

RESOLUTION NO. 19-2011

Adopted March 1, 2011

AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$45,000,000 RELATING TO THE ISSUANCE OF 2011 SERIES D TAX ALLOCATION REVENUE BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY SOUTH 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 2011 Series D Tax Allocation Revenue Bonds (Mission Bay South Redevelopment Project) (the "Bonds") for the purpose of enabling the Authority and the Agency to finance and refinance certain redevelopment activities of the Agency for the Mission Bay South Redevelopment Project Area.
3. The Bonds will be repaid from, and secured by, payments made to the Authority by the Agency pursuant to the Loan Agreement (hereinafter defined) and the Promissory Note (as such term is defined in the Loan Agreement).
4. The Authority and the Agency propose to sell the Bonds by negotiated sale, and, in connection with the offering of such Bonds, the Authority and the Agency will prepare or cause to be prepared Official Statements and a Bond Purchase Contract relating to the Bonds.
5. 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 set forth below.

6. 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.
7. The sale and issuance of the Bonds are Agency fiscal activities that are not Project as defined by the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4), will not independently result in a physical change in the environment, and are 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 (the “Board”), by Resolution No. 320-10 adopted on July 13, 2010, approved the Agency’s incurring of not to exceed \$64,000,000 of debt for the purpose of financing the Agency’s redevelopment activities with respect to fiscal year 2010-11, and is expected to approve the incurring by the Agency of an additional \$70,000,000 of debt for the purpose of financing additional redevelopment activities of the Agency for fiscal year 2010-11.
2. The Agency has previously incurred \$12,055,000 of the \$64,000,000 of debt authorized on July 13, 2010 in connection with the Authority’s issuance of its \$40,055,000 aggregate principal amount of 2010 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), leaving \$51,945,000 of the July 13, 2010 authorization remaining.
3. 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.
4. 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.

RESOLUTION

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

Section 1. Approval of Loan. The Agency authorizes and approves borrowings from the City and County of San Francisco Redevelopment Financing Authority (“Authority”) pursuant to a loan agreement with respect to the Mission Bay South Redevelopment Project in connection with the issuance by the Authority of the Bonds (the “Loan Agreement”). 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 Agreement is 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 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 loan will be used by the Agency to finance and refinance its redevelopment activities. Each Loan Agreement shall be executed by either the Executive Director or the Deputy Executive Director, Finance and Administration, or their respective designees, each of whom is authorized to execute the Loan Agreement on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Loan Agreement for borrowings in an aggregate principal amount not to exceed \$45,000,000, provided that the Loan Agreement will not be executed if the additional \$70,000,000 of Agency debt is not approved by the Board, as referenced above, and provided further that in no event shall the aggregate principal amount of the Loan Agreement, together with the aggregate principal amount of the Loan Agreement being executed in connection with the Authority's 2011 Taxable Series A Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), the Authority's 2011 Series B Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects), and the Authority's 2011 Series C Tax Allocation Revenue Bonds (Mission Bay North Redevelopment Project) (excluding therefrom any Agency debt incurred solely to refund previously incurred Agency debt) exceed \$121,945,000 if the additional \$70,000,000 of Agency debt is approved by the Board and \$51,945,000 if the additional \$70,000,000 of Agency debt is not approved by the Board. The financing through the Authority, as contemplated in the Loan Agreement, is hereby approved. The Agency also approves the execution and delivery of the Promissory Note in connection with the execution and delivery of the Loan Agreement.

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, 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, each of whom is authorized to execute the final Official Statement on behalf of the Agency. Distribution of the final Official Statement by the Underwriters (as defined below) is hereby approved.

Section 3. Sale of Bonds. The Agency authorizes the sale of the Bonds to E. J. De La Rosa & Co., Inc. and Backstrom McCarley Berry & Co. (the "Underwriters") pursuant to the terms of the bond purchase contract (the "Bond Purchase Contract") among the Authority, the Agency and the Underwriters, a draft of which is lodged with the Agency

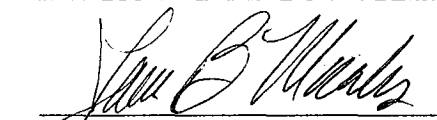
General Counsel, and authorizes the Executive Director or the Deputy Executive Director, Finance and Administration, and their respective designees, to take any and all actions necessary to sell the Bonds by executing the Bond Purchase Contract in substantially the form lodged with the Agency General Counsel, 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 Bond Purchase Contract by the Executive Director or the Deputy Executive Director, Finance and Administration, provided that the yield to maturity payable with respect to the Bonds shall not exceed nine and one-half percent (9.50%) per annum, and the underwriters' discount (excluding original issue discount) shall not exceed one percent (1.00%) 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 Deputy Executive Director, Finance and Administration, 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 Deputy Executive Director, Finance and Administration.

Section 5. Municipal Bond Insurance and Surety Bonds. The Executive Director and the Deputy Executive Director, Finance and Administration, are hereby authorized and directed to obtain a municipal bond insurance policy for the Bonds and reserve account surety bonds for the Loan Agreement if it is determined, upon consultation with the Underwriters and Public Financial Management, Inc., the financial advisor to the Agency and the Authority, that such municipal bond insurance policy and/or surety bonds are available and will reduce the true interest costs with respect to the Bonds and/or otherwise enable the Agency and the Authority to better meet their financing objectives.

Section 6. 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 loan pursuant to the Loan Agreement, all as described herein.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel