RESOLUTION NO. 37-2005

Adopted April 5, 2005

DETERMINING NECESSITY TO INCUR BONDED INDEBTEDNESS
OF COMMUNITY FACILITIES DISTRICT NO. 7
(HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS);
HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On January 18, 2005, the Commission adopted a Resolution entitled "Declaring
the Intention to Establish Community Facilities District No. 7 (Hunters Point
Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment
Project Area" (the "Resolution of Intention") with respect to Community Facilities
District No. 7 (Hunters Point Shipyard Phase One Improvements) (the "CFD") of
the Agency pursuant to the Mello-Roos Community Facilities Act of 1982, as
amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section
53311, of the California Government Code (the "Act").

2. On January 18, 2005, the Commission also adopted a resolution entitled
"Declaring the Intent to Incur Bonded Indebtedness of the Proposed Community
Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements);
Hunters Point Shipyard Redevelopment Project Area" (the "Resolution of
Intention to Incur Indebtedness") stating its intention to incur bonded
indebtedness within the boundaries of the CFD for the purpose of financing the
costs of certain facilities specified in the Resolution of Intention.

3. The Commission has held a noticed public hearing as required by the Act about
the determination to proceed with the formation of the CFD, the provision of
certain defined facilities (the "Facilities") by the CFD and the rate and method of
apportionment of the special tax to be levied within the CFD to pay the principal
and interest on the proposed bonded indebtedness in the CFD and the
administrative costs of the Agency relative to the CFD.

4. Subsequent to the public hearing, the Commission adopted a resolution entitled
"Adopting Environmental Findings Pursuant to the California Environmental
Quality Act, Forming Community Facilities District No. 7 (Hunters Point
Shipyard Phase One Improvements), Authorizing the Levy of a Special Tax, and
Preliminarily Establishing an Appropriations Limit for the CFD; Hunters Point
Shipyard Redevelopment Project Area" (the "Resolution of Formation").

5. The Agency has also held a noticed public hearing as required by the Act relative
to the matters material to the questions set forth in the Resolution of Intention to
Incur Indebtedness.
6. No written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the Secretary.

RESOLUTION

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

1. **Recitals.** The foregoing recitals are true and correct.

2. **Necessity.** This Commission deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of $40,000,000 within the boundaries of the CFD for the purpose of financing the costs of the Facilities, as provided in the Resolution of Intention and the Resolution of Formation including, but not limited to, the costs of issuing and selling bonds to finance the Facilities and the costs of the Agency in establishing and administering the CFD.

3. **Entire CFD Liable.** The whole of the CFD shall pay for the bonded indebtedness through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit “B” to the Resolution of Formation.

4. **Bonds.** Bonds in the maximum amount of $40,000,000 are hereby authorized subject to voter approval. The bonds shall initially bear interest at a variable rate of interest or such other mode of interest determined by the Commission and be payable on the first business day of each month or such other day determined by the Commission, 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 mature at a time not to exceed 40 years from the date of the issuance of said bonds.

5. **Election.** The proposition of incurring the bonded indebtedness herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of the Commission.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel