoia Voting Systems, Inc. for the purchase of a new voting system and the provision of associated voting services for the four-year period from December 11, 2007 through December 10, 2011, with two one-year options to extend the agreement, through December 10, 2013 (File 07-0040; Resolution 654-07). • On June 4, 2010, Sequoia Voting Systems, Inc. was acquired by Dominion Voting Systems, Inc. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • All of the additional Dominion Voting System Inc costs would be paid with General Fund revenues, subject to appropriation approval by the Board of Supervisors in future years. <p style="text-align: center;">Policy Considerations</p> <ul style="list-style-type: none"> • Although the existing agreement does not provide for more than two one-year options to extend, the Department of Elections is requesting an extension of the existing agreement for five years without undergoing a new competitive RFP process because: (a) the last time the Department of Elections issued a RFP for a new voting system, it took over two and a half years to complete, (b) the Department of Elections does not anticipate having additional funds to secure new voting equipment, (c) there are no new voting systems currently available, (d) only one vendor offers Ranked Choice Voting options, which is the City's current Dominion Voting Systems contractor, and (e) the existing four year agreement with two one-year options, or a total of six years, is extremely short and unique to San Francisco for a voting system. <p style="text-align: center;">Recommendations</p> <p>1: <u>Regarding the proposed amendment to exercise the two one-year options:</u></p> <ul style="list-style-type: none"> • Amend the proposed resolution's title to delete "for an amount not to exceed \$4,529,600 and to extend the term of the contract through December 11, 2013 [or December 11, 2016]" and replace this language with "for an amount not to exceed \$2,264,800 and to extend the term of the contract through December 10, 2013". • Amend the proposed resolution on page 1, line 24 to delete "at a cost of \$2.26 million" and insert "at a cost not-to-exceed \$2,264,800". • Approve the proposed resolution, as amended, in order to exercise the two one-year options to extend the term through December 10, 2013, for an additional cost of \$2,264,800. | |



AGENDA ITEM
Public Utilities Commission
City and County of San Francisco



DEPARTMENT Financial Services

AGENDA NO. 11

MEETING DATE October 25, 2011

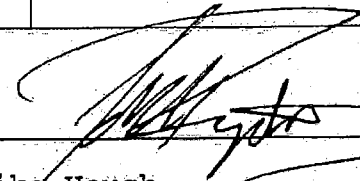
Authorize Execution of Equipment Lease: Regular Calendar
Project Manager: Charles Perl

Authorize the General Manager to Issue QECBs and CREBs with Bank of America through the Execution of Equipment Lease/Purchase Agreements

| <p>Summary of Proposed Commission Action:</p> | <p>Authorize the General Manager to enter into Equipment Lease/Purchase Agreements with Bank of America to issue not-to-exceed \$8,291,078.87 in Qualified Energy Conservation Bonds (QECBs) and \$6,600,000.00 in New Clean Renewable Energy Bonds (NCREBs) for the installation of qualified equipment (e.g. solar generation and renewable energy components of the office building project at 525 Golden Gate Avenue), and authorize submission of authorizing legislation to the Board of Supervisors for review and approval.</p> | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------|-------------|-------------|-------------|-----------------------------------------------|------------|-------------|--------------------------------------------|----------------|-------------|--------------------------------------|----------------|-------------|----------------------------------|------|-------------|-------------------------------------|--------------|--------------------|--|
| <p>Background:</p> | <p><u>Details on Projects Financed Under this Agreement</u></p> <p>The QECBs-funded projects include renewable power generation and wastewater treatment equipment and will be financed from a not-to-exceed \$8,291,078.87 allocation from the IRS's Qualified Energy Conservation Bonds (QECBs) program. The QECBs will fund up to \$8,291,078.87, representing a portion of the total cost of the projects listed below, which are to be installed in the new headquarters building at 525 Golden Gate Avenue:</p> <table border="1"> <thead> <tr> <th>Project</th> <th>Budget</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Solar Power</td> <td>\$1,732,126</td> <td>PV generation system & roof support structure</td> </tr> <tr> <td>Wind Power</td> <td>\$1,830,967</td> <td>Wind generation system & support structure</td> </tr> <tr> <td>Living Machine</td> <td>\$1,661,711</td> <td>Waste & stormwater treatment systems</td> </tr> <tr> <td>Solar Controls</td> <td>\$1,285,789</td> <td>Building envelope solar controls</td> </tr> <tr> <td>HVAC</td> <td>\$2,897,013</td> <td>Under floor air distribution (UFAD)</td> </tr> <tr> <td>Total</td> <td>\$9,407,606</td> <td></td> </tr> </tbody> </table> | Project | Budget | Description | Solar Power | \$1,732,126 | PV generation system & roof support structure | Wind Power | \$1,830,967 | Wind generation system & support structure | Living Machine | \$1,661,711 | Waste & stormwater treatment systems | Solar Controls | \$1,285,789 | Building envelope solar controls | HVAC | \$2,897,013 | Under floor air distribution (UFAD) | Total | \$9,407,606 | |
| Project | Budget | Description | | | | | | | | | | | | | | | | | | | | |
| Solar Power | \$1,732,126 | PV generation system & roof support structure | | | | | | | | | | | | | | | | | | | | |
| Wind Power | \$1,830,967 | Wind generation system & support structure | | | | | | | | | | | | | | | | | | | | |
| Living Machine | \$1,661,711 | Waste & stormwater treatment systems | | | | | | | | | | | | | | | | | | | | |
| Solar Controls | \$1,285,789 | Building envelope solar controls | | | | | | | | | | | | | | | | | | | | |
| HVAC | \$2,897,013 | Under floor air distribution (UFAD) | | | | | | | | | | | | | | | | | | | | |
| Total | \$9,407,606 | | | | | | | | | | | | | | | | | | | | | |

APPROVAL:

DEPARTMENT /
BUREAU



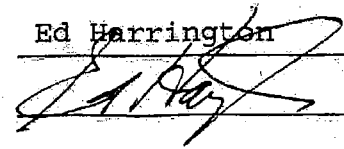
Mike Housh

FINANCE

Todd L. Rydstrom

COMMISSION
SECRETARY

GENERAL
MANAGER



Ed Harrington

Authorize: Authorize the General Manager to Issue QECBs and CREBs with Bank of America through the Execution of a Master Equipment Lease
Commission Meeting Date: October 25, 2011

QECBs are a form of tax credit bonds in which up to 70% of the interest on the bonds is paid in the form of a Federal subsidy used to reimburse a portion of the interest paid by the issuer. The SFPUC anticipates issuing the QECBs in the fall of 2011.

The CREBs-funded projects, consisting of two solar and one micro hydro project, will be funded from the IRS's not-to-exceed \$6,600,000 New Clean Renewable Energy Bonds (NCREBs) allocation:

| Project | Budget | kWh per year |
|-------------------------------|-------------------|------------------|
| University Mound Inline Hydro | \$2,500,000 | 1,500,000 |
| City Hall Solar | \$1,500,000 | 134,000 |
| Davies Symphony Hall Solar | \$2,600,000 | 269,000 |
| Total | \$6,600,00 | 1,903,000 |

This is the second CREBs allocation the SFPUC has been granted. The first was in November 2006 for \$6,325,000 to finance seven solar energy projects.

NCREBs are a form of tax credit bonds in which up to 70% of the interest on the bonds is paid in the form of a Federal subsidy to reimburse a portion of the interest paid by the issuer. The SFPUC anticipates issuing the NCREBs in the spring or summer of 2012.

Under direction from the Commission, the SFPUC seeks to increase its renewable power portfolio by developing generation from resources such as wind and solar. The Power Enterprise does not yet issue revenue bonds like the Water and Wastewater Enterprises and therefore has up to this point primarily relied on revenue from ratepayers to fund renewable energy projects. QECBs and NCREBs provide the SFPUC with low-cost access to capital to further its green power objectives.

The financing structure for the QECBs and NCREBs under this Agreement calls for the proceeds (net of issuance expenses) to be deposited into an Acquisition Fund that will: a) reimburse the SFPUC's Power Enterprise for completed projects and b) disburse funds to the SFPUC's Power Enterprise for the installation of future qualifying project costs.

Details on Financing and Structure Under these Agreements

- SFPUC will execute Lease/Purchase Agreements with Bank of America for each of the QECB and NCREB projects.
- Upon issuance, Bank of America will deposit the net proceeds into an Acquisition Fund per separate Acquisition Fund and Account Control Agreements ("Fund Agreements"), one for each of the QECB and NCREB Projects.
- The Acquisition Fund will be maintained by US Bank ("Fund Custodian"), who will be responsible for releasing reimbursement or disbursement funds as

Authorize: Authorize the General Manager to Issue QECBs and CREBs with Bank of America through the Execution of a Master Equipment Lease

Commission Meeting Date: October 25, 2011

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| | <p>specified by the Fund Agreement.</p> <ul style="list-style-type: none"> • The Fund Custodian will immediately reimburse the SFPUC's Power Enterprise for the projects referenced, but not limited to, those listed above once completed. • Estimated Costs of Issuance for QECBs and NCREBs are anticipated to not exceed \$125,000, which includes outside legal and financial advisory costs. • Funding of QECBs and NCREBs payments are to be guaranteed by net revenues of the SFPUC's Power Enterprise. • The term of the financings will be 16 years; the net interest rate will be set at closing and is currently estimated to be under 2.00%. • Fixed Rate <p><u>Details on Firm Selection</u></p> <ul style="list-style-type: none"> • Competitive Request for Proposal sent to 20 firms on March 12, 2010; SFPUC received responses from six firms. • The selected firm, Bank of America, offered the lowest overall cost and was the most experienced respondent with over 35 relevant transactions (private placements of CREBs). |
| <p>Description of Scope of Services:</p> | <p>SFPUC Finance worked collaboratively with Power Enterprise staff as well as outside advisors and attorneys, as well as the City Attorney's Office, to develop the documents associated with the financing of the QECBs and NCREBs Projects. The individuals and firms working with the SFPUC on this financing are as follows:</p> <ul style="list-style-type: none"> • City Attorney of the City and County of San Francisco • Legal Counsel: Jones Hall • Financial Advisor: Kitahata & Company • Technical Consultant: AECF Group (for NCREBs application) |
| <p>Environmental Review</p> | <p>An Environmental Impact Report for the new headquarters building was certified on by the Planning Department on February 15, 2001 and revised on October 3, 2003; and the Commission adopted CEQA findings and approved the project on January 8, 2008 by Resolution 08-0005.</p> |
| <p>Result of Inaction:</p> | <p>A delay or denial in approving this agenda item will adversely impact the SFPUC's ability to deploy these renewable energy and / or energy conserving projects with the lowest cost of funds.</p> |
| <p>Recommendation:</p> | <p>SFPUC staff recommends that the Commission adopt the attached resolutions.</p> |

Authorize: Authorize the General Manager to Issue QECBs and CREBs with Bank of America through the Execution of a Master Equipment Lease
Commission Meeting Date: October 25, 2011

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|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Attachments: | <ol style="list-style-type: none">1. SFPUC Resolutions for QECBs and NCREBs2. Form of Board of Supervisors Resolutions for QECBs and NCREBs3. Equipment Lease/Purchase Agreements<ul style="list-style-type: none">• Contracts between the Commission and Bank of America, under which the Commission leases and purchases the QECB and NCREB Equipment, agrees to make payments from the Commission's Hetchy revenues, grants a security interest to Bank of America in the Equipment, agrees to maintain and insure the Equipment, and agrees to observe certain tax covenants designed to protect the tax status of the Agreements as a QECB or NCREB, respectively.4. Acquisition Fund and Account Control Agreements<ul style="list-style-type: none">• Contracts between the Commission, Bank of America and US Bank. US Bank will hold the bond proceeds in separate Project Funds, which will then be requested by the Commission for payment or reimbursement for the costs of constructing the projects.5. Filing Agent Agreements<ul style="list-style-type: none">• Agreements between the Commission and US Bank. US Bank, as filing agent, agrees to complete the necessary filing with the Federal government every 6 months to insure that the Federal subsidy payments which the Commission is entitled to receive, in amounts equal to approximately 70% of the interest payments due under the Agreements, are filed on a timely basis and that the payments are received from the Federal government. |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0180

WHEREAS, The Public Utilities Commission of the City and County of San Francisco, Acting on behalf of the City and County of San Francisco (the "Commission") has received an allocation of \$8,291,079 (the "Allocation") under the Qualified Energy Conservation Bond ("QECB") program of the United States; and

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

WHEREAS, The Allocation provides the Commission with an opportunity to issue QECBs (the "Commission QECBs") to finance a portion of the costs of acquiring and constructing the sustainability measures for the new headquarters of the Commission, being constructed at 525 Golden Gate Avenue in the City (the "2011 QECB Project"), all as more fully described in the Commission's updated plan of finance submitted to the California Debt Limit Allocation Committee on August 15, 2010; and

WHEREAS, Pursuant to Section 9.107(8) of the Charter (the "Charter") of the City and County of San Francisco (the "City"), the Board of Supervisors of the City (the "Board") is authorized to provide for the issuance of revenue bonds by the Commission for the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation, such revenue bonds to be issued and sold in accordance with State law or any procedure provided for by ordinance of the City; and

WHEREAS, The Commission determines that Commission QECBs, in the form of an Equipment Lease/Purchase Agreement (Taxable Direct Pay Qualified Energy Conservation Bond), expected to be dated as of October 1, 2011 (the "QECB Lease/Purchase Agreement"), by and between the Commission and Banc of America Leasing & Capital, LLC ("Bank of America") in the aggregate principal amount of not to exceed \$8,291,079, shall be executed and delivered; and

WHEREAS, The obligation of the Commission to make payments under the QECB Lease/Purchase Agreement is payable solely from the Net Revenues (as defined in the QECB Lease/Purchase Agreement) of the hydroelectric portion of the City's Power Enterprise; and

WHEREAS, The Commission staff selected Bank of America through a competitive bid process to provide financing for the 2011 QECB Project, and Bank of America submitted the best bid to provide said financing; and

WHEREAS, It is now necessary and desirable for the Commission to authorize and direct the execution and delivery of the QECB Lease/Purchase Agreement and related agreements; and

WHEREAS, It is now necessary for the Commission to authorize, for the funding of the 2011 QECB Project, the execution and delivery of the following documents: (i) the form of an Acquisition Fund and Account Control Agreement, expected to be dated as of October 1, 2011

by and among the Commission, U.S. Bank National Association, as Custodian, and Bank of America (the "Acquisition Fund and Account Control Agreement"), (ii) a Direct Purchase Agreement, dated as of the date specified therein, (iii) the form of QECB Lease/Purchase Agreement by the Commission to Bank of America, between the Commission and Bank of America (the "Direct Purchase Agreement"), and (iv) a Filing Agent Agreement, expected to be dated as of October 1, 2011, between the Commission and U.S. Bank National Association (the "Filing Agent Agreement"); and

WHEREAS, The Commission has been presented with the forms of all four of the documents referred to in the preceding clauses, relating to the funding of the 2011 QECB Project, and the Commission has examined such documents, and desires to authorize and direct the execution of such documents and the consummation of such financing, including the issuance of the Commission QECBs; and

WHEREAS, Subject to the approval of the Board, all acts, conditions and things required by the Charter and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law and, subject to such approval, the Commission is duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing, the issuance of the Commission QECBs, and to authorize the execution and delivery the QECB Lease/Purchase Agreement and of the Acquisition Fund and Account Control Agreement, Direct Purchase Agreement, Filing Agent Agreement and related documents for the purposes, in the manner and upon the terms provided; now, therefore, be it

RESOLVED by the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Authorization of Commission QECBs. The execution and delivery of the Commission QECBs, in the form of the QECB Lease/Purchase Agreement, in an aggregate principal amount not to exceed \$8,291,079, with a term not to exceed twenty (20) years, and at an interest rate not to exceed 12%, is hereby authorized and approved by the Commission, subject to the Board approving the execution and delivery of the QECB Lease/Purchase Agreement pursuant to this Resolution and the Charter.

Section 2. Authorization of the QECB Lease/Purchase Agreement. The form of the QECB Lease/ Purchase Agreement, in substantially the form presented to this Commission, is hereby approved. The General Manager, the Deputy General Manager and Chief Operating Officer, the Assistant General Manager, Business Services and Chief Financial Officer, or a designee of the General Manager (each, an "Authorized Officer"), and the Secretary of the Commission, are authorized and directed to execute and deliver the QECB Lease/ Purchase Agreement, with such additions thereto or changes therein which he may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the QECB Lease/ Purchase Agreement.

Section 3. Acquisition Fund and Account Control Agreement. The proposed form of Acquisition Fund and Account Control Agreement, among the Commission, U.S. Bank National Association, and Bank of America, submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer, and the Secretary of the Commission, are

authorized and directed to execute and deliver said form of Acquisition Fund and Account Control Agreement, with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Acquisition Fund and Account Control Agreement. The Secretary of the Commission is directed to file a copy of said form of Acquisition Fund and Account Control Agreement with the minutes of this meeting.

Section 4. Direct Purchase Agreement. The proposed form of Direct Purchase Agreement, between the Commission and Bank of America, submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer and the Secretary are hereby authorized and directed to execute and deliver said form of the Direct Purchase Agreement, with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Direct Purchase Agreement. The Secretary of the Commission is directed to file a copy of said form of Direct Purchase Agreement with the minutes of this meeting.

Section 5. Filing Agent Agreement. The proposed form of Filing Agent Agreement, between the Commission and U.S. Bank National Association submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer and the Secretary of the Commission are authorized and directed to execute and deliver said form of Filing Agent Agreement, with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Filing Agent Agreement. The Secretary of the Commission is directed to file a copy of said form of Filing Agent Agreement with the minutes of this meeting.

Section 6. Submittal to Board for Approval. The General Manager is hereby authorized and directed to submit to the Board of Supervisors a Resolution approving the issuance of the Commission QECBs and the QECB Lease/Purchase Agreement and other documents approved herein as required by the Charter.

Section 7. General Authority. The officers of this Commission, the General Manager, the Assistant General Manager, Business and Financial Services of the Commission and the officers of the City are hereby authorized and directed, each acting alone, for and in the name and on behalf of this Commission, to execute and deliver any and all documents, certificates and representations, including, but not limited to, signature certificates, no-litigation certificates, tax certificates, to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the execution and delivery of the QECB Lease/Purchase Agreement, the financing of the 2011 QECB Project, and the actions which the Commission has approved in this resolution. The General Manager is authorized to delegate any of its responsibilities or duties set forth in this Resolution to the Assistant General Manager, Business and Financial Services of the Commission.

Section 8. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to the execution and delivery of the QECB Lease/Purchase Agreement are hereby approved, confirmed and ratified.

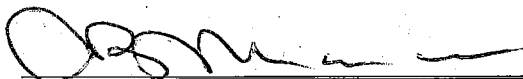
Section 9. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on October 25, 2011, by the following vote:

AYES: Caen, Vietor, Courtney

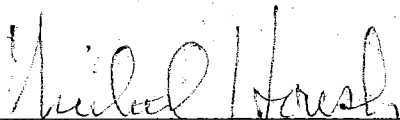
NOES: 0

ABSENT: Moran, Torres



President of the Public Utilities Commission
of the City and County of San Francisco

Attest:



Secretary of the Public Utilities Commission
of the City and County of San Francisco

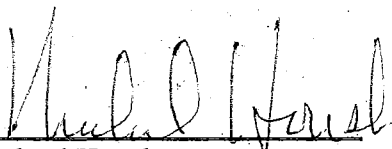
CERTIFICATE OF SECRETARY

I, Michael Housh, Secretary of the Public Utilities Commission of the City and County of San Francisco, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 11-0180 duly adopted at the regular meeting of the Public Utilities Commission, duly and regularly held on October 25, 2011, of which meeting all of the members of said Commission had due notice.

I further certify that at least 72 hours prior to such meeting I caused to be delivered to the Documents Department of the San Francisco Public Library two copies of the agenda for such meeting to be posted immediately upon receipt by such Department at the place designated by the City Librarian for the posting of agenda in the central public library, which place is accessible to the public in accordance with Section 8.16 of the Administrative Code of the City and County of San Francisco, and that a brief description of such resolution appeared as an item on such agenda.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate of the Public Utilities Commission of the City and County of San Francisco thereto this October 26, 2011.



Michael Housh
Secretary of the Public Utilities
Commission of the City and
County of San Francisco

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 11-0183

WHEREAS, The Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco (the "Commission") has applied for and received an allocation of \$6,600,000 (the "Allocation") from the Internal Revenue Service under the New Clean Renewable Energy Bond program ("NCREBs") of the United States; and

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

WHEREAS, The Allocation provides the Commission with an opportunity to issue NCREBs (the "Commission NCREBs") to finance the cost of acquiring and installing solar energy facilities comprised of the San Francisco City Hall Solar Energy Facility, the Davies Symphony Hall Solar Energy Facility, and the University Mound Reservoir North Basin Micro Hydro Facility (together, the "NCREBs Project"), all as more fully described in the Commission's application to the Internal Revenue Service for the Allocation; and

WHEREAS, Pursuant to Section 9.107(8) of the Charter (the "Charter") of the City and County of San Francisco (the "City"), the Board of Supervisors of the City (the "Board") is authorized to provide for the issuance of revenue bonds by the Commission for the acquisition, construction, installation, equipping, improvement or rehabilitation of equipment or facilities for renewable energy and energy conservation, such revenue bonds to be issued and sold in accordance with State law or any procedure provided for by ordinance of the City; and

WHEREAS, The Commission determines that Commission NCREBs, in the form of an Equipment Lease/Purchase Agreement (Taxable Direct Pay New Clean Renewable Energy Bond), expected to be dated as of the first day of the month in which said agreement will be executed and delivered (the "NCREB Lease/Purchase Agreement"); by and between the Commission and Banc of America Leasing & Capital, LLC ("Bank of America") in the aggregate principal amount of not to exceed \$6,600,000, shall be executed and delivered; and

WHEREAS, The obligation of the Commission to make payments under the NCREB Lease/Purchase Agreement is payable solely from the Net Revenues (as defined in the NCREB Lease/Purchase Agreement) of the hydroelectric portion of the City's Power Enterprise; and

WHEREAS, The Commission staff selected Bank of America through a competitive bid process to provide financing for the NCREBs Project, and Bank of America submitted the best bid to provide said financing; and

WHEREAS, It is now necessary and desirable for the Commission to authorize and direct the execution and delivery of the NCREB Lease/Purchase Agreement and related agreements; and

WHEREAS, It is now necessary for the Commission to authorize, for the funding of the NCREBs Project, the execution and delivery the following documents: (i) the form of an Acquisition Fund and Account Control Agreement, expected to be dated as of the first day of the month in which said agreement will be executed and delivered, by and among the Commission, U.S. Bank National Association, as Custodian, and Bank of America (the "Acquisition Fund and Account Control Agreement"), (ii) a Direct Purchase Agreement, dated as specified therein, (iii) the form of NCREB Lease/Purchase Agreement to Bank of America, between the Commission and Bank of America (the "Direct Purchase Agreement"), (iv) a Filing Agent Agreement, expected to be dated as of the first day of the month in which said agreement will be executed and delivered, between the Commission and U.S. Bank National Association (the "Filing Agent Agreement"); and

WHEREAS, The Commission has been presented with the forms of all four of the documents referred to in the preceding clauses, relating to the funding of the NCREBs Project, and the Commission has examined such documents, and desires to authorize and direct the execution of such documents and the consummation of such financing, including the issuance of the Commission NCREBs; and

WHEREAS, Subject to the approval of the Board, all acts, conditions and things required by the Charter and the Constitution and laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law and, subject to such approval, the Commission is duly authorized and empowered, pursuant to each and every requirement of law, to authorize such financing, the issuance of the Commission NCREBs, and to authorize the execution and delivery the NCREB Lease/Purchase Agreement, the Acquisition Fund and Account Control Agreement, Direct Purchase Agreement, the Filing Agent Agreement and related documents for the purposes, in the manner and upon the terms provided; now, therefore, be it

RESOLVED by the Public Utilities Commission of the City and County of San Francisco, as follows:

Section 1. Authorization of Commission NCREBs. The execution and delivery of the Commission NCREBs, in the form of the NCREB Lease/Purchase Agreement, in an aggregate principal amount not to exceed \$6,600,000, with a term of not-to-exceed 20 years, and at an interest rate not to exceed 12%, is hereby authorized and approved by the Commission, subject to the Board approving the execution and delivery of the NCREB Lease/Purchase Agreement pursuant to this resolution and the Charter.

Section 2. Authorization of the NCREB Lease/Purchase Agreement. The form of the NCREB Lease/Purchase Agreement, in substantially the form presented to this Commission, is hereby approved. The General Manager, the Deputy General Manager and Chief Operating Officer, the Assistant General Manager, Business Services and Chief Financial Officer, or a designee of the General Manager (each, an "Authorized Officer"), and the Secretary of the Commission, are authorized and directed to execute and deliver the NCREB Lease/ Purchase Agreement, with such additions thereto or changes therein which he may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the NCREB Lease/Purchase Agreement.

Section 3. Acquisition Fund and Account Control Agreement. The proposed form of Acquisition Fund and Account Control Agreement, among the Commission, U.S. Bank National Association, and Bank of America, submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer and the Secretary of the Commission are authorized and directed to execute and deliver said form of Acquisition Fund and Account Control Agreement with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Acquisition Fund and Account Control Agreement. The Secretary of the Commission is directed to file a copy of said form of Acquisition Fund and Account Control Agreement with the minutes of this meeting.

Section 4. Direct Purchase Agreement. The proposed form of Direct Purchase Agreement, between the Commission and Bank of America, submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer and the Secretary of the are authorized and directed to execute and deliver said form of Direct Purchase Agreement with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Direct Purchase Agreement. The Secretary of the Commission is directed to file a copy of said form of Direct Purchase Agreement with the minutes of this meeting.

Section 5. Filing Agent Agreement. The proposed form of Filing Agent Agreement, between the Commission and U.S. Bank National Association, submitted to this Commission, and the terms and conditions thereof, is hereby approved. The Authorized Officer and the Secretary of the Commission are authorized and directed to execute and deliver said form of Filing Agent Agreement, with such additions thereto or changes therein which they may deem necessary or desirable, in consultation with the City Attorney, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Filing Agent Agreement. The Secretary of the Commission is directed to file a copy of said form of Filing Agent Agreement with the minutes of this meeting.

Section 6. Submittal to Board for Approval. The General Manager is hereby authorized and directed to submit to the Board a Resolution requesting consideration and approval of the issuance of the Commission NCREBs and the NCREB Lease/Purchase Agreement as required by the Charter.

Section 7. General Authority. The officers of this Commission, the General Manager, the Assistant General Manager, Business and Financial Services of the Commission and the officers of the City are hereby authorized and directed, each acting alone, for and in the name and on behalf of this Commission, to execute and deliver any and all documents, certificates and representations, including, but not limited to, signature certificates, no-litigation certificates, tax certificates, to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the execution and delivery of the NCREB Lease/Purchase Agreement, the financing of the NCREBs Project, and the actions which the Commission has approved in this resolution. The General Manager is authorized to delegate any

of its responsibilities or duties set forth in this Resolution to the Assistant General Manager, Business and Financial Services of the Commission.

Section 8. Ratification. All actions heretofore taken by the officials, employees and agents of the Commission with respect to the execution and delivery of the NCREB Lease/Purchase Agreement are hereby approved, confirmed and ratified.

Section 9. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on October 25, 2011, by the following vote:

AYES: Caen, Vietor, Courtney

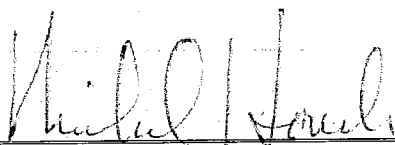
NOES: 0

ABSENT: Moran, Torres



President of the Public Utilities Commission
of the City and County of San Francisco

Attest:



Secretary of the Public Utilities Commission
of the City and County of San Francisco

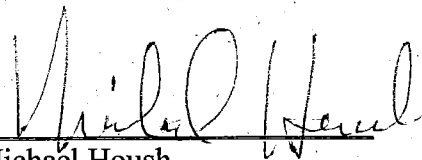
CERTIFICATE OF SECRETARY

I, Michael Housh, Secretary of the Public Utilities Commission of the City and County of San Francisco, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 11-0180 duly adopted at the regular meeting of the Public Utilities Commission, duly and regularly held on October 25, 2011, of which meeting all of the members of said Commission had due notice.

I further certify that at least 72 hours prior to such meeting I caused to be delivered to the Documents Department of the San Francisco Public Library two copies of the agenda for such meeting to be posted immediately upon receipt by such Department at the place designated by the City Librarian for the posting of agenda in the central public library, which place is accessible to the public in accordance with Section 8.16 of the Administrative Code of the City and County of San Francisco, and that a brief description of such resolution appeared as an item on such agenda.

