COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 11-2016

CONFIRMING THE AUTHORIZATION OF THE ISSUANCE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES B TAX ALLOCATION REFUNDING BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000 AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES C TAX ALLOCATION REFUNDING BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $115,000,000, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Former Redevelopment Agency") and FOCIL-MB, LLC (the "Master Developer"), as assignee of Catellus Development Corporation, are parties to a Mission Bay South Owner Participation Agreement executed November 16, 1998, as amended by the First Amendment, dated February 17, 2004, by the Second Amendment, dated November 1, 2005, and by the Third Amendment, dated May 21, 2013 (as further amended, the "OPA"), which includes Attachment E thereto, entitled "Mission Bay South Financing Plan" (the "Financing Plan"); and,

WHEREAS, In connection with the execution of the OPA, and as part of the OPA, the Former Redevelopment Agency entered into a series of binding agreements regarding the public and private project to be financed through the OPA, including the Mission Bay South Tax Increment Allocation Pledge Agreement executed November 16, 1998, by and between the City and County of San Francisco and the Former Redevelopment Agency (the "Pledge Agreement"), to which the Master Developer is an express third-party beneficiary; and,

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 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) the California Health and

Safety Code (the "Code"), and have the authority, with approval of the oversight board and the California Department of Finance, to issue certain bonds, Section 34177.5(a)(4) of the Code ("Section 34177.5(a)(4)"), and the Governor of the State signed the bill 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 Implementing Ordinance 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 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, The Financing Plan and the Pledge Agreement pledge tax increment generated from the Mission Bay South Redevelopment Project Area to the Master Developer to reimburse the Master Developer for Infrastructure Costs (as defined in the Financing Plan), which includes using such tax increment revenues to pay

debt service on Tax Allocation Debt (as such term is defined in the Financing Plan); and,

WHEREAS, Pursuant to the Financing Plan, the Successor Agency is obligated to issue Tax Allocation Debt so long as any of the Infrastructure (as defined in the Financing Plan) has not been completed or the Infrastructure Costs have not been reimbursed to the Master Developer from the proceeds of Net Available Increment (as such term is defined in the Financing Plan) or Tax Allocation Debt, the Master Developer has submitted a written request to the Successor Agency, as successor to the Former Redevelopment Agency, requesting the Successor Agency to issue CFD debt or Tax Allocation Debt (as such terms are defined in the Financing Plan), and the staff of the Successor Agency and appropriate Successor Agency consultants have met and conferred with the Master Developer as to the amount and timing of the proposed bond issue, Sections 6.A. of Financing Plan at p. 13-14; and,

WHEREAS, The Master Developer has submitted a written request to the Successor Agency, Letter, November 15, 2015, and the staff of the Successor Agency, appropriate Successor Agency consultants and the Master Developer have met and conferred and have determined that, pursuant to the Financing Plan and the Pledge Agreement but subject to the approval of the Oversight Board and the California Department of Finance, the Successor Agency will issue additional Tax Allocation Debt to reimburse the Master Developer for Infrastructure Costs; and,

WHEREAS, Section 34177.5(a)(4) provides that a successor agency may, subject to the approval of the oversight board and the California Department of Finance, issue bonds or incur other indebtedness to make payments under enforceable obligations when the enforceable obligations include the irrevocable pledge of property tax increment, formerly tax increment revenues, or other funds and the obligation to issue bonds secured by that pledge; and,

WHEREAS, The OPA, including the Financing Plan and the Pledge Agreement, contain an irrevocable pledge of property tax increment, formerly tax increment revenues, to the payment of Infrastructure Costs, and the Successor Agency is obligated, under the OPA, including the Financing Plan and the Pledge Agreement, to issue bonds or incur other indebtedness secured by an irrevocable pledge of tax increment revenues to pay such Infrastructure Costs; and,

