

RESOLUTION NO. 45-2007

Adopted May 15, 1007

AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$178,000,000 RELATING TO THE ISSUANCE OF THE 2007 SERIES B TAX ALLOCATION REFUNDING REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MERGED EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) REDEVELOPMENT PROJECT AREA/SOUTH OF MARKET REDEVELOPMENT PROJECT AREA/FEDERAL OFFICE BUILDING REDEVELOPMENT PROJECT AREA), HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA)

BASIS FOR RESOLUTION

1. The City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco (the "Agency") entered into a Joint Exercise of Powers Agreement dated as of July 11, 1989, establishing the City and County of San Francisco Redevelopment Financing Authority (the "Authority") for the purpose of issuing its bonds to be used to provide financial assistance to the Agency.
2. Pursuant to the Marks-Roos Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Bond Law"), the Authority proposes to issue a series of bonds designated as the "2007 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects)" (the "Bonds") for the purpose of enabling the Authority and the Agency to refinance certain redevelopment activities of the Agency for the following Redevelopment Project Areas of the Agency: Merged Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area/South of Market Redevelopment Project Area/Federal Office Building Redevelopment Project Area), Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point - South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area.

3. The Bonds are being issued to refund, in whole or in part, certain prior series of bonds of the Authority including some or all of the Authority's 1999 Series A Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects), 1999 Series B Tax Allocation Revenue Refunding Bonds (San Francisco Redevelopment Projects), 2000 Series A Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), 2001 Series A Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), 2003 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), and 2003 Series B Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) (collectively, the "Prior Bonds"), and the loan agreements with respect to the Bonds will be executed pursuant to Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law").
4. The Bonds will be repaid from, and secured by, payments made to the Authority by the Agency pursuant to various Loan Agreements (hereinafter defined).
5. The Authority and the Agency propose to sell the Bonds by competitive sale, and, in connection with the offering of such Bonds, the Authority and the Agency will prepare or cause to be prepared an Official Statement and an Official Notice of Sale relating to the Bonds.
6. The Bonds are being issued to refinance certain public capital improvements located within the jurisdiction of the Agency and within the boundaries of the Agency's redevelopment project areas set forth below.
7. Under the Refunding Law, the making of loans to the Agency from the proceeds of the Bonds do not require the approval of the Board of Supervisors of the City and County of San Francisco.
8. The sale and issuance of the Bonds does not constitute a project subject to the California Environmental Quality Act ("CEQA") and is therefore exempt from CEQA; however, the improvements and activities to be financed by the sale of the Bonds will be or have been reviewed to determine CEQA applicability prior to approval of such improvements and activities.
9. The proposed borrowings are expected to comply with the refunding standard in the Agency's Debt Policy (the "Debt Policy"), that requires the refunding of the Prior Bonds to result in net debt service savings of at least three percent (3%) of the debt service on the par value of the Prior Bonds on a net present value basis, using the True Interest Cost (as defined in the Debt Policy) as the annual discount rate.

FINDING

1. The Commission finds that the use of the Authority to accomplish the borrowings will result in significant public benefits accruing from such borrowings, including demonstrable savings in effective interest rates and financing costs associated with the issuance of the Bonds.
2. The Commission finds that the Loan Agreements relating to the Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area, the Hunters Point Redevelopment Project Area and the India Basin Industrial Park Redevelopment Project Area constitute "previously incurred indebtedness" under Section 33333.7(a) of the California Health and Safety Code and "prior outstanding indebtedness" under Section 33333.7(b) California Health and Safety Code.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

Section 1. Approval of Loans. The Redevelopment Agency of the City and County of San Francisco (the "Agency") authorizes and approves borrowings from the City and County of San Francisco Redevelopment Financing Authority (the "Authority") pursuant to loan agreements (collectively, the "Loan Agreements") with respect to some or all of the following redevelopment project areas of the Agency: Merged Embarcadero-Lower Market (Golden Gateway) Redevelopment Project Area/ South of Market Redevelopment Project Area/Federal Office Building Redevelopment Project Area), Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point - South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area. The Agency finds that the use of the Authority to accomplish the borrowings will result in significant public benefits accruing from such borrowings, including demonstrable savings in effective interest rates and financing costs associated with the issuance of the Bonds. The Loan Agreements are approved substantially in the forms lodged with the Agency General Counsel, with any additions or changes therein deemed necessary or advisable by the Executive Director or the Deputy Executive Director, Finance and Administration, and their respective designees, after consultation with the Agency General Counsel, and the execution thereof shall be conclusive evidence of the approval of any such changes or additions. The proceeds of the loans will be used by the Agency to refinance its redevelopment activities. Each of the Loan Agreements shall be executed by either the Executive Director or the Deputy Executive Director, Finance and Administration, or the written designee of the Executive Director, each of whom is authorized to execute the Loan Agreements on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Loan Agreements for borrowings in an aggregate principal amount not to exceed \$178,000,000. The financings through the Authority, as contemplated in the Loan Agreements, are hereby approved.

Section 2. Official Statement. The Agency hereby approves the use of an Official Statement describing the Bonds (the "Official Statement"), a draft of which is lodged with the Agency General Counsel, and authorizes and directs either the Executive Director or the Deputy Executive Director, Finance and Administration, in consultation with bond counsel, to make such additions and changes as are necessary to describe the Bonds and the current financial condition and other affairs of the Agency accurately and completely. Distribution of the preliminary Official Statement is hereby approved, and, prior to the distribution of the preliminary Official Statement, either the Executive Director or the Deputy Executive Director, Finance and Administration, or the written designee of the Executive Director, each of whom is so authorized, shall, on behalf of the Agency, deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934. The final Official Statement shall be executed in the name and on behalf of the Agency by either the Executive Director or the Deputy Executive Director, Finance and Administration, or the written designee of the Executive Director, each of whom is authorized to execute the final Official Statement on behalf of the Agency. Distribution of the final Official Statement by the winning bidder for the Bonds is hereby approved.

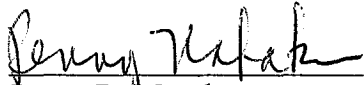
Section 3. Competitive Sale. The Agency authorizes the sale of the Bonds at a competitive sale at such time and date as the finance staff of the Agency may determine. The Agency authorizes the Executive Director and the Deputy Executive Director, Finance and Administration, and their respective designees, to take any and all actions necessary to sell the Bonds, including the preparation of an Official Notice of Sale. The yield to maturity payable with respect to the Bonds shall not exceed six percent (6%) per annum, and the underwriters' discount (excluding original issue discount) shall not exceed two percent (2%) of the par amount of the Bonds. In determining yield to maturity, all issuance costs, including underwriters' discount, shall be taken into account. Additionally, the Bonds shall not be issued if the savings resulting from the issuance thereof and the refunding of the applicable series of the Prior Bonds being refunded thereby is less than three percent (3%) of the debt service of such series of Prior Bonds being refunded.

Section 4. Disclosure Certificate. The Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed by the Agency is hereby approved substantially in the form lodged with the Agency General Counsel. The Executive Director and the Treasurer are each hereby authorized to execute and deliver the Disclosure Certificate in said form, with such additions thereto or changes therein as are recommended or approved by such officer upon consultation with the Agency General Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Disclosure Certificate by the Executive Director or the Treasurer.

Section 5. Official Actions. The Executive Director, the Deputy Executive Director, Finance and Administration, the Secretary, the Agency General Counsel, and any and all other officers and designees of the Agency are authorized and directed, for and in the name and on behalf of the Agency, to do any and all things and take any and all actions,

including the execution and delivery of any and all certificates, requisitions, agreements, notices, consents, and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Bonds, the making of the loans pursuant to the Loan Agreements and the refunding of the Prior Bonds and the Prior Loan Agreements (including agreements relating to the payment of the Prior Bonds and the loan agreements relating to the Prior Bonds).

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel