CITY AND COUNTY OF
SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY

RESOLUTION NO. 2-2016

AUTHORIZING THE PURCHASE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES B TAX ALLOCATION BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000; APPROVING FORM OF BOND PURCHASE CONTRACT AND AUTHORIZING THE NEGOTIATED SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF REDEMPTION AGREEMENTS RELATING TO CERTAIN BONDS PREVIOUSLY ISSUED BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA)

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, subject to the approval of the Oversight Board of the Successor Agency and the California Department of Finance, which approvals have been obtained, to issue bonds designated as "Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project)" (the "2016 Series B Bonds") 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)" (the "2016 Series C Bonds" and, together with the 2016 Series B Bonds, the "2016 Bonds"), and has further determined to sell the 2016 Bonds by a negotiated sale.

6. The Authority desires to facilitate the sale of the 2016 Bonds by negotiated sale, and to such end has reviewed the form of Bond Purchase Contract (the "Purchase Contract") relating to the 2016 Bonds among the Successor Agency, the Authority and Stifel, Nicolaus & Company, Incorporated, Backstrom McCarley Berry & Company, LLC, and Blaylock Beal Van, LLC (collectively, the "Underwriters").

7. The 2016 Series B Bonds are being issued to finance and refinance redevelopment activities with respect to the Mission Bay South Redevelopment Project Area established by the Former Redevelopment Agency and the 2016 Series C Bonds are being issued to refinance all or a portion of the following loan agreements (collectively, the Existing Loan Agreements"):

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

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

8. The Existing Loan Agreements were funded by the Authority through its issuance of $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 $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) (collectively, the "Prior Bonds").

9. The Authority desires to facilitate the prepayment of the Existing Loan Agreements and the refunding of the Prior Bonds and, to such end, has reviewed the forms of the Agreements Regarding Redemption (the "Redemption

Agreements") relating to the Existing Loan Agreements and the Prior Bonds by and among, the Authority, the Successor Agency and U.S. Bank National Association, as the trustee for the Prior Bonds.

10. 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).

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. The Authority hereby approves the purchase from the Successor Agency and the sale to the Underwriters of the 2016 Bonds, provided that the Authority's obligation to purchase and pay for the 2016 Bonds shall be limited to the proceeds received from the Authority's concurrent sale of the 2016 Bonds to the Underwriters. The Authority further approves the 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 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 Purchase Contract by the Executive Director or the Treasurer, provided that the par amount of the 2016 Series B Bonds shall not exceed $45,000,000, the par amount of the 2016 Series C Bonds shall not exceed $115,000,000, the true interest cost of the 2016 Bonds shall not exceed 5.5% per annum and the Underwriters' discount, without regard to any original issue discount, shall not exceed 0.70% of the aggregate initial amount of the 2016 Bonds.

Section 2. Redemption Agreements. The Authority hereby approves the refunding of the Existing Loan Agreements and the Prior Bonds. The Authority further approves the Redemption Agreements, drafts of which are 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 Redemption Agreements 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 Redemption Agreements by the Executive Director or the Treasurer.

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:

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Financing Authority Secretary