

RESOLUTION NO. 176-2003

Adopted December 2, 2003

AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000 RELATING TO THE ISSUANCE OF 2004 SERIES A TAX ALLOCATION REFUNDING AND CAPITAL IMPROVEMENT REVENUE BONDS AND 2004 SERIES B TAXABLE TAX ALLOCATION REFUNDING REVENUE BONDS BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY, APPROVING THE FINAL OFFICIAL STATEMENT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO; HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, RINCON POINT - SOUTH BEACH REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, AND YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA/ AND THE MERGED EMBARCADERO- LOWER MARKET ("GOLDEN GATEWAY") PROJECT AREA/SOUTH OF MARKET EARTHQUAKE RECOVERY PROJECT AREA/FEDERAL OFFICE BUILDING 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 "Agency") entered into a Joint Exercise of Powers Agreement dated as of July 11, 1989, 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 Agency.
2. The Authority has previously issued several series of bonds, including its 1993 Series B Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects) (the "1993 Series B Bonds"), its 1993 Series C Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) (the "1993 Series C Bonds"), and its 1996 Series C Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) (the "1996 Series C Bonds").
3. Current interest rates make it possible for the Authority and the Agency to refund a portion of the 1993 Series B Bonds, and all of the 1993 Series C Bonds and the 1996 Series C Bonds, at savings to the Authority and the Agency.
4. Pursuant to the Marks-Roos Bond Pooling Act of 1985 (the "Bond Law") and Articles 10 and 11 of Chapter 3, of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law"), if certain minimum yield savings are achieved, the Authority proposes to issue two series of bonds (the interest on one series of which will be subject to federal income taxation) designated as the 2004 Series A Tax Allocation Refunding and Capital Improvement Revenue Bonds (San

Francisco Redevelopment Projects) (the “2004 A Bonds”) and the 2004 Series B Taxable Tax Allocation Refunding Revenue Bonds (San Francisco Redevelopment Projects) (the “2004 B Bonds,” and, together with the 2004 Series A Bonds, the “Bonds”) for purposes of enabling the Authority and the Agency to refinance the aforementioned existing indebtedness on more favorable terms; and, from a portion of the proceeds from the Series 2004 A Bonds, to finance certain redevelopment activities of the Agency for its Yerba Buena Center Redevelopment Project Area and Rincon Point - South Beach Redevelopment Project Area.

5. The Bonds will be repaid from, and secured by, payments made to the Authority by the Agency pursuant to various Loan Agreements (hereinafter defined).
6. The Authority and the Agency propose to sell the Bonds by competitive sale, and, in connection with the offering of such Bonds, the Authority and the Agency will prepare or cause to be prepared an Official Statement and one or more Official Notices Inviting Bids relating to the Bonds.
7. The Bonds are being issued to finance and refinance certain public capital improvements located within the jurisdiction of the Agency and within the boundaries of the Agency’s redevelopment project areas set forth below.
8. Following publication of a notice thereof, at least five days prior thereto in a newspaper of general circulation in this City, this Agency has held a public hearing, pursuant to Government Code Section 6586.5, on the proposed financing.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

Section 1. Approval of Loans. The Agency authorizes and approves borrowings from the Authority pursuant to loan agreements with respect to the Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Rincon Point - South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, and Yerba Buena Center Redevelopment Project Area in connection with the issuance by the Authority of the 2004 A Bonds (the “2004 A Loan Agreements”). The Agency authorizes and approves borrowings pursuant to loan agreements with respect to the Rincon Point – South Beach Redevelopment Project Area, Western Addition Redevelopment Project Area A-2, Yerba Buena Center Redevelopment Project Area, and the merged Embarcadero-Lower Market (“Golden Gateway”) Project Area/South of Market Earthquake Recovery Project Area/Federal Office Building Project Area in connection with the issuance by the Authority of the 2004 B Bonds (the “2004 B Loan Agreements” and, together with the 2004 A Loan Agreements, collectively the “Loan Agreements”) to accomplish the financings and refinancings contemplated by the issuance of the 2004 A Bonds and the 2004 B Bonds. The Loan Agreements are approved substantially in the form lodged with the Agency General Counsel, with any additions or changes therein deemed necessary or advisable by the Executive Director or

the Deputy Executive Director, Finance and Administration, and the execution thereof shall be conclusive evidence of the approval of any such changes or additions. The proceeds of the loans will be used by the Agency to finance and refinance its redevelopment activities. Each Loan Agreement shall be executed by either the Executive Director or the Deputy Executive Director, Finance and Administration, each of whom is authorized to execute the Loan Agreements on behalf of the Agency. The Agency hereby authorizes the delivery and performance of the Loan Agreements for borrowings in an aggregate principal amount not to exceed \$90,000,000.

The Agency finds and determines that the use of the Authority to accomplish the financing will result in significant public benefits accruing from such borrowings, including demonstrable savings in effective interest rates and financing costs associated with the issuance of the Bonds. The financing, as contemplated in the Loan Agreements, through the Authority, is hereby approved.


Section 2. Official Statement. The Agency hereby approves the use of an Official Statement describing the Bonds, a draft of which is lodged with the Agency General Counsel, and authorizes and directs either the Executive Director or the Deputy Executive Director, Finance and Administration, in consultation with bond counsel, to make such additions and changes as are necessary to describe the Bonds and the current financial condition and other affairs of the Agency accurately and completely. Distribution of a preliminary Official Statement is hereby approved, and, prior to the distribution of the preliminary Official Statement, either the Executive Director or the Deputy Executive Director, Finance and Administration, each of whom is so authorized, shall, on behalf of the Agency, deem the preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934. The final Official Statement shall be executed in the name and on behalf of the Agency by either the Executive Director or the Deputy Executive Director, Finance and Administration, each of whom is authorized to execute the final Official Statement on behalf of the Agency. Distribution of the final Official Statement by the winning bidder for the Bonds is hereby approved.

Section 3. Competitive Sale. The Agency authorizes the sale of the Bonds at a competitive sale. The Agency authorizes the Executive Director and the Deputy Executive Director, Finance and Administration to take any and all actions necessary to sell the Bonds, including the preparation of one or more Official Notices Inviting Bids. The yield to maturity payable with respect to all of the Bonds shall not exceed six percent (6%) per annum and the underwriters’ discount (excluding original issue discount) shall not exceed two percent (2%) of the par amount of the Bonds. In determining yield to maturity, all issuance costs, including underwriters’ discount, shall be taken into account. Further, the Bonds shall not be issued unless the cumulative savings (calculated on a present value basis) relating to the bonds of each series being refunded exceeds 2.75% of the debt service of the bonds of such series being refunded.

Section 4. Official Actions. The President, the Vice-President, the Executive Director, the Deputy Executive Director, Finance and Administration, the Secretary, the Agency General Counsel, and any and all other officers of the Agency are authorized and directed, for and in the name and on behalf of the Agency, 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 issuance, sale and delivery of the Bonds and the making of the loans pursuant to the Loan Agreements.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel