

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 19-2015
Adopted December 14, 2015

**APPROVING, UNDER SECTIONS 34177.5(a)(4) AND (f) AND 34180(b) OF THE
CALIFORNIA HEALTH AND SAFETY CODE, THE ISSUANCE OF TAX
ALLOCATION BONDS BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND RELATED
ACTIONS, MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA**

WHEREAS, 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 (the “OPA”) pursuant to which the Former Redevelopment Agency is obligated, at the request of the Master Developer, to incur indebtedness payable from tax increment revenue from time to time to finance various public capital improvements (the “Improvements”) within or in the vicinity of the Former Redevelopment Agency’s Mission Bay South Redevelopment Project, and the OPA has been included on Recognized Obligation Payment Schedules of the Successor Agency to the Former Redevelopment Agency (the “Successor Agency”); 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 Acquisition Agreement dated as of June 1, 2001, by and between the Former Redevelopment Agency and Catellus Development Corporation (the “Acquisition Agreement”) and 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, The Successor Agency is obligated, under the Acquisition Agreement, to pay for the costs of the Improvements after the City and County of San Francisco through its Department of Public Works, has approved permits for the Improvements, inspected the completed Improvements, and determined that the Improvements have been completed substantially in accordance with approved plans and applicable law; and,

WHEREAS, Section 34177.5(a)(4) of the Health and Safety Code (the “Code”) authorizes successor agencies to issue bonds to make payments under enforceable obligations of their former redevelopment agencies, and Section 34177.5(f) of the Code provides that the actions authorized under the foregoing Sections of the Code are subject to the approval of the applicable oversight board; and,

- WHEREAS, The OPA, including the Financing Plan (as defined in the OPA) 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, To provide additional financing for the Improvements, the Successor Agency, pursuant to said Section 34177.5(a)(4), issued its \$56,245,000 initial aggregate principal amount of 2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “2014 Bonds”); 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, the Successor Agency will issue additional Tax Allocation Debt to reimburse the Master Developer for Infrastructure Costs associated with improvements for which the City and County of San Francisco, through its Department of Public Works, has already issued permits; and,
- WHEREAS, Inasmuch as the requirements of Section 34177.5(a)(4) have been met, in response to the November 14, 2014 request of the Master Developer, the Successor Agency has determined to issue, pursuant to the authority set forth in Section 34177.5(a)(4), its 2016 Series D Bonds (as defined below), but subject to the approval of this Oversight Board and the California Department of Finance; and,
- WHEREAS, To take advantage of current bond market conditions and to provide additional funds to finance the Improvements, on October 20, 2015, the Commission on Community Investment and Infrastructure (also known as the “Successor Agency Commission”) adopted Resolution No. 65-2015 (the “Successor Agency Resolution”), a copy of which is attached to this Resolution as Exhibit A, which Successor Agency Resolution (a) authorized the issuance of its 2016 Series D Bonds (as defined below) in an aggregate principal amount of up to \$90,000,000 in order to provide additional funds to finance the Improvements, and (b) approved related documents and actions; and,
- WHEREAS, The Successor Agency has filed a certified copy of the Successor Agency Resolution, with the Oversight Board and, as provided in Section 34180(j) of the Code, with the California Department of Finance, and has also filed the Successor Agency Resolution with the Administrative Officer and the Auditor-Controller of the City and County of San Francisco and the California Department of Finance, as required by Section 34180(j) of the Code; and,

WHEREAS, Under Sections 34177.5(f) and 34180(b) of the Code and the provisions of Ordinance No. 215-12 adopted by the Board of Supervisors of the City and County of San Francisco on October 2, 2012, the Successor Agency's issuance of bonds is subject to the approval of this Oversight Board; and,

WHEREAS, The approval of the issuance of the 2016 Series D Bonds to provide funding to reimburse the Master Developer for the costs of Improvements that the City has already approved prior to the Oversight Board'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) it is not a project with the potential for causing a significant effect on the environment, CEQA Guidelines § 15061 (b) (3); (ii) it is a government fiscal activity that does not involve any commitment to any specific project with a potentially significant physical impact on the environment, CEQA Guidelines § 15378 (b) (4); and (iii) it constitutes an administrative activity that will not result in direct or indirect physical changes in the environment, CEQA Guidelines § 15378 (b) (5); and,

WHEREAS, This Oversight Board now desires to approve the issuance by the Successor Agency of the 2016 Series D Bonds by the Successor Agency and the other actions of the Successor Agency contemplated by the Successor Agency Resolution, attached hereto as Exhibit A; now therefore, be it

RESOLVED, That this Oversight Board approves the issuance by the Successor Agency of its 2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the "2016 Series D Bonds") under Section 34177.5(a)(4) of the Code for the purposes of providing additional financing for the Improvements; and, be it, further

RESOLVED, That this Oversight Board approves the other actions contemplated by the Successor Agency Resolution, attached hereto as Exhibit A; and, be it further

RESOLVED, That this Oversight Board makes the following determinations upon which the Successor Agency will rely in undertaking the proceedings relating to the issuance of the 2016 Series D Bonds:

- (a) The Successor Agency is authorized, as provided in Section 34177.5(f) of the Code, to recover its costs related to the issuance of the 2016 Series D Bonds from the proceeds of the 2016 Series D Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the 2016 Series D Bonds.
- (b) The application of proceeds of the 2016 Series D Bonds by the Successor Agency to the financing of the Improvements, as provided in Section 34177.5(a) of the Code, shall be implemented by the Successor Agency promptly upon sale and delivery of the 2016 Series D Bonds, notwithstanding Section 34177.3 of the Code or any other provision of law

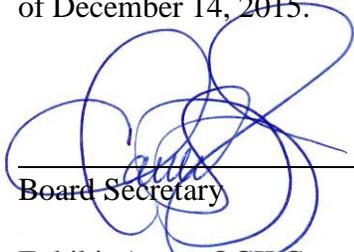
to the contrary, without the approval of the Oversight Board, the California Department of Finance, or any other person or entity other than the Successor Agency.

- (c) The Successor Agency shall be entitled to receive its full Administrative Cost Allowance under Section 34181(a)(3) of the Code without any deductions with respect to continuing post-issuance compliance and administration costs related to the 2016 Series D Bonds, such as trustee's fees, auditing and fiscal consultant fees and continuing disclosure and rating agency costs (collectively, "Continuing Costs of Issuance"), and such Continuing Costs of Issuance shall be payable from property tax revenues pursuant to Section 34183 of the Code. In addition and as provided by Section 34177.5(f) of the Code, if the Successor Agency is unable to complete the issuance of the 2016 Series D Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the proceedings of the 2016 Series D Bonds from such property tax revenues pursuant to Section 34183 of the Code without reduction in its Administrative Cost Allowance; and be it further

RESOLVED, That the Oversight Board approves the Successor Agency's execution and delivery of the Indenture of Trust, attached hereto as Exhibit B, pursuant to which the 2016 Series D Bonds will be issued; and, be it, further

RESOLVED, That the Oversight Board approves the Successor Agency's execution and delivery of the Bond Purchase Contract, attached hereto as Exhibit C, pursuant to which the 2016 Series D Bonds will be sold.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of December 14, 2015.



Board Secretary

- Exhibit A: OCH Commission Resolution No. 65-2015
- Exhibit B: Indenture of Trust
- Exhibit C: Bond Purchase Contract