

**COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE**

RESOLUTION NO. 96-2014

**Adopted December 2, 2014**

**CONFIRMING, SUBJECT TO APPROVAL BY THE DEPARTMENT OF FINANCE, THE ISSUANCE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TAXABLE AND TAX-EXEMPT REFUNDING TAX ALLOCATION BONDS IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS; VARIOUS PROJECT AREAS**

WHEREAS, Under California Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, No. 5194861, all redevelopment agencies in the State of California (the “State”), including the Redevelopment Agency of the City and County of San Francisco (the “Former Redevelopment Agency”), were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and,

WHEREAS, In June of 2012, the California legislature adopted Assembly Bill 1484 (“AB 1484”) amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities (Section 34173 (g) of the California Health and Safety Code (the “Code”)), and have the authority, with approval of the oversight board and Department of Finance, to issue bonds for certain refunding purposes (Section 34177.5(a)(1) of the Code), and the Governor of the State signed AB 1484 and it became effective on June 27, 2012; and,

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012, the Board of Supervisors of the City adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency (as defined herein) is a separate legal entity from the City; (b) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in AB 26 as amended by AB 1484, and as it may be further amended from time to time (collectively referred to in the Implementing Ordinance as the “Redevelopment Dissolution Law”), title to all assets, and all rights, obligations and liabilities of the Former Redevelopment Agency; (c) declared that the name of the Successor Agency is the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco;” (d) established the Successor Agency Commission (the “Successor Agency Commission”) and delegated to the Successor Agency Commission the authority (excluding authority as to the “Housing Assets,” as defined in the Implementing Ordinance) to act in place of the Former

Redevelopment Agency Commission to, among other matters, (i) implement, modify, enforce and complete the Former Redevelopment Agency's enforceable obligations, except with respect to certain enforceable obligations for specified affordable housing purposes, (ii) approve all contracts and actions related to the assets transferred to or returned by the Successor Agency, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Successor Agency Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, including, without limitation, authorizing additional obligations in furtherance of enforceable obligations, and approving the issuance of bonds to carry out the enforceable obligations, subject to any approval of the oversight board of the Successor Agency established pursuant to the provisions of the Redevelopment Dissolution Law (the "Oversight Board"), (e) designated the means by which the five members of the Successor Agency Commission would be determined, and (f) provided for an Executive Director of, and legal counsel to, the Successor Agency; and,

WHEREAS, The Successor Agency is also known as the Office of Community Investment and Infrastructure ("OCII") and its commission is known as the Commission on Community Investment and Infrastructure; and,

WHEREAS, Prior to the dissolution of the Former Redevelopment Agency, the Former Redevelopment Agency entered into the loan agreements set forth on Exhibit A hereto and incorporated herein (collectively, the "Existing Loan Agreements"), and issued the bonds set forth on Exhibit A hereto and incorporated herein (collectively, the "Prior Bonds"), to finance and refinance redevelopment activities; and,

WHEREAS, Section 34177.5(a)(1) of the Code provides that a successor agency may issue bonds or incur other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency to provide savings to the successor agency, provided that the conditions set forth in that section (the "Savings Parameters") are met; and,

WHEREAS, Section 34177.5(b) of the Code authorizes a successor agency to issue such refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law"); and,

WHEREAS, In order to refinance certain of the Prior Bonds (the "Refunded Bonds") and the related Existing Loan Agreements set forth on Exhibit B hereto and incorporated herein (the "Refunded Loan Agreements"), under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, the Successor Agency has determined to issue its refunding bonds (collectively, the "2014 Bonds") in two or more series captioned "2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)" (the "2014 Series B Taxable Bonds") and "2014 Series C Subordinate Tax Allocation Refunding

Bonds (San Francisco Redevelopment Projects)” (the “2014 Series C Bonds”);  
and

WHEREAS, To determine that the issuance of the 2014 Bonds, the refunding of the Refunded Bonds and the refinancing of the Refunded Loan Agreements comply with the Savings Parameters, the Successor Agency has caused its financial advisors, Public Financial Management, Inc., and Kitahata & Company (collectively, the “Financial Advisors”), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the 2014 Bonds to prepay the Refunded Loan Agreements and, thereby, to refund the Refunded Bonds (the “Debt Service Savings Analysis”);

WHEREAS, The 2014 Bonds will be payable from Pledged Tax Revenues, as such term is defined in the hereinafter mentioned Indenture; and,