I further certify that I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate of the Public Utilities Commission of the City and County of San Francisco thereto this October 26, 2011.



Michael Housh
Secretary of the Public Utilities
Commission of the City and
County of San Francisco

**EQUIPMENT LEASE/PURCHASE AGREEMENT
(Taxable Direct Pay Qualified Energy Conservation Bond)**

This Equipment Lease/Purchase Agreement (Taxable Direct Pay Qualified Energy Conservation Bond) (the "Agreement" or the "Lease") dated as of October 1, 2011, is entered into between Banc of America Leasing & Capital, LLC, a Delaware limited liability company ("Lessor"), and the Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco, a political subdivision existing under the laws of the State of California (the "Commission").

RECITALS:

WHEREAS, the City and County of San Francisco (the "City") entered into a Property Lease between the City and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") dated as of October 1, 2009 (the "Property Lease"), and a Project Lease, between the Trustee and the City, dated as of October 1, 2009 (the "Project Lease"), relating to the leasing and subleasing of property owned by the City located at 525 Golden Gate Avenue in the City (the "Site"); and

WHEREAS, Certificates of Participation in the aggregate principal amount of \$167,670,000 (the "Certificates of Participation") were executed and delivered under a Trust Agreement, between the City and the Trustee, dated as of October 1, 2009 (the "Trust Agreement"), which Certificates of Participation represent the right to receive rental payments payable by the City under the Project Lease; and

WHEREAS, the proceeds of the Certificates of Participation have been and are being applied to construct the San Francisco Public Utilities Commission Office Project (the "SF PUC Office Building Project") on the Site; and

WHEREAS, the Commission has received allocation in the aggregate amount of \$8,291,079 under the Qualified Energy Conservation Bond ("QECCB") program to finance the cost of acquiring and constructing the sustainability measures for SFPUC Office Building Project, more fully described in Exhibit B-1 (the "2011 QECCB Project"); and

WHEREAS, the Commission, after due investigation and deliberation, has determined that it is in the interests of the Commission at this time to enter into this Agreement for the purpose of financing the 2011 QECCB Project; and

WHEREAS, the Commission desires to lease and acquire from Lessor the 2011 QECCB Project, subject to the terms and conditions of and for the purposes set forth herein; and

WHEREAS, the Commission is authorized under the constitution and laws of the State to enter into this Agreement for the purposes set forth herein; and

** Complete copy of document is located in

File No. 111191

DIRECT PURCHASE AGREEMENT

concerning

**\$8,291,078.87 Equipment Lease/Purchase Agreement
(Taxable Direct Pay Qualified Energy Conservation Bond)
tentatively dated as of October 1, 2011
between Banc of America Leasing & Capital, LLC and
Public Utilities Commission of the City and County of San Francisco,
Acting on behalf of the City and County of San Francisco**

Dated as of _____, 2011

Public Utilities Commission
of the City and County of San Francisco,
acting on behalf of the City and County of
San Francisco

1155 Market Street
San Francisco, California 94103

Ladies and Gentlemen,

Banc of America Leasing & Capital, LLC, as Lessor (the "Lessor"), offers to enter into this Direct Purchase Agreement (this "Agreement") with the Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco (the "Commission"), which, upon acceptance of this offer by the Commission, will be binding upon the Commission and the Lessor. This offer is made subject to written acceptance by the Commission on or before 5:00 p.m., Eastern time, on _____, 2011, the date hereof and, if not so accepted, will be subject to withdrawal by the Lessor upon written notice delivered to the Commission at any time prior to such acceptance.

Unless otherwise specified herein, any capitalized term used but not defined in this Agreement will have the meaning given such term in the QEGB Lease (as defined herein).

1. Execution and Delivery of QEGB Lease; Purchase and Sale of QEGB Lease. Upon the terms and conditions hereof and upon the basis of the

**ACQUISITION FUND AND ACCOUNT CONTROL AGREEMENT
(2011 QECB Project)**

This Acquisition Fund and Account Control Agreement (2011 QECB Project) (this "Agreement"), dated as of October 1, 2011, is among Banc of America Leasing & Capital, LLC ("Lessor"), the Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco, a political subdivision of the State of California (the "Commission") and U.S. Bank National Association, a national banking association ("Acquisition Fund Custodian").

Reference is made to that certain Equipment Lease/Purchase Agreement (Taxable Direct Pay Qualified Energy Conservation Bond), dated as of October 1, 2011, between Lessor and the Commission (hereinafter referred to as the "Lease"), covering the acquisition and lease of certain Equipment described therein (the "Equipment"). It is a requirement of the Lease that an amount equal to \$_____ be deposited into an escrow under terms satisfactory to Lessor, for the purpose of fully funding the Lease, and providing a mechanism for the application of such amounts to the purchase of and payment for the Equipment.

