

RESOLUTION NO. 91-2008

Adopted September 2, 2008

CALLING SPECIAL ELECTION TO AMEND AND RESTATE THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX, INCREASE THE AUTHORIZED PRINCIPAL AMOUNT OF BONDED INDEBTEDNESS AND INCREASE THE ANNUAL APPROPRIATIONS LIMIT FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Commission of the Redevelopment Agency of the City and County of San Francisco (the "Agency") has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Act"), to form Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the "CFD"), to authorize the levy of a special tax (the "Special Tax") upon the land within the CFD, and to issue bonds secured by the Special Tax, the proceeds of which are to be used to finance certain public improvements, all as described in those proceedings.
2. The Rate and Method of Apportionment of Special Tax for the CFD (the "Rate and Method") was approved by the Commission pursuant to Resolution No. 36-2005, adopted by the Commission on April 5, 2005 (the "Resolution of Formation"), and is attached as Exhibit B to the Amended and Restated Notice of Special Tax Lien recorded in the Office of the Recorder of the City and County of San Francisco on May 26, 2005 as Document No. 2005H961494.
3. Pursuant to Resolution No. 37-2005, adopted by the Commission on April 5, 2005, entitled "Determining Necessity to Incur Bonded Indebtedness," the Commission declared the necessity to incur bonded indebtedness in the maximum principal amount of \$40,000,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the authorized facilities ("Facilities").
4. At an election of the qualified electors in the CFD held on April 5, 2005, the qualified electors approved the incurring of bonded indebtedness in the maximum principal amount of \$40,000,000 and an annual appropriations limit of \$40,000,000.

5. On April 20, 2005, pursuant to an Indenture of Trust dated as of April 5, 2005 (the "Indenture"), the Agency issued its \$34,500,000 initial principal amount Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A (the "2005 Bonds").
6. The Agency has been asked by owners of property in the CFD to (i) amend and restate the Rate and Method in order to reflect the current development plan within the territory of the CFD, (ii) increase the maximum principal amount of authorized bonded indebtedness for the CFD to \$65,000,000, and (iii) increase the annual appropriations limit to \$65,000,000.
7. On July 15, 2008, the Commission adopted a resolution entitled "Considering Amendment and Restatement of the Rate and Method of Apportionment of Special Tax and Increases in the Authorized Principal Amount of Bonded Indebtedness and the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)" (the "Resolution of Consideration"), pursuant to which the Commission (i) approved the proposed amended and restated Rate and Method (the "Amended and Restated Rate and Method") in the form attached as Exhibit A to the Resolution of Consideration, (ii) declared the intention of the Commission, acting as the legislative body for the CFD, to cause bonds of the City to be issued for the CFD pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities in the aggregate principal amount of not to exceed \$65,000,000 (which amount shall include the initial principal amount of the 2005 Bonds but shall not include the principal amount of fixed interest rate bonds issued for the purpose of refunding the variable rate 2005 Bonds), an increase from the existing maximum bonded indebtedness limit of \$40,000,000, (iii) approved an increased annual appropriations limit of \$65,000,000, and (iv) set a public hearing for September 2, 2008.
8. The public hearing was held on this date, and the proposed amendment and restatement of the Rate and Method, the proposed annual appropriations limit and the proposed increase in the maximum principal amount of bonded indebtedness were not opposed by more than 50% of the owners of land within the CFD.
9. Government Code Section 53338 authorizes the holding of a special election of the qualified electors in the CFD on the issue of (i) amending and restating the Rate and Method, (ii) increasing the maximum principal amount of authorized bonded indebtedness for the CFD to \$65,000,000 (which amount shall include the initial principal amount of the 2005 Bonds but shall not include the principal amount of fixed interest rate bonds issued for the purpose of refunding the variable rate 2005 Bonds), and (iii) increasing the annual appropriations limit to \$65,000,000.

10. Pursuant to the Indenture, the proposed increase in the maximum principal amount of authorized bonded indebtedness will be effective on the date that is 30 days after the Agency has given written notice to owners of the 2005 Bonds of the proposed increase in the amount of authorized bonded indebtedness and notifying them that they have the right to demand purchase of their 2005 Bonds.
11. The proposed action is not a Project as defined by the California Environmental Quality Act Guidelines Section 15378, and would not independently result in a significant physical effect on the environment.

RESOLUTION

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

- Section 1. As authorized by Section 53338 of the Act, the proposition to approve the Amended and Restated Rate and Method, the proposed annual appropriations limit and the proposed increase in the maximum principal amount of bonded indebtedness shall be placed upon a ballot, the form of which is attached hereto as Exhibit "A" and by this reference incorporated herein. Said form of the ballot is hereby approved.
- Section 2. This Commission hereby finds that fewer than 12 persons have been registered to vote within the CFD for each of the 90 days preceding the close of the public hearing heretofore conducted and concluded by this Commission for the purposes of these proceedings. Accordingly, and pursuant to the Act, this Commission finds that for purposes of these proceedings the qualified electors are the landowners within the CFD and that the vote shall be by said landowners or their authorized representatives, each having one vote for each acre or portion thereof such landowner owns in the CFD as of the close of the public hearing.
- Section 3. This Commission hereby calls a special election to consider the measures described in paragraph 1 above, which election shall be held in the Commission meeting room on September 2, 2008, at 4:00 p.m. or as soon thereafter as is practicable, and the results thereof canvassed at the meeting of this Commission on September 2, 2008 or a later date as may be directed by the Commission. The Secretary of the Agency is hereby designated as the official to conduct said election and to receive all ballots until the close of business on the election date.

This Commission hereby further finds that the provisions of Section 53326 of the Act requiring a minimum period of time before holding the special election are for the protection of the qualified electors of the CFD. There are on file with the Secretary of the Agency written waivers executed by

all of the qualified electors of the CFD allowing for a shortening of the time for the special election and waiving any requirement for notice, analysis and arguments in connection with the election. Accordingly, this Commission finds and determines that the qualified electors have been fully apprised of and have agreed to the shortened time for the election and waiver of analysis and arguments, and have thereby been fully protected in these proceedings. This Commission also finds and determines that the Secretary of the Agency has concurred in the shortened time for the election. Analysis and arguments with respect to the ballot measures are hereby waived, as provided in Section 53327 of the Act.

Section 4. It is hereby acknowledged that the Secretary of the Agency has on file the Resolution of Consideration, a certified map of the boundaries of the CFD, and a sufficient description to allow the Secretary of the Agency to determine the qualified electors of the CFD. Pursuant to Section 53327 of the Act, the election shall be conducted by messenger or mail-delivered ballot pursuant to Section 4000 of the California Elections Code. This Commission hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of Section 4000 are applicable to this special election.

Section 5. This Commission acknowledges that the Secretary of the Agency will cause to be delivered to each of the qualified electors within the CFD a ballot in the form set forth in Exhibit "A." Each ballot shall indicate the number of votes to be cast by the respective landowner to which it pertains. The Agency is a qualified elector of the CFD and the Commission hereby authorizes the Executive Director and the Secretary to execute a ballot in favor of the propositions.

Each ballot will be accompanied by all supplies and written instructions necessary for the use and return of the ballot. The envelope to be used to return the ballot will be enclosed with the ballot, have the return postage prepaid, and shall contain the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is the owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing official.

Section 6. The voted ballots shall be returned to the Secretary of the Agency no later than 4:00 p.m. on September 2, 2008. The Secretary of the Agency shall accept the ballots of the qualified electors in the meeting room of the Commission, whether said ballots be personally delivered or received by

mail. The Secretary of the Agency shall have available ballots which may be marked at said location on the election day by said qualified electors.

Section 7. This Resolution shall take effect upon its adoption.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel

EXHIBIT A

FORM OF BALLOT

**Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)**

This ballot is for a special, landowner election in the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements). You must return this ballot in the enclosed postage paid envelope to the office of the Secretary of the Agency of the City by no later than the hour of 4:00 p.m. on September 2, 2008, either by mail or in person. The Secretary of the Agency's office is located at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO." All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Secretary of the Agency and obtain another.

BALLOT MEASURE: Shall (i) the Rate and Method of Apportionment of Special Tax for the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the "CFD") be amended and restated as set forth in the form of Amended and Restated Rate and Method of Apportionment of Special Tax attached as Exhibit A to the resolution entitled "Considering Amendment and Restatement of the Rate and Method of Apportionment of Special Tax and Increases in the Authorized Principal Amount of Bonded Indebtedness and the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)" adopted by the Commission of the Redevelopment Agency of the City and County of San Francisco on July 15, 2008 (the "Resolution of Consideration"), which Amended and Restated Rate and Method of Apportionment of Special Tax I have read and understand, (ii) the annual appropriations limit be increased to \$65,000,000, and (iii) the maximum principal amount of bonded indebtedness to be incurred by the Agency on behalf of the CFD for the purpose of acquiring and/or constructing the public facilities authorized to be

financed by the CFD be increased to \$65,000,000 (which amount shall include the \$34,500,000 initial principal amount of bonds issued by the Agency in 2005 but shall not include the principal amount of fixed interest rate bonds issued to refund such outstanding 2005 bonds)?

YES: _____

NO: _____

By execution in the space provided below, I also indicate my waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings relating to the ballot measure.

Number of Votes: _____

Property Owned by Property Owner: _____

The Property Owner is:

By: _____
Name: _____
Title: _____