

**CITY AND COUNTY OF
SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY**

RESOLUTION NO. 1-2017

**AUTHORIZING THE PURCHASE AND SALE OF (i) SUCCESSOR
AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO 2017 SERIES A TAXABLE
THIRD LIEN TAX ALLOCATION BONDS (AFFORDABLE
HOUSING PROJECTS) IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$112,000,000 AND (ii) SUCCESSOR AGENCY TO
THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY
OF SAN FRANCISCO 2017 SERIES B THIRD LIEN TAX
ALLOCATION BONDS (TRANSBAY INFRASTRUCTURE
PROJECTS) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED \$50,000,000; APPROVING FORM OF BOND PURCHASE
CONTRACTS AND AUTHORIZING THE NEGOTIATED SALE OF
THE BONDS; AND AUTHORIZING AND APPROVING OTHER
MATTERS PROPERLY RELATING THERETO; AFFORDABLE
HOUSING OBLIGATIONS; TRANSBAY INFRASTRUCTURE
OBLIGATION**

BASIS FOR RESOLUTION

1. The City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco (the “Former Redevelopment Agency”) entered into a Joint Exercise of Powers Agreement dated as of July 11, 1989 (the “Agreement”), 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 Former Redevelopment Agency.
2. Pursuant to 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 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 the Board of Supervisors of the City and County of San Francisco named the successor agency to the Former Redevelopment Agency the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco” (the “Successor Agency”).
3. Under Section 34178(b)(3) of the California Health and Safety Code, which was added by AB 26, the Former Redevelopment Agency’s rights and duties under the Agreement have been assumed by the Successor Agency, and, accordingly, pursuant to the Agreement and said Section 34178(b)(3), the Commission of the

Successor Agency has succeeded the Commission of the Former Redevelopment Agency as the Board of Directors of the Authority.

4. 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”), and the Agreement, the Authority has the power to purchase bonds of a local agency, including the Successor Agency, and has the further power to sell bonds so purchased to public or private purchasers at public or negotiated sale.
5. The Successor Agency has determined to issue bonds designated as “Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)” (the “2017 Series A Taxable Bonds”) and “Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)” (the “2017 Series B Bonds” and, together with the 2017 Series A Taxable Bonds, the “2017 Bonds”), and has further determined to sell the 2017 Bonds by a negotiated sale.
6. The Authority desires to facilitate the sale of the 2017 Series A Taxable Bonds by negotiated sale, and to such end has reviewed the form of Bond Purchase Contract (the “2017 Series A Purchase Contract”) relating to the 2017 Series A Taxable Bonds among the Successor Agency, the Authority, and Stifel, Nicolaus & Company, Inc., Backstrom, McCarley Berry & Co., LLC and Stinson Securities, LLC (collectively, the “2017 Series A Underwriters”).
7. The Authority desires to facilitate the sale of the 2017 Series B Bonds by negotiated sale, and to such end has reviewed the form of Bond Purchase Contract (the “2017 Series B Purchase Contract” and together with the 2017 Series A Taxable Bonds, the “Purchase Contracts”) relating to the 2017 Series B Bonds among the Successor Agency, the Authority and Stifel, Nicolaus & Company, Inc., Backstrom, McCarley Berry & Co., LLC and Stinson Securities, LLC (collectively, the “2017 Series B Underwriters” and together with the 2017 Series A Underwriters, the “Underwriters”).
8. The sale and issuance of the 2017 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.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Board of Directors of the City and County of San Francisco Redevelopment Financing Authority that:

Section 1. Sale of Bonds. (a) The Authority hereby approves the purchase from the Successor Agency and the sale to the 2017 Series A Underwriters of the 2017 Series A Taxable Bonds, provided that the Authority's obligation to purchase and pay for the 2017 Series A Taxable Bonds shall be limited to the proceeds received from the Authority's concurrent sale of the 2017 Series A Taxable Bonds to the 2017 Series A Underwriters. The Authority further approves the 2017 Series A Purchase Contract, a draft of which is lodged with the Secretary to the Authority, and authorizes the Executive Director or the Treasurer, as designees of the Chair of the Authority, and their respective designees, each acting alone, to execute the 2017 Series A Purchase Contract in substantially the form lodged with the Secretary to the Authority, with such additions thereto or changes therein as are recommended or approved by such officer, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the 2017 Series A Purchase Contract by the Executive Director or the Treasurer, or respective designees thereof, provided that the following conditions are met: the aggregate initial amount of the 2017 Series A Taxable Bonds may not exceed \$112,000,000, the true interest cost of the 2017 Series A Taxable Bonds may not exceed 8.00% per annum, and the Underwriters' discount for the 2017 Series A Taxable Bonds, without regard to any original issue discount, may not exceed 0.60% of the aggregate initial amount of the 2017 Series A Taxable Bonds and, provided further that, the 2017 Series A Purchase Contract and the 2017 Series B Purchase Contract may be combined into one purchase contract if so approved by the Executive Director or the Treasurer, or their respective designees.

(b) The Authority hereby approves the purchase from the Successor Agency and the sale to the 2017 Series B Underwriters of the 2017 Series B Bonds, provided that the Authority's obligation to purchase and pay for the 2017 Series B Bonds shall be limited to the proceeds received from the Authority's concurrent sale of the 2017 Series B Bonds to the 2017 Series B Underwriters. The Authority further approves the 2017 Series B Purchase Contract, a draft of which is lodged with the Secretary to the Authority, and authorizes the Executive Director or the Treasurer, as designees of the Chair of the Authority, and their respective designees, each acting alone, to execute the 2017 Series B Purchase Contract in substantially the form lodged with the Secretary to the Authority, with such additions thereto or changes therein as are recommended or approved by such officer, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the 2017 Series B Purchase Contract by the Executive Director or the Treasurer, or respective designees thereof, provided that the following conditions are met: the aggregate initial amount of the 2017 Series B Bonds may not exceed \$50,000,000, the true interest cost of the 2017 Series B Bonds may not exceed 7.00% per annum, and the Underwriters' discount for the 2017 Series B Bonds, without regard to any original issue discount, may not exceed 0.60% of the aggregate initial amount of the 2017 Series B Bonds and, provided further that, the 2017 Series A Purchase Contract and the 2017 Series B Purchase Contract may be combined into one purchase contract if so approved by the Executive Director or the Treasurer, or their respective designees.

Section 2. Official Statement. The Official Statement relating to the 2017 Bonds, together with such amendments and supplements as shall be necessary or convenient to accurately describe the 2017 Bonds in accordance with the Purchase Contracts, this Resolution and the other related proceedings and documents, is hereby approved for distribution to the Underwriters and the purchasers of the 2017 Bonds.

Section 3. Official Action. The Executive Director, Treasurer, the Secretary, and any and all other officers and designees of the Authority are authorized and directed, for and in the name and on behalf of the Authority, 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 purchase and sale of the Bonds, all as described herein.

APPROVED AS TO FORM:

Interim Financing Authority Secretary