

RESOLUTION NO. 92-2010

Adopted July 6, 2010

APPROVING PROPOSED CHANGES TO THE BUDGET FOR THE PERIOD JULY 1, 2010 THROUGH JUNE 30, 2011, AS RECOMMENDED BY THE BUDGET AND FINANCE COMMITTEE OF THE BOARD OF SUPERVISORS

BASIS FOR RESOLUTION

1. In accordance with the California Community Redevelopment Law (“Law”), the Redevelopment Agency of the City and County of San Francisco (“Agency”) is required to establish and adopt a budget (“Budget”) for fiscal year 2009-10. Cal. Health and Safety Code § 33606.
2. Section 33606 of the Law requires that the Agency adopt an annual budget containing the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency’s proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency’s anticipated revenues; the Agency’s upcoming work program and goals; and an examination of the previous year’s achievements and a comparison of the achievements with the goals of the previous year’s work program.
3. Section 33606 of the Law provides for approval of the annual Budget of the Agency and of any amendments to the Budget by the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”).
4. On May 4, 2010, the Agency Commission approved, per Resolution No. 46-2010, the Budget and authorized its submission to the Mayor’s Budget Office.
5. On June 15, 2010, the Agency Commission approved further amendments to the Budget per Resolution No. 84-2010 and authorized its submission to the Mayor’s Budget Office and the Board of Supervisors.
6. Since the Commission’s approval of the Budget, Agency staff has been in discussions with the Budget Analyst for the Board of Supervisors about possible amendments to the Budget in an effort to address the fiscal challenges facing the City and County of San Francisco and the Agency.
7. The Budget Analyst, the Budget and Finance Committee of the Board of Supervisors and Agency staff have now agreed, subject to Agency Commission approval, upon several material changes to the Budget that would accomplish the following: reduction of \$169,032 in salary savings; deletion of one Senior Civil

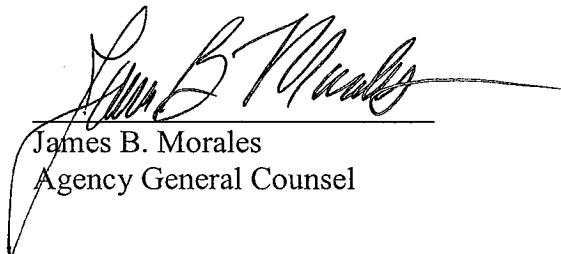
Engineer position because of reduced need for engineering staff resulting in a reduction of \$194,508 salary and fringe expenses; reduction of \$315,895 in expenses related to maintenance, training, consulting, printing, miscellaneous office expenses, and other administrative expenses. Cumulatively, the total amount of reduction to the Budget is \$679,435.

8. The Board of Supervisors will take final action on the resolution approving the Budget, attached as Exhibit 1, at its meeting scheduled for July 20, 2010.
9. Approval of the proposed changes to the Budget and of the Alternative Budget is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5). The proposed action will not change conditions in any redevelopment project or survey area or at any affordable housing site, will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that its proposed Budget, as amended, for the period July 1, 2010 through June 30, 2011 is adopted.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

Attachment: Exhibit 1

EXHIBIT 1

Resolution approving the Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2010-2011 and approving the Issuance by the Redevelopment Agency of Bonds in an aggregate principal amount of not to exceed \$64,000,000 to finance a portion of redevelopment activities described in such approved Budget for fiscal year 2010-2011

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various Redevelopment Plans in the City and County of San Francisco (the "City") in accordance with the Community Redevelopment Law of the State of California, California Health and Safety Code section 33000 et seq. (the "Law"); and

WHEREAS, Section 33606 of the Law provides for approval of the annual Budget of the Agency by the Legislative Body of the City (the "Board of Supervisors"); and

WHEREAS, Section 33606 of the Law also requires that the Agency adopt an annual budget containing the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency's proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency's anticipated revenues; the Agency's upcoming work program and goals; and an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program; and

WHEREAS, Sections 33334.2 and 33334.3 of the Law require the Agency to use the Low and Moderate Income Housing Fund to construct, rehabilitate, and preserve affordable housing that must remain available at affordable housing cost to, and occupied by, extremely low, very low, low-, and moderate-income households for the longest feasible time, but for not less than the periods of time specified in Section 33334.3 (f)(1)(A)-(C); and

