

1 [Urging the Restart of GreenFinanceSF]

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3 **Resolution urging the restart of GreenFinanceSF and supporting the Mayor,**
4 **Department of the Environment, and Office of Public Finance to enable City residents**
5 **to finance the costs of energy efficiency and renewable energy capital improvements;**
6 **and to take such other actions necessary therefor.**

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8 WHEREAS, Climate change and persistent droughts pose a serious threat to the
9 economic well-being, public health, natural resources, and the welfare of residents of the City,
10 and that action taken by the City to combat these challenges will have far reaching effects;
11 and,

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

23 WHEREAS, GreenFinanceSF is designed as an “owner-arranged financing program,”
24 under which (i) the City has established a program to facilitate financing for the acquisition,

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1 installation and improvement of Facilities on one or a limited number of non-residential
2 properties or residential properties through the issuance of up to \$100 million of special tax
3 bonds payable solely from special taxes levied on such properties, (ii) each such property or
4 group of properties will be designated a unique improvement area within the Special Tax
5 District, (iii) the special tax bonds are intended to be purchased by a financial institution or
6 other sophisticated investor experienced in risks of providing financing or refinancing to
7 properties participating in the GreenFinanceSF owner-arranged financing program, on a
8 private-placement basis; and,

9 WHEREAS, In July 2010 the Federal Housing Finance Agency (FHFA) issued a
10 statement expressing its concerns about Property Assessed Clean Energy (“PACE”)
11 financings and issued underwriting guidance to Fannie Mae and Freddie Mac to limit
12 exposure to PACE loans, the import of which effectively undermine viability of
13 GreenFinanceSF; and,

14 WHEREAS, Due to FHFA concerns GreenFinanceSF was suspended to protect
15 homeowners and the City from the actions described in the July 2010 FHFA statement; and

16 WHEREAS, On July 26, 2010, by Resolution No.382-10, this Board of Supervisors
17 adopted a Resolution supporting PACE programs and requested San Francisco’s
18 Congressional representatives to work with FHFA to establish standardized underwriting
19 criteria and safeguards to allow for the continuation of PACE; and,

20 WHEREAS, Several jurisdictions in the State, including the counties of Sonoma and
21 Placer, and the Western Riverside Council of Governments, have proceeded with public
22 financing initiatives to assist their residents finance the costs of capital improvements for
23 energy efficiency programs, notwithstanding FHFA’s opposition; and,

24 WHEREAS, On September 23, 2013, Governor Jerry Brown sent a letter to the FHFA
25 advising it that California will establish a mechanism to address the concerns raised by the

1 FHFA designed to protect the interests of Fannie Mae and Freddie Mac through the creation
2 of a reserve fund for PACE programs in California; and,

3 WHEREAS, This Board of Supervisors believes it in the best interest of the City and its
4 residents to have a clean energy financing program to promote the adoption of energy
5 efficiency, water conservation, and renewable energy measures by homeowners, and thereby
6 reduce the City's impact on climate change; now, therefore, be it

7 RESOLVED, That the Board hereby supports the Mayor, the Department of the
8 Environment and the Office of Public Finance to pursue appropriate policies and strategies to
9 restart GreenFinanceSF to ensure that residents of the City can finance the costs of energy
10 efficiency, water conservation, and renewable energy improvements; and, be it

11 FURTHER RESOLVED, That the Mayor, the Department of the Environment and the
12 Office of Public Finance, are hereby further urged to explore alternative strategies to the
13 issuance of bonds, including vendor financing and other third-party financing options; and, be
14 it

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

1 FURTHER RESOLVED, The provisions of any previous resolutions in any way
2 inconsistent with the provisions hereof in and for the issuance of the Bonds as herein
3 described are hereby repealed.

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

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