

**RESOLUTION NO. 3-2012**

RESOLUTION ACKNOWLEDGING THAT THE CITY AND COUNTY OF SAN FRANCISCO ("CITY") EFFECTUATED A TRANSFER OF THE HOUSING ASSETS AND FUNCTIONS OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, AND THAT THE CITY ACCEPTED SUCH ASSETS AND FUNCTIONS AND PLACED THEM UNDER THE ADMINISTRATIVE JURISDICTION OF ITS MAYOR'S OFFICE OF HOUSING ("MOH"), AND VESTED MOH WITH THE AUTHORITY TO PERFORM ALL OF THE AGENCY'S RIGHTS AND OBLIGATIONS RELATING TO SUCH ASSETS, AND FURTHER ACKNOWLEDGING THAT ALL ACTIONS THAT THE CITY, INCLUDING MOH, HAS TAKEN OR MAY TAKE WITH RESPECT TO SUCH HOUSING ASSETS ARE NOT SUBJECT TO THIS OVERSIGHT BOARD'S REVIEW OR APPROVAL EXCEPT AS MAY BE REQUIRED UNDER (1) AB 26 FOR THE CITY SOLELY AS SUCCESSOR AGENCY TO USE PROPERTY TAX REVENUES (FORMER INCREMENT) TO PAY OR PERFORM ENFORCEABLE OBLIGATIONS AND (2) BOARD OF SUPERVISORS RESOLUTION NO. 11-12 AS TO THE IMPLEMENTATION OF THE MAJOR APPROVED DEVELOPMENT PROJECTS

WHEREAS, Under Assembly Bill No. X1 26 (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. S194861, the Redevelopment Agency of the City and County of San Francisco ("Agency"), together with all other redevelopment agencies in the State of California, dissolved by operation of law on February 1, 2012; and,

WHEREAS, Consistent with AB 26, on January 24, 2012 the City's Board of Supervisors approved and on January 26, 2012 the Mayor signed Resolution No. 11-12 (the "Board of Supervisors Resolution"), providing for the City to become the successor agency of the Agency, and to acquire its housing and non-housing assets, funds and enforceable obligations, and to fulfill its rights and duties as successor agency to the Agency under AB 26; and,

WHEREAS, Upon the Agency's dissolution, the City, as successor agency to the Agency under AB 26 and the Board of Supervisors Resolution, assumed the former Agency's housing assets ("Housing Assets") and placed the Housing Assets under the jurisdiction of the Mayor's Office of Housing ("MOH"); and

WHEREAS, The former Agency was required to deposit funds to be used for the purposes of increasing, improving, and preserving the supply of affordable housing in a separate Low and Moderate Income Housing Fund under Section 33334.3 of the California Community Redevelopment Law (California Health and Safety Code section 33000 et. seq., the "CRL"), and this fund is a part of the Housing Assets transferred to the City as provided in AB 26; and,

WHEREAS, Under the Board of Supervisors Resolution, and consistent with AB 26, the City accepted all rights and obligations of the Agency relating to the Housing Assets, including, without limitation, the Low and Moderate Income Housing Fund and all rights, interests, privileges, property—real, personal and intangible, including all loans and grants, all property, such as land, buildings, and dwelling units held

by the Agency, and the rights to all property to be transferred to the Agency, for affordable housing production, and vested jurisdiction over such rights and obligations to MOH; and,

WHEREAS, The Board of Supervisors further elected to retain the housing functions that the Agency previously performed, including all of the Agency's rights, duties, and obligations under the CRL, and granted to MOH the authority to act in place of the Agency in performing such functions, with such authority and responsibilities as the Agency would have had with respect to the Housing Assets under the CRL, including under all redevelopment plans and the enforceable obligations that the City is assuming, subject to the requirements of AB 26 and other applicable laws; and,

WHEREAS, The Agency performed important functions relating to the production and protection of affordable housing under the CRL. But the Agency also performed important housing functions operating under other laws and programs without using or relying on property tax increment revenues under the CRL, including, but not limited to, functions performed by the Agency using HUD Community Development Block Grant ("CDBG") and Housing Opportunities For Persons with AIDS ("HOPWA") funds and other funding sources; and,

WHEREAS, In addition to the duties that AB 26 places on this Oversight Board, the City delegated to this Oversight Board, through the Board of Supervisors Resolution, certain authority and responsibility that the Commission of the former Agency exercised to implement three major approved development projects consistent with the integrated set of enforceable obligations governing them: (1) the Mission Bay North and the Mission Bay South Project Areas (collectively "Mission Bay"), (2) Phases One and Two of the Hunters Point Shipyard Project Area and Zone 1 of the Bayview Hunters Point Project Area (collectively, "Hunters Point Shipyard/Candlestick Point"), and (3) certain parts of the Transbay Transit Center Project Area, including Zone 1 ("Transbay"). (Mission Bay, Hunters Point Shipyard/Candlestick Point and Transbay are sometimes referred to in this resolution as the "Major Approved Development Projects."); and,

WHEREAS, This Oversight Board will therefore serve in two separate capacities with respect to the Housing Assets relating to the Major Approved Development Projects: (i) performing its duties under AB 26 with respect to enforceable obligations and the use of former property tax increment; and (ii) performing its duties under the Board Resolution to implement the Major Approved Development Projects, including the authority to grant approvals under the existing land use controls for the Major Approved Development Projects consistent with the approved redevelopment plans and enforceable obligations, in place of the Agency Commission; and,

WHEREAS, The former Agency assisted in the development of over 10,000 affordable housing units, had over 1,400 affordable housing units in the planning or pre-development stages, and had obligations, which have been assumed by the City acting through MOH, to assist in the development of about 3,000 affordable housing units in the Hunters Point Shipyard/Candlestick Point, about 1,100 units

remaining in Mission Bay, and about 1,100 units in Transbay, and to replace about 6,700 affordable units destroyed in the 1960's and early 1970's (See California Health & Safety Code Sections 33333.7 and 33333.8, and Board Ordinance Nos. 256-09 (December 30, 2009), 316-08 (December 19, 2008), and 15-05 (January 21, 2005); and,

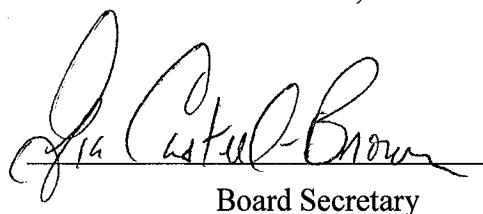
WHEREAS, Some enforceable obligations relating to the Housing Assets have been included in the Enforceable Obligation Payment Schedules (EOPS) and draft Recognized Obligation Payment Schedule ("ROPS") that the Agency and the City have prepared under AB 26; now, therefore, be it

RESOLVED, That this Oversight Board acknowledges that as of February 1, 2012 the City effectuated the transfer of the Housing Assets, including, but not limited to, the Low and Moderate Income Housing Fund, from the Agency to the City, that the City accepted the Housing Assets and placed them under the administrative jurisdiction of MOH, vesting in MOH the authority to perform all of the rights and obligations of the former Agency, and that MOH may exercise all rights and obligations relating to the Housing Assets, including, but not limited to, entering into new contracts, amending existing contracts, applying and using proceeds from the Housing Assets, and disposing of the Housing Assets, and such actions by MOH shall not be subject to review or approval by this Oversight Board under the authority or duties that AB 26 vests in it, and shall not be subject to the review and disapproval of the Department of Finance or State Controller, unless and except to the extent that the City as successor agency under AB 26 seeks to use property tax revenues (former increment) funds for the payment or performance of enforceable obligations under AB 26; and, be it further

RESOLVED, That this motion shall not affect the authority that the City delegated under the Board of Supervisors Resolution to this Oversight Board to implement the Major Approved Development Projects in compliance with enforceable obligations governing those projects, and this Oversight Board shall continue to implement those projects, including granting any approvals required on the part of the former Agency relating to the Housing Assets, under the housing programs set forth in the enforceable obligations for the Major Approved Development Projects; and, be it, further

RESOLVED, That as to any future actions that this Oversight Board may consider taking for a Housing Asset relating to a Major Approved Development Project that does not involve the use or expenditure of property tax revenues (former increment) in the Redevelopment Obligation Retirement Fund or Redevelopment Property Tax Trust Fund, this Oversight Board shall consider such actions under the authority the City delegated to it under the Board of Supervisors Resolution for implementation of the Major Approved Development Projects and not under the authority or duties that AB 26 places in this Oversight Board.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting  
of March 6, 2012



J. Castel-Brown

Board Secretary