

RESOLUTION NO. 108-2007

Adopted October 2, 2007

AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$120,000,000 RELATING TO THE ISSUANCE OF 2007 SERIES A TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY BY AMENDING RESOLUTION NO. 44-2007; APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA - PROJECT AREA B, MISSION BAY NORTH PROJECT AREA, RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1)

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 (the interest on which will be subject to federal income taxation) designated as the "2007 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects)" (the Bonds") for the purpose of enabling the Authority and the Agency to finance certain redevelopment activities of the Agency, including affordable housing, for the following Redevelopment Project Areas: Bayview Hunters Point Redevelopment Project Area - Project Area B; Mission Bay North Project Area; Rincon Point - South Beach Redevelopment Project Area; South of Market Redevelopment Project Area; Transbay Redevelopment Project Area; and Yerba Buena Center Approved Redevelopment Project Area D-1.
3. In order to enable the Agency to finance a portion of its fiscal year 2006-07 budget, the Agency has previously adopted its Resolution No. 44-2007 on May 15, 2007 authorizing, among other things, the issuance of the Bonds and the

making of loans from the proceeds thereof to enable the Agency to finance redevelopment activities with respect to the following Redevelopment Project Areas: Rincon Point - South Beach Redevelopment Project Area; South of Market Redevelopment Project Area; and Yerba Buena Center Approved Redevelopment Project Area D-1.

4. In order to enable the Agency to finance a portion of its fiscal year 2007-08 budget, the Agency now desires to amend Resolution No. 44-2007 to increase the aggregate not to exceed amount of the Bonds from \$69,600,000 to \$120,000,000 and to approve the making of loans to the Agency with respect to the following additional Redevelopment Project Areas of the Agency (in addition to the Redevelopment Project Areas listed above): Bayview Hunters Point Redevelopment Project Area - Project Area B; Mission Bay North Project Area; and Transbay Redevelopment Project Area.
5. The Bonds will be repaid from, and secured by, payments made to the Authority by the Agency in order to repay the loans pursuant to various Loan Agreements (hereinafter defined).
6. 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.
7. The Bonds are being issued to finance certain public capital improvements located within the jurisdiction of the Agency and within the boundaries of the Agency's project areas described in paragraphs 3 and 4 above.
8. Following publication of a notice thereof, at least five days prior thereto in a newspaper of general circulation in this City, this Agency has held a public hearing, pursuant to Government Code Section 6586.5, on the proposed financings.
9. The sale and issuance of the Bonds is a financing mechanism that does not constitute a project as defined by the California Environmental Quality Act ("CEQA") (Section 15378(b)(4)), will not independently result in a physical change in the environment and is not subject to environmental review under CEQA.

FINDINGS

1. The Commission finds that the Board of Supervisors of the City and County of San Francisco, by its Resolution No. 423-06, adopted on July 18, 2006, approved the issuance of not to exceed \$146,850,000 of bonds for the purpose of financing the Agency's redevelopment activities relating to its fiscal year 2006-07 budget,

and by its Resolution No. 398-2007, adopted on July 17, 2007, approved the issuance of not to exceed \$128,300,000 of bonds for the purpose of financing the Agency's redevelopment activities relating to its fiscal year 2007-08 budget, and the Bonds are being issued pursuant to such approvals.

2. The Commission finds that none of the public capital improvements to be financed with proceeds of the Bonds are being constructed to support, or in conjunction with, a "development project," as such term is used in Section 6586.5(a)(2) of the Government Code.
3. 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.
4. The Commission finds, pursuant to Section 5903 of the California Government Code, that interest on the Bonds will be subject to federal income taxation.

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") hereby amends Resolution No. 44-2007 to authorize and approve borrowings from the City and County of San Francisco Redevelopment Financing Authority (the "Authority") pursuant to loan agreements with respect to the Bayview Hunters Point Redevelopment Project Area - Project Area B, the Mission Bay North Project Area, the Rincon Point - South Beach Redevelopment Project Area, the South of Market Redevelopment Project Area, the Transbay Redevelopment Project Area and the Yerba Buena Center Approved Redevelopment Project Area D-1 in connection with the issuance by the Authority of the Bonds (collectively, the "Loan Agreements"). The Agency finds and determines that the use of the Authority to accomplish the financings 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 form 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 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 finance its redevelopment activities. Each Loan Agreement 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 \$120,000,000. The financings through the Authority, as contemplated in the Loan Agreements, are hereby approved. Pursuant to Section 5903 of the California Government Code, the interest on the 2007 Series A Bonds will be subject to federal income taxation.

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 eight percent (8%) 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.

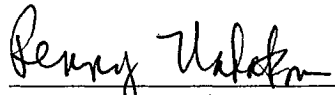
Section 4. Disclosure Certificate. The Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed by the Agency is hereby approved substantially in the form lodged with the Agency General Counsel. The Executive Director and the Treasurer are each hereby authorized to execute and 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 and the making of the loans pursuant to the Loan Agreements.

Section 6. Resolution No. 44-2007. This Resolution amends and supplements Resolution No. 44-2007, and to the extent Resolution No. 44-2007 is not inconsistent with this Resolution, it shall remain in full force and effect.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel