

1 [Public Utilities Commission New Clean Renewable Energy Bonds Issuance - Not to Exceed
2 \$4,100,000]

3 **Resolution approving the issuance of not to exceed \$4,100,000 aggregate principal**
4 **amount of New Clean Renewable Energy Bonds to be issued by the City and County of**
5 **San Francisco, acting through the San Francisco Public Utilities Commission; approving**
6 **the execution and delivery of an Equipment Lease/Purchase Agreement, a Direct**
7 **Purchase Agreement, and a Filing Agent Agreement; and authorizing related actions, as**
8 **defined herein.**

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

15 WHEREAS, The Commission has applied for and received an allocation of \$4,100,000
16 (the "Allocation") from the Internal Revenue Service under the New Clean Renewable Energy
17 Bond ("NCREBs") program of the United States federal government; and

18 WHEREAS, NCREBs are a form of debt that allow a qualified issuer to receive a
19 reimbursement from the United States government, equal to the lesser of the interest payable
20 on such bonds or 70% of the tax credit rate applicable to such bonds; provided, however, that
21 such reimbursement may be reduced by sequestration or other action of the United States
22 government; and

23 WHEREAS, The Allocation provides the Commission with an opportunity to issue
24 NCREBs to finance the cost of acquiring and installing solar energy facilities comprised of the
25 San Francisco Police Academy Solar Energy Facility and the Marina Middle School Solar

1 Energy Facility (together, the "NCREBs Project"), all as more fully described in the
2 Commission's application to the Internal Revenue Service for the Allocation; and

3 WHEREAS, The Commission staff, after a competitive procurement process, selected
4 Banc of America Leasing & Capital, LLC ("Bank of America") to provide financing for the
5 NCREBs Project; and

6 WHEREAS, The Commission, pursuant to the terms of Resolution No. 15-0184,
7 adopted by the Commission on September 8, 2015 (the "Commission Resolution"), has
8 authorized the execution and delivery of Commission NCREBs, in the form of an Equipment
9 Lease/Purchase Agreement (Taxable Direct Pay New Clean Renewable Energy Bond),
10 expected to be dated as of October 1, 2015, by and between the Commission and Bank of
11 America, in the principal amount of not to exceed \$4,100,000 (the "NCREB Lease/Purchase
12 Agreement") for the purpose of financing the costs of acquiring and installing the NCREBs
13 Project (including reimbursement to the Commission for such costs), as well as for the
14 payment of costs of issuance and other incidental costs therefor; and

15 WHEREAS, The obligation of the Commission to make payments under the NCREB
16 Lease/Purchase Agreement is payable solely from the Net Revenues of the Electric System
17 (all as defined in the NCREB Lease/Purchase Agreement); now, 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 NCREB Lease/Purchase Agreement. The
22 execution and delivery of NCREBs by the Commission, in the form of the NCREB
23 Lease/Purchase Agreement, in an aggregate principal amount not to exceed \$4,100,000, with
24 a term not to exceed 18 years, and bearing interest at an interest rate not to exceed 12%, in
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1 order to provide funds to be deposited in an Acquisition Fund held by the Commission and
2 used for the NCREBs Project, is hereby authorized and approved by the Board.

3 Section 3. Form of NCREB Lease/Purchase Agreement. The form of the NCREB
4 Lease/Purchase Agreement, in substantially the form on file with the Clerk of the Board of
5 Supervisors in File No. 150916, is hereby approved. The authorized officers specified in the
6 Commission Resolution (the "Authorized Officers") are hereby authorized and directed to
7 approve and to execute the NCREB Lease/Purchase Agreement, with such changes,
8 additions, amendments or modifications therein which such Authorized Officers may deem
9 necessary or desirable and as the City Attorney may require or approve, the approval of such
10 additions or changes to be conclusively evidenced by the execution and delivery of the
11 NCREB Lease/Purchase Agreement.

12 Section 4. Form of Direct Purchase Agreement. The Board hereby authorizes and
13 approves the execution and delivery by the Commission of a Direct Purchase Agreement (the
14 "Direct Purchase Agreement"), in substantially the form on file with the Clerk of the Board of
15 Supervisors in File No. 150916, to provide the terms on which Bank of America will purchase
16 the Commission's lease payment obligations under the NCREB Lease/Purchase Agreement.
17 The Authorized Officers are hereby authorized and directed to approve and to execute the
18 Direct Purchase Agreement; with such changes, additions, amendments or modifications
19 therein which the Authorized Officers may deem necessary or desirable and as the City
20 Attorney may require or approve, the approval of such additions or changes to be conclusively
21 evidenced by the execution and delivery of the Direct Purchase Agreement.

22 Section 5. Form of Filing Agent Agreement. The Board hereby authorizes and
23 approves the execution and delivery by the Commission of a Filing Agent Agreement (the
24 "Filing Agent Agreement"), in substantially the form on file with the Clerk of the Board of
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1 Supervisors in File No. 150916, to provide the terms on which U.S. Bank National Association
2 will file the necessary federal forms to assure the receipt by the Commission of the federal
3 subsidy payments payable by the federal government as a reimbursement for the payments
4 due by the Commission under the NCREB Lease/Purchase Agreement. The Authorized
5 Officers are hereby authorized and directed to approve and to execute the Filing Agent
6 Agreement, with such changes, additions, amendments or modifications therein which the
7 Authorized Officers may deem necessary or desirable and as the City Attorney may require or
8 approve, the approval of such additions or changes to be conclusively evidenced by the
9 execution and delivery of the Filing Agent Agreement.

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

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1 Section 7. General Authority. Subject to the terms of paragraph 2 of this Resolution, the
2 General Manager of the Commission, the Controller, the Treasurer of the City, the City
3 Attorney, and all other appropriate officers, employees, representatives and agents of the City
4 are hereby authorized and directed to execute and deliver any and all documents, certificates
5 and representations, including, but not limited to, signature certificates, no-litigation
6 certificates, tax certificates, to do any and all things and take any and all actions which may be
7 necessary or advisable, in their discretion, to effectuate the execution and delivery of the
8 Commission NCREBs, NCREB Lease/Purchase Agreement, the financing of the NCREBs
9 Project, and the actions that the Board has approved in this resolution.

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