WHEREAS, Inasmuch as the requirements of Section 34177.5(a)(4) have been met, in response to the November 15, 2015 request of the Master Developer, the Successor Agency has determined to issue, subject to the approval of the Oversight Board and the California Department of Finance, pursuant to the authority set forth in Section 34177.5(a)(4), its 2016 Series B Bonds (as defined below); and,

WHEREAS, The 2016 Series B Bonds will be payable from Tax Revenues, as that term is defined in the Indenture of Trust pursuant to which the 2014 Bonds (mentioned below) were issued, on a parity with the Successor Agency's $56,245,000 initial aggregate principal amount of 2014 Series A Tax Allocation Bonds (Mission Bay

South Redevelopment Project) (the "2014 Bonds") and, to the extent not prepaid in full as set forth below, the Existing Loan Agreements (as defined below); and,

WHEREAS, Prior to the dissolution of the Former Redevelopment Agency, the Former Redevelopment Agency entered into the following loan agreements (collectively, the Existing Loan Agreements") to finance and refinance redevelopment activities with respect to its Mission Bay South Redevelopment Project Area:

(i) the Loan Agreement dated as of September 1, 2009 among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the City and County of San Francisco Redevelopment Financing Authority (the "Authority"); and,

(ii) the Loan Agreement dated as of March 1, 2011 among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the Authority; and,

WHEREAS In connection with the execution and delivery of the Existing Loan Agreements, the Authority issued the following bonds (collectively, the "Prior Bonds"):

(i) $49,810,000 initial principal amount of City and County of San Francisco Redevelopment Financing Authority 2009 Series D Tax Allocation Revenue Bonds (Mission Bay South Redevelopment Project); and,

(ii) $36,485,000 initial principal amount of City and County of San Francisco Redevelopment Financing Authority 2011 Series D Tax Allocation Revenue Bonds (Mission Bay South Redevelopment Project); 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 all or a portion of the Existing Loan Agreements and the related Prior Bonds, under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, the Successor Agency has determined, subject to the approval of the Oversight Board and the California Department of Finance, to issue its refunding bonds (the "2016 Series C Bonds") captioned "2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)" (as defined below) and payable from Tax Revenues on a parity with the 2014 Bonds

and the 2016 Series B Bonds and the Existing Loan Agreements that are not refunded in full; and,

WHEREAS, The Successor Agency, pursuant to Resolution No. 64-2015, adopted October 20, 2015, approved the issuance of the 2016 Series B Bonds and 2016 Series C Bonds and the execution of certain documents relating to the 2016 Series B Bonds and 2016 Series C Bonds, including the First Supplemental Indenture of Trust pursuant to which the 2016 Series B Bonds and 2016 Series C Bonds will be issued (the "Supplemental Indenture"), and requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Bonds by the Successor Agency; and,

WHEREAS The Oversight Board by Resolution No. 18-2015, adopted December 14, 2015, approved the issuance by the Successor Agency of the 2016 Series B Bonds in the amount of not to exceed $45,000,000 and the issuance of the 2016 Series C Bonds in the amount of not to exceed $115,000,000, and said Resolution has been forwarded to the California Department of Finance ("DOF") pursuant to Sections 34177.5(f) and 34179(h) of the California Health and Safety Code, and DOF has approved the issuance of the 2016 Series B Bonds and the 2016 Series C Bonds as contemplated by said Oversight Board Resolution No. 18-2015; and,

WHEREAS, The Successor Agency, with the assistance of its disclosure counsel, its bond counsel, its financial advisor, its fiscal consultant and the Underwriters (as defined below), has caused to be prepared a form of Official Statement describing the Bonds and containing material information relating to the 2016 Series B Bonds and 2016 Series C Bonds, the preliminary form of which is on file with the Secretary of the Successor Agency; and,

WHEREAS, The Board of Supervisors has heretofore approved the issuance of new moneys bonds for the Mission Bay South Redevelopment Project Area in the amount not to exceed $135,000,000 in its Resolution No. 521-15 adopted on December 15, 2016 and approved by the Mayor on December 22, 2016; and,

WHEREAS, The approvals of the issuance of the 2016 Series C Bonds to refund existing indebtedness and of the issuance of the 2016 Series B Bonds to provide funding to reimburse the Master Developer for the costs of Improvements that the City has already approved prior to the Successor Agency's consideration of this Resolution and that are, or will be, substantially completed and inspected by the City prior to any reimbursement are exempt from environmental review under the California Environmental Quality Act ("CEQA") because (i) they are not a project with the potential for causing a significant effect on the environment, CEQA Guidelines § 15061 (b) (3); (ii) they are government fiscal activities that do not involve any commitment to any specific project with a potentially significant physical impact on the environment, CEQA Guidelines § 15378 (b) (4); and (iii) they constitute an administrative activity that will not result in direct or indirect physical changes in the environment, CEQA Guidelines § 15378 (b) (5); now therefore, be it

RESOLVED, The Successor Agency Commission finds that:

The Successor Agency has full authority, subject to Oversight Board and DOF approval, which approvals have been obtained, under Section 34177.5(a)(4) of the California Health and Safety Code, to issue the 2016 Series B Bonds to reimburse the Master Developer for Infrastructure Costs, as required by the OPA, and, subject to DOF approval, under Section 34177.5(a)(1) of the California Health and Safety Code, to issue the 2016 Series C Bonds to refund the Prior Bonds and Existing Loan Agreements; and, be it further

RESOLVED All acts and proceedings required by law necessary to make the 2016 Series B Bonds and 2016 Series C Bonds, when executed by the Successor Agency, authenticated and delivered by the trustee for the 2016 Series B Bonds and 2016 Series C Bonds (the "Trustee") and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute the Supplemental 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 Supplemental 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 2016 Series B Bonds and 2016 Series C Bonds, in substantially the form on file with the Successor Agency's Secretary. Distribution of the preliminary Official Statement by Stifel, Nicolaus & Company, Incorporated, Backstrom McCarley Berry & Company, LLC, and Blaylock Beal Van, LLC (collectively, 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 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 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 2016 Series B Bonds and 2016 Series C Bonds in accordance with this Resolution and Resolution No. 64-2015; and, be it further

RESOLVED, The Successor Agency Commission hereby confirms its actions in Resolution No. 64-2015 authorizing and approving the issuance of the 2016 Series B Bonds and 2016 Series C Bonds pursuant to the Supplemental Indenture in accordance with Sections 34177.5(a)(4) and 34177.5(a)(1), respectively, of the California Health and Safety Code in the respective aggregate principal amounts of not to exceed $45,000,000 and $115,000,000, and the sale of the 2016 Series B Bonds and 2016 Series C Bonds to the Underwriters, provided that the aggregate initial amount of the 2016 Series B Bonds sold thereby is not in excess of $45,000,000, the aggregate initial amount of the 2016 Series C Bonds sold thereby is not in excess of $115,000,000, the true interest cost of the 2016 Series B Bonds and the 2016 Series C Bonds is not in excess of 5.50% per annum and the Underwriters' discount, without regard to any original issue discount, is not in excess of 0.70% of the aggregate initial amount of the 2016 Series B Bonds and the 2016 Series C Bonds). Additionally, the 2016 Series C Bonds shall not be sold, issued and delivered unless the sale of the 2016 Series C Bonds and the refunding of the Prior Bonds and the Existing Loan Agreements meets the Savings Parameters, as provided above, and the net present value savings obtained by issuing the 2016 Series C Bonds, based on the debt service of the Prior Bonds and the Existing Loan Agreements being refunded, is not less than 3% of the principal amount of the Prior Bonds being refunded (provided, however, that, in accordance with the Debt Policy of the Successor Agency, , adopted by Resolution 72-2014 of the Successor Agency Commission on August 19, 2014, this criterion may be waived in order to take advantage of the current historically low interest rate environment and the economic efficiency of including multiple loans in the current refinancing).

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 1, 2016.

_____

Commission Secretary