The parties agree as follows:

1. Creation of Acquisition Fund; Costs of Issuance Account.

(a) There is hereby created a special trust fund to be known as the "San Francisco Public Utilities Commission Qualified Energy Conservation Bond Equipment Acquisition Fund" (the "Acquisition Fund"), and within said Fund a Costs of Issuance Account, to be held in trust by the Acquisition Fund Custodian for the purposes stated herein, for the benefit of Lessor and Commission, to be held, disbursed and returned in accordance with the terms hereof.

(b) The Acquisition Fund Custodian will invest and reinvest moneys on deposit in the Acquisition Fund in Qualified Investments in accordance with written instructions received from the Commission. The Commission will be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments (as defined below) and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Acquisition Fund Custodian for the reinvestment of any maturing investment. Accordingly, neither the Acquisition Fund Custodian nor Lessor will be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Acquisition Fund, and the Commission agrees to and does hereby release the Acquisition Fund Custodian and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Acquisition Fund will become part of the Acquisition Fund, and gains and losses on the investment of the moneys on deposit in the Acquisition Fund will be borne by the Acquisition Fund. For purposes of this agreement, "Qualified Investments" means any investments that meet the requirements of the Commission's current investment policy. In addition, the Acquisition Fund Custodian may invest in the First American Government Obligations Fund Class D. In the absence of direction

This FILING AGENT AGREEMENT (this "Agreement") is entered into as of October 1, 2011, by and between the Public Utilities Commission of the City and County of San Francisco, acting on behalf of the City and County of San Francisco (the "Commission") and U.S. Bank National Association (the "Bank"), as filing agent (the "Filing Agent").

RECITALS

WHEREAS, the Commission has applied for and received an allocation of \$6,600,000 (the "Allocation") from the Internal Revenue Service under the New Clean Renewable Energy Bond ("NCREBs") program of the United States federal government; and

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

WHEREAS, the Allocation provides the Commission with an opportunity to issue NCREBs (the "Commission NCREBs") to finance the cost of acquiring and installing solar energy facilities comprised of the San Francisco City Hall Solar Energy Facility, the Davies Symphony Hall Solar Energy Facility, and the University Mound Reservoir North Basin Micro Hydro Energy Facility (together, the "NCREBs Project"), all as more fully described in the Commission's application the Internal Revenue Service for the Allocation; and

WHEREAS, the Commission determines that Commission NCREBs, in the form of an Equipment Lease/Purchase Agreement (Taxable Direct Pay New Clean Renewable Energy Bond), expected to be dated as of October 1, 2011 (the "NCREB Lease/Purchase Agreement"), by and between the Commission and Banc of America Leasing & Capital, LLC ("Bank of America") in the aggregate principal amount of not to exceed \$6,600,000, shall be executed and delivered; and

WHEREAS, the Commission and the Bank wish to provide the terms under which the Bank will act as Filing Agent for the purpose of requisitioning from the United States Treasury, Internal Revenue Service ("IRS"), on a semiannual basis, the federal subsidy payment equal to 70% of the lesser of: (1) the amount of the interest component of each Rental Payment (as defined in the NCREB Lease/Purchase Agreement) due under the NCREB Lease/Purchase Agreement; or (2) interest calculated at the tax credit rate applicable to the NCREB Lease/Purchase Agreement (___%) (the "Direct Payment") pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act");

WHEREAS, the Bank has agreed to serve as Filing Agent for and on behalf of the Commission; and

WHEREAS, the Commission has duly authorized the execution and delivery of this Agreement, and all things necessary to make this Agreement a valid agreement have been done;

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

| | |
|-------------------------------------------------------------------------|----------------------------------|
| City Elective Officer Information <i>(Please print clearly.)</i> | |
| Name of City elective officer(s): | City elective office(s) held: |
| Members, SF Board of Supervisors | Members, SF Board of Supervisors |

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Contractor Information <i>(Please print clearly.)</i> | |
| Name of contractor: Bank of America Leasing & Capital, LLC | |
| Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. | |
| (1) Richard Fleischer (Chairman), David Gauthier, John Gould (2) Richard Fleischer (President), David Gauthier (Treasurer), John Gould (Senior Vice President) (3) Banc of America Leasing & Capital, LLC is 100% owned by Bank of America, N.A. (4) N/A (5) None | |
| Contractor address: Bank of America Corporate Center, 100 North Tryon Street, Charlotte, NC 28255 | |
| Date that contract was approved: 10/20/2011 | Amount of contract: not to exceed \$8,291,079 |
| Describe the nature of the contract that was approved: QECCB/CREB Financing | |
| Comments: | |

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

| | |
|----------------------------------------------------------------------------------------|---------------------------------------------|
| Filer Information <i>(Please print clearly.)</i> | |
| Name of filer: Angela Calvillo, Clerk of the Board | Contact telephone number: (415) 554-5184 |
| Address: City Hall, Room 244 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102 | E-mail: Board.of.Supervisors@sfgov.org |

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed