

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

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3 **Resolution approving the issuance of not to exceed \$8,291,079 aggregate principal**  
4 **amount of Qualified Energy Conservation Bonds to be issued by the Public Utilities**  
5 **Commission of the City and County of San Francisco, acting on behalf of the City and**  
6 **County of San Francisco (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.**

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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  
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1 years, and bearing interest at an interest rate not to exceed 12%, is hereby authorized and  
2 approved by the Board.

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

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

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

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

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

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

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

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5     APPROVED AS TO FORM:

6     DENNIS J.HERRERA, City Attorney

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

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