

RESOLUTION NO. 15-2011

Adopted March 1, 2011

APPROVING AN AMENDMENT TO THE BUDGET OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO FOR FISCAL YEAR 2010-2011 TO INCREASE THE AGENCY'S RECEIPT OF REVENUE, INCLUDING ADDITIONAL BOND PROCEEDS, AND TO INCREASE ITS EXPENDITURE AUTHORITY IN AN ADDITIONAL AGGREGATE AMOUNT NOT TO EXCEED \$81.44 MILLION; AND TO AMEND THE AGENCY'S FISCAL YEAR 2010-2011 STATEMENT OF INDEBTEDNESS TO CONFORM TO THE CHANGES IN THE BUDGET

BASIS FOR RESOLUTION

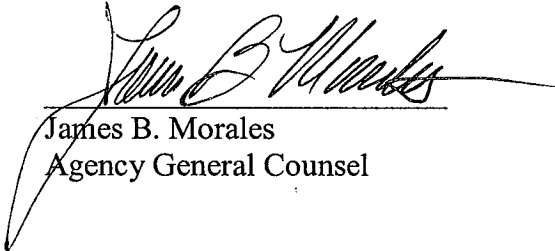
1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various Redevelopment Plans and programs in the City and County of San Francisco (the "City") in accordance with the California Community Redevelopment Law, California Health and Safety Code, Sections 33000 *et seq.* (the "Law").
2. Section 33606 of the Law provides for approval of the annual budget of the Agency, and any amendments to the budget, by the Legislative Body of the City (the "Board of Supervisors").
3. On July 6, 2010, the Agency Commission approved, by Resolution No. 92-2010, the Agency's budget of approximately \$225,228,565 for fiscal year 2010-2011 (the "Budget") after accepting approximately \$679,435 in reductions recommended by the Budget and Legislative Analyst of the Board of Supervisors.
4. The Board of Supervisors approved, by Resolution No. 320-10, the Budget and the issuance of bonds in the principal amount of not to exceed \$64 million for the purpose of financing a portion of the Budget.
5. The Agency wishes to amend its Budget for fiscal year 2010-2011 to permit the receipt and use of: a) additional tax increment of \$5.44 million; b) \$6.0 for the purposes of making the payment to the Supplemental Educational Revenue Augmentation Fund ("SERAF") of the City and County of San Francisco that is required prior to May 10, 2011 under Section 33690.5 of the Law; and c) bond proceeds in the amount of \$70.0 million for the purposes of low and moderate housing and for the reimbursement of public improvements made by the Mission Bay master developer pursuant to the Mission Bay North Tax Increment Allocation Pledge Agreement and the Mission Bay South Tax Increment Allocation Pledge Agreement between the City and Agency, each dated November 16, 1998 (the "Amended Budget").

6. A summary of the proposed Amended Budget is attached to this Resolution.
7. The Agency is seeking separate approval from the Agency Commission and the Board of Supervisors for the issuance of tax allocation bonds that are consistent with the Amended Budget.
8. The Agency acknowledges that the actions taken pursuant to this Resolution are subject to the approval of the Mayor's Office and the Board of Supervisors.
9. Approval of the Amended Budget is not a "Project," as defined by 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 it does hereby approve the Amended Budget, substantially in the form of the summary attached to this Resolution.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

**Exhibit A: Fiscal Year 2010/11
Budget Summary by Project Area
(Thousands of Dollars)**

		SB 2113		SB2113	SB2113					SB2113				SB2113					
		Art Ctr & Gardens		South Beach		India Basin	South of Market	City Wide Housing	H.P. Shipyard (Phase I)	(Phase II)	Golden Gateway	Mission(1) Bay South	Mission(1) Bay North	Vis. Valley	Bayview (Area B)	Hunters Point	Transbay Terminal	Mid Market	Agency Total
Sources	YBC	Operation	RP-SB	Harbor	WA-2	Basin	Market	Housing	(Phase I)	(Phase II)	Gateway	Bay South	Bay North	Valley	(Area B)	Point	Terminal	Market	Total
Property Sales	-	-	-	-	-	-	-	-	-	-	-	1,155	-	-	-	-	-	-	1,155
Rentals/Leases	1,500	7,244	630	3,286	-	-	-	1,822	213	-	-	-	-	-	182	-	-	-	14,878
Prior Year Earnings/Savings	4,493	134	-	-	-	-	800	87	-	-	1,838	-	-	202	-	-	-	-	7,554
Developer Contributions	200	-	100	-	-	-	-	-	2,996	6,776	-	-	2,559	6,000	440	-	-	-	19,071
Grants	-	-	-	-	-	-	1,600	11,378	4,450	-	-	7,200	-	-	-	1,109	-	-	25,857
Other	-	1,600	-	60	-	-	-	2,216	337	-	-	-	747	-	-	-	500	304	4,164
Tax Increment(Committed) (2)	27,055	-	17,789	-	12,495	561	2,693	-	-	-	13,805	10,996	12,192	-	2,718	571	4,008	-	104,884
Total Sources	33,247	8,978	18,519	3,346	12,495	561	5,093	15,503	7,996	6,776	15,643	21,910	18,939	642	4,009	571	4,508	424	177,562
Uses																			
Legal	-	-	-	13	-	-	-	-	-	-	-	-	-	-	10	-	-	20	43
Studies & Misc. Items	-	-	-	10	-	-	-	-	-	-	-	96	24	60	100	-	-	120	410
Planning	-	-	-	-	-	-	100	-	-	-	-	-	-	100	178	-	-	664	1,042
Public Improvements	1,600	1,734	-	-	-	-	2,400	-	-	-	-	47,200	10,000	80	1,287	-	11,500	-	74,201
Arch/Eng Design & Review	-	-	-	-	-	-	-	-	-	-	-	-	-	35	255	-	-	-	290
Property Maintenance	500	6,898	730	1,324	-	-	200	-	3,550	-	-	-	-	75	-	-	-	-	13,277
Housing Produc. & Assist.(2)	285	-	-	-	-	-	-	37,014	-	-	-	12,317	11,593	-	-	-	5,000	-	66,209
Job Training/Assist.	160	-	-	-	-	-	250	-	-	-	-	-	-	-	950	-	-	-	1,360
Business Development	-	-	-	-	-	-	1,750	-	1,450	-	-	-	-	85	590	-	500	-	4,375
Other	3,000	346	-	-	-	-	185	-	2,374	5,505	-	-	-	7	580	-	300	150	12,447
Pass-Through Obligations	1,596	-	2,431	-	744	-	931	-	-	-	638	4,317	4,438	-	566	-	1,412	-	17,072
Debt Service (2)	26,631	-	14,300	889	11,751	561	1,762	-	-	-	15,006	4,841	6,636	-	2,152	571	2,596	-	87,696
Work Program Costs	33,771	8,978	17,461	2,235	12,495	561	7,578	37,014	7,374	5,505	15,643	68,771	32,691	442	6,668	571	21,308	954	278,422
Personnel Costs	1,128	-	840	937	199	-	784	7,420	622	1,264	521	908	579	200	408	-	1,319	-	17,127
Administrative Costs	455	-	218	174	74	-	167	1,846	-	-	129	231	167	-	271	-	267	-	4,001
Total Uses	35,354	8,978	18,519	3,346	12,768	561	8,529	46,280	7,996	6,769	16,293	69,910	33,438	642	7,348	571	22,894	954	299,550
SERAF (3)													6,000						6,000
Surplus(Shortfall)	(2,107)	0	0	0	(273)	-	(3,436)	(30,777)	-	7	(650)	(48,000)	(20,499)	-	(3,339)	-	(18,386)	(530)	(127,989)
Deficit Funded With:																			
City General Fund Loan (All of Vis. Valley Budget & 160K for Bayview HP planning)																			-
Tax Inc.(pay-as-you-go) to fund portions of Admin/Prsnl budget and Bayview HP (Area B) and SOM work programs:																			9,424
Tax Inc Bond Proceeds																			118,564
Additional Tax Increment (T.I.) Request																			9,424
Plus: T.I. to Service Prior Debt, Developer Pass-Throughs, & State Mandated Pass-Throughs																			104,884
Total T.I. Request FY 2010/11																			114,308
Less: AB1290 Pass-Through to City																			10,553
Net SFRA Tax Increment Request																			103,755
General Fund Contribution(56.69% of total T.I. Request & "general fund" request)																			64,801
(1) Pursuant to the Tax Increment Pledge Agreement between the Agency and developer, Agency is obligated to finance Mission Bay public improvements with proceeds from sale of tax allocation bonds.																			
(2) Tax Increment revenue and Debt Service assume issuance of in FY 2010 of \$28M bonds to partially fund the SERAF Payment. The Impact on Tax Increment is not expected to exceed \$3.58M																			
(3) SERAF Payment from Mission Bay North is proposed but subject to agreement among the City, SFRA and Developer.																			

1 [Redevelopment Agency Budget]

2
3 **Resolution approving an amendment to the budget of the Redevelopment Agency of**
4 **the City and County of San Francisco for fiscal year 2010-2011 Budget to (1) authorize**
5 **an additional expenditure in an amount not to exceed \$ 75.44 million; and (2) approving**
6 **the issuance by the Redevelopment Agency of Bonds in an additional principal amount**
7 **not to exceed \$70.0 million to finance a portion of redevelopment activities described in**
8 **the approved Budget, as amended for fiscal year 2010-2011.**

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

14 WHEREAS, Section 33606 of the Law provides for approval of the annual budget of
15 the Agency, and any amendments to the budget, by the legislative body of the City (the
16 "Board of Supervisors"); and,

17 WHEREAS, The Board of Supervisors approved, by Resolution No. 320-10, the
18 Agency's budget for the fiscal year 2010-2011 (the "Budget") and approved the issuance of
19 bonds in the principal amount of not to exceed \$64 million for the purposes of financing a
20 portion of the Budget by Resolution No. 320-10; and,

21 WHEREAS, at the time of the development and approval of the FY 2010-2011 budget,
22 the Agency and the Tax Assessor did not have available tax roll information that resulted in a
23 significant increase in property taxes in Mission Bay due to the accelerated assessment
24 agreement between the Assessor and the Agency;

1 WHEREAS, with the increased assessed values and tax increment, the debt capacity,
2 funds available for Low/Moderate Housing and Project Cost reimbursements are also
3 increased and pursuant to the Tax Increment Allocation Pledge Agreements and Financing
4 Plan, all remaining funds after the pass through payments, housing set-asides, debt service
5 and project expenses are obligated to the developer;

6 WHEREAS, The Agency wishes to amend its Budget for the fiscal year 2010-2011 to
7 permit the receipt of additional tax increment of \$5.44 million, and bond proceeds in the
8 amount of \$70.0 million for the purposes of low moderate housing and for the reimbursement
9 of public improvements made by Catellus pursuant to the Tax Increment Allocation Pledge
10 Agreement between the City and County of San Francisco, San Francisco Redevelopment
11 Agency and Catellus made on November 16, 1998 For Mission Bay North and South; and

12 WHEREAS, Section 33640 of the Law provides that the issuance of Bonds is subject to
13 the approval of the Board of Supervisors; and

14 WHEREAS, the Agency seeks to undertake the above-described redevelopment
15 activities, as amended, whereby the Agency will enter into loans and/or issue and refund, as
16 necessary, or cause to be loaned and/or issued and/or refunded on its behalf by a public
17 finance authority, tax allocation bonds, notes, or other evidence of indebtedness (such loans,
18 bonds, notes or other evidence of indebtedness being referred to as the "Bonds") in an
19 additional principal amount of not to exceed \$70.0 million, which will be repaid from and
20 secured by the taxes allocated to and paid to the Agency pursuant to the Law (and in
21 particular but not limited to Sections 33670-33674) and to Section 16 of Article XVI of the
22 California Constitution; now, therefore, be it

23 RESOLVED, By the Board of Supervisors of the City and County of San Francisco that
24 it does hereby approve the following amendment to the Budget, which is on file with the Clerk
25

1 of the Board of Supervisors in File No. _____ and is hereby declared to be a part of this
2 Resolution as if set forth fully herein: increasing the amount of tax increment bond proceeds
3 that the Agency receives in the amount of \$70.0 million and increasing the Agency's
4 expenditure authority by \$75.44 million; and be it

5 FURTHER RESOLVED, By the Board of Supervisors of the City and County of San
6 Francisco that it does hereby approve the issuance of the Bonds by the Agency in an
7 additional amount of not to exceed \$70.0 million for the purposes of financing a portion of the
8 Agency's Budget, as amended; and be it

9 FURTHER RESOLVED, The Agency is authorized to refund such Bonds if the sale of
10 refunding Bonds produces a minimum net debt service savings (net of reserved fund earnings
11 and other offsets) of at least 3% of the par value of Bonds that are refunded to achieve a more
12 favorable debt to debt service coverage ratio.

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