WHEREAS, The Successor Agency, pursuant to Resolution No. 83-2014, adopted September 12, 2014, approved the issuance of the 2014 Bonds and the execution of certain documents relating to the 2014 Bonds, including the Indenture of Trust pursuant to which the 2014 Bonds will be issued (the “Indenture”), and requested that the Oversight Board for the Successor Agency (the “Oversight Board”) approve the issuance of the 2014 Bonds by the Successor Agency; and,

WHEREAS The Oversight Board by Resolution No. 9-2014, adopted September 22, 2014, approved the issuance of the 2014 Bonds by the Successor Agency, and said Resolution has been forwarded to the California Department of Finance (“DOF”) pursuant to Sections 34177.5(f) and 34179(h) of the Code; and

WHEREAS, On September 29, 2014, DOF requested review of Oversight Board Resolution No. 9-2014 and indicated that it has 100 days to review the resolution; and

WHEREAS, The Successor Agency, with the assistance of its disclosure counsel, its bond counsel, its financial advisors, its fiscal consultant and the Underwriters (as defined below), has caused to be prepared a form of Official Statement describing the 2014 Bonds and containing material information relating to the 2014 Bonds, the preliminary form of which is on file with the Secretary of the Successor Agency; and

WHEREAS, The sale and issuance of the 2014 Bonds are Successor Agency fiscal activities that do not constitute a “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; now therefore, be it

RESOLVED, The Successor Agency Commission finds that:

The Successor Agency has full authority, upon the receipt of DOF approval, under Section 34177.5(a)(4) of the Code to issue the 2014 Bonds to refund the Refunded Loan Agreements, subject to the Oversight Board’s approval and the

DOF's non-objection to or approval of the Oversight Board's Resolution; and, be it further

RESOLVED Upon receipt of DOF approval, all acts and proceedings required by law necessary to make the 2014 Bonds, when executed by the Successor Agency, authenticated and delivered by the trustee for the 2014 Bonds (the "Trustee") and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute the Indenture a valid and binding agreement for the uses and purposes therein set forth, in accordance with its terms, will have been done or taken and the execution and delivery of the Indenture will have been in all respects duly authorized; and, be it further

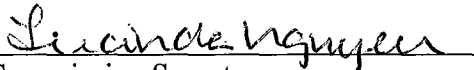
RESOLVED, The Successor Agency hereby approves the preliminary Official Statement describing the 2014 Bonds, in substantially the form on file with the Successor Agency's Secretary. Distribution of the preliminary Official Statement by Piper, Jaffray & Company, Inc., Stifel Nicolas & Company, Inc. and Stinson Securities, LLC, as the underwriters for the 2014 Series B Taxable Bonds (the "2014 Series B Taxable Underwriters") and Backstrom McCarley Berry & Company, LLC, Stifel Nicolas & Company, Inc. and Blaylock Beal Van, LLC, as the underwriters for the 2014 Series C Bonds (the "2014 Series C Underwriters" and, together with the 2014 Series B Taxable Underwriters, the "Underwriters") is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Executive Director and the Deputy Executive Director, Finance and Administration (each being hereinafter referred to as an "Authorized Officer"), each acting alone, are hereby authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer and the addition of such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2014 Bonds, and the Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriters a certificate with respect to the information set forth therein and to deliver to the Underwriters a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement; and, be it further

RESOLVED, The Successor Agency Commission hereby authorizes and directs the officers and agents of the Successor Agency to do any and all things and take any and all actions and to execute any and all certificates, agreements and other documents, including, but not limited to, the purchase of a bond insurance policy or a surety bond, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2014 Bonds in accordance with this Resolution and Resolution No. 83-2014; and, be it further

RESOLVED, The Successor Agency Commission hereby confirms its actions in Resolution No. 83-2014 authorizing and approving the issuance of the 2014 Bonds pursuant to the

Indenture in accordance with Section 34177.5(a)(4) of the Code in the aggregate principal amount of not to exceed \$300,000,000, and the sale of the 2014 Bonds to the Underwriters, provided that the discount charged by the 2014 Series B Taxable Underwriters does not exceed .462% of the par amount of the 2014 Series B Taxable Bonds, and that the discount charged by the 2014 Series C Underwriters does not exceed .45% of the par amount of the 2014 Series C Bonds.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 2, 2014.

  
Commission Secretary