

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 2-2018

Adopted February 20, 2018

RESOLUTION OF INTENTION TO INCUR BONDED INDEBTEDNESS AND OTHER DEBT IN AN AMOUNT NOT TO EXCEED \$6,000,000,000 FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 9 (HUNTERS POINT SHIPYARD PHASE 2/CANDLESTICK POINT PUBLIC FACILITIES AND SERVICES), AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

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 the Governor of the State signed the bill on June 27, 2012 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 and County of San Francisco (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 to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) 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” or the “Commission”) and delegated to the Successor Agency Commission the authority (excluding authority as to the “Housing Assets,” as defined in the Implementing Ordinance, but not excluding authority as to the “Retained Housing Obligations”) to act in place of the governing body of the Former Redevelopment Agency (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) authorized the Mayor to appoint the five members of the Successor Agency Commission, 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, Pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California Government Code Section 53311 (“Mello-Roos Act”), this Successor Agency Commission has this date adopted its “Resolution of intention to establish Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (Hunters Points Shipyard Phase 2/Candlestick Point Public Facilities and Services)” (“Resolution of Intention to Establish”), stating its intention to form (i) “Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (Hunters Points Shipyard Phase 2/Candlestick Point Public Facilities and Services)” (“CFD”), (ii) “Improvement Area No. 1 of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (Hunters Points Shipyard Phase 2/Candlestick Point Public Facilities and Services)” (“Improvement Area No. 1”) and (iii) a future annexation area for the CFD (“Future Annexation Area”) for the purpose of financing certain public improvements (“Facilities”) and certain public services, as further provided in the Resolution of Intention to Establish; and,

WHEREAS, The formation of the CFD is not a Project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378, and would not independently result in a significant physical effect on the environment; and,

WHEREAS, In the Resolution of Intention to Establish, this Commission determined that it may be necessary to designate additional improvement areas when territory in the Future Annexation Area annexes into the CFD (each, a “Future Improvement Area”); and,

WHEREAS, This Commission estimates the amount required for the financing of the costs of the Facilities in the territory of the CFD and the Future Annexation Area to be the sum of not to exceed \$6,000,000,000; and,

WHEREAS, In order to finance the costs of the Facilities it is necessary to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not to exceed \$6,000,000,000 on behalf of the CFD and the improvement areas therein (including Future Improvement Areas); and,

WHEREAS, It is in the public interest and for the public benefit that the Successor Agency declares its official intent to reimburse the expenditures referenced herein; now, therefore, be it

RESOLVED, The Commission finds that the facts set forth in the recitals to this Resolution are true and correct; and, be it further

RESOLVED, In order to finance the costs of the Facilities, it is necessary for the Successor Agency to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the following amounts:

(i) For Improvement Area No. 1, an amount not to exceed \$202,200,000 (“Improvement Area No. 1 Indebtedness Limit”).

(ii) For the portion of the CFD that is not in Improvement Area No. 1, an amount not to exceed \$5,797,800,000 (“Non-Improvement Area No. 1 Indebtedness Limit”).

However, in the event all or a portion of the Future Annexation Area is annexed as one or more Future Improvement Areas, the maximum indebtedness of each such Future Improvement Area shall be identified and approved both in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a “Unanimous Approval”), and in accordance with the Annexation Approval Procedures described in the Resolution of Intention to Establish. The amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit; and, be it further

RESOLVED, The bonded indebtedness and other debt is proposed to be incurred for the purpose of financing the costs of the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of said purposes and of the financing thereof, as permitted by Mello-Roos Act Section 53345.3; and, be it further

RESOLVED, This Commission, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other debt in one or more series in the maximum aggregate principal amount of not to exceed the sum of the Improvement Area No. 1 Indebtedness Limit bearing interest payable semi-annually or in such other manner as this Commission shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds and other debt, and maturing no later than 40 years from the date of the issuance of the bonds and other debt; and, be it further

RESOLVED, This Commission, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other debt in one or more series in the maximum aggregate principal amount with respect to the Future Improvement Areas to be determined at the time of annexation (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate), bearing interest payable semi-annually or in such other manner as this Commission shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of each series of bonds and other debt, and maturing not to exceed 40 years from the date of the issuance of the respective series of bonds and other debt; and, be it further

RESOLVED, Tuesday, April 17, 2018, at 1:00 p.m. or as soon as possible thereafter, in City Hall, Room 416, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, be, and the same are hereby appointed and fixed as, the time and place when and where this Commission, as legislative body for the CFD, will conduct a public hearing on the proposed debt issue and consider and finally determine whether the public interest, convenience and necessity require the issuance of bonds and other debt of the of the Successor Agency on behalf of Improvement Area No. 1 and the Future Improvement Areas; and, be it further

RESOLVED, The Secretary of the Commission is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper of general circulation circulated within the CFD, and the publication of the notice shall be completed at least 7 days before the date specified above for the public hearing. The notice shall be substantially in the form specified in Mello-Roos Act Section 53346, with the form summarizing the provisions hereof hereby specifically approved; and, be it further

RESOLVED, The Commission finds and determines that the actions taken by this resolution are not a Project as defined by the California Environmental Quality Act (CEQA) Guidelines Section 15378, and would not independently result in a significant physical effect on the environment; and, be it further

RESOLVED, This Resolution shall in no way obligate the Commission to form the CFD or to authorize the issuance of bonds or other debt for the CFD. Issuance of the bonds and other debt shall be subject to the approval of this Commission by resolution following the holding of the public hearing referred to above; and, be it further

RESOLVED, If the Board of Supervisors rescinds Ordinance No. 215-12 without otherwise delegating to the Commission the authority to act as legislative body for the CFD, all references to the Commission in this Resolution shall thereafter constitute references to the Board of Supervisors; and, be it further

RESOLVED, The Commission intends to transfer the authority for the governance of the CFD to the City if such transfer is required to preserve the CFD and is permitted under the Mello-Roos Act, as amended from time to time; and, be it further

RESOLVED, If any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this resolution, this Commission hereby declaring that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it further

RESOLVED, The Executive Director, the Deputy Director of Finance and Administration, the Secretary of the Commission, the Successor Agency's General Counsel and any and all other officers of the Successor Agency are hereby authorized, for and in the name of and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; and, be it further

RESOLVED, All actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by this Commission; and, be it further

RESOLVED, This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of February 20, 2018.



Commission Secretary