WHEREAS, Section 33334.2 (g) of the Law provides that the Agency may use the Low and Moderate Income Housing Funds outside of redevelopment project areas based on a finding of benefit to the project areas; and

WHEREAS, The Agency has submitted its annual budget for fiscal year 2010-2011 (the "Budget") to the Board of Supervisors for approval; and

WHEREAS, The Agency has developed a financing program for the purposes of financing a portion of its Budget which will require the Agency to enter into loans and/or to issue and to refund, as necessary, or to cause to be loaned and/or issued and/or refunded on its behalf by a public finance authority, tax allocation bonds, notes, or other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness being referred to as the "Bonds") in an aggregate principal amount of not to exceed \$ 64,000,000 (a portion of the proceeds of which may be used to reimburse the Agency for amounts spent under its Budget prior to the issuance of the Bonds) and which will be repaid from and secured by the taxes allocated to and paid to the Agency pursuant to the Law (and in particular but not limited to Sections 33670 - 33674) and Section 16 of Article XVI of the California Constitution; and

WHEREAS, The Law provides that the issuance of the Bonds is subject to the approval of the Board of Supervisors; and

WHEREAS, The Agency hereby requests that such approval be granted, and the Board of Supervisors is agreeable to doing so, based on the terms and conditions contained in this resolution; and

WHEREAS, The Agency and the City and County of San Francisco (the "City") entered into the Mission Bay North Tax Increment Allocation Pledge Agreement and the Mission Bay South Tax Increment Allocation Pledge Agreement, each dated as of November 16, 1998, for the purpose of providing to

said project areas tax increment based not on estimated property values but on actual tax increment; and

WHEREAS, The Agency and the City and the Transbay Joint Powers Authority (the "TJPA") entered into the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement dated as of January 31, 2008 for the purpose of financing development of the Transbay Terminal Project, such financing including, but not limited to, the irrevocable pledge of all Net Tax Increment, as defined in said agreement, to the TJPA; now, therefore, be it

RESOLVED, By the Board of Supervisors of the City and County of San Francisco that it does hereby approve the Budget of the Agency for fiscal year 2010-2011, which Budget is incorporated herein and made a part hereof; and, be it

FURTHER RESOLVED, By the Board of Supervisors of the City and County of San Francisco. pursuant to Health and Safety Code section 33334.2, subdivision (g), that it hereby finds and declares that the Agency's affordable housing activities and replacement of affordable housing within the redevelopment project areas located within the City and County of San Francisco and in other parts of the City and County of San Francisco, as described in the Agency's Budget, are of benefit to the adopted redevelopment project areas; and be it

FURTHER RESOLVED, That the Agency report annually to the Board of Supervisors on the percent completion for each of the project areas currently underway with the submission of future annual budgets; and, be it

FURTHER RESOLVED, That the issuance of the Bonds by the Agency is approved in the principal amount of not to exceed \$64,000,000, for the purpose of financing a portion of the Agency's Budget and to reimburse the Agency for

amounts spent under its Budget prior to the issuance of the Bonds; and the Agency is also authorized to refund such Bonds if the sale of such refunding Bonds produces a minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the par value of Bonds that are refunded or that achieves a more favorable debt to debt service coverage ratio; and, be it

FURTHER RESOLVED, That the Controller is hereby authorized and directed to make adjustments to the Agency's tax increment draw, as set forth in the Redevelopment Agency's fiscal year 20010-2011 Budget, related to the Mission Bay North Redevelopment Project adopted October 26, 1998 and Mission Bay South Redevelopment Project adopted November 2, 1998 for the purpose of providing to said project areas tax increment based not on estimated property values but on actual tax increment recorded, as administered under the Teeter Plan, including the net impact of all roll corrections, as required by each Project Area's respective Tax Increment Allocation Pledge Agreement, each dated November 16, 1998 and as approved by the City and Agency; and, be it

FURTHER RESOLVED, That the Controller is hereby authorized and directed, to the extent that certain state-owned parcels identified in the Transbay Agreement generate net tax increment, to make adjustments to the Agency's tax increment draw, as set forth in the Redevelopment Agency's fiscal year 2009-2010 Budget, pursuant to the Transbay Agreement for the purpose of providing to the TJPA Net Tax Increment, as defined in the Transbay Agreement, based not on estimated property values but on actual Net Tax Increment recorded, as administered under the Teeter Plan, including the net impact of all roll corrections.