

## RESOLUTION NO. 67-2009

*Adopted June 16, 2009*

**AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$80,000,000 RELATING TO THE ISSUANCE OF 2009 SERIES C TAX ALLOCATION REVENUE BONDS (MISSION BAY NORTH AND MISSION BAY SOUTH REDEVELOPMENT PROJECTS) 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 (MISSION BAY NORTH PROJECT AREA AND MISSION BAY SOUTH 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. 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"), the Authority proposes to issue a series of bonds designated as the 2009 Series C Tax Allocation Revenue Bonds (Mission Bay North and Mission Bay South Redevelopment Projects) (the "Bonds") for the purpose of enabling the Authority and the Agency to finance certain redevelopment activities of the Agency for the Mission Bay North Project Area and the Mission Bay South Project Area.
3. The Bonds will be repaid from, and secured by, payments made to the Authority by the Agency pursuant to the Loan Agreement (hereinafter defined).
4. The Authority and the Agency propose to sell the Bonds by negotiated sale, and, in connection with the offering of such Bonds, the Authority and the Agency will prepare or cause to be prepared Official Statements and a Bond Purchase Agreement relating to the Bonds.
5. The Bonds are being issued to finance certain public capital improvements located within the jurisdiction of the Agency and within the boundaries of the Agency's project areas set forth below.

6. 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 financings.
7. The sale and issuance of the Bonds are Agency fiscal activities that are not Projects as defined by the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4), will not independently result in a physical change in the environment, and are not subject to environmental review under CEQA.

### **FINDINGS**

1. The Commission finds that the Board of Supervisors of the City and County of San Francisco, by its Resolution No. 336-08, adopted on July 22, 2008, approved the issuance of not to exceed \$202,824,283 of bonds for the purpose of financing the Agency’s redevelopment activities in fiscal year 2008-09, and the Bonds are being issued pursuant to such approval.
2. The Commission finds that none of the public capital improvements to be financed with proceeds of the Bonds are being constructed to support, or in conjunction with, a “development project,” as such term is used in Section 6586.5(a)(2) of the Government Code.
3. The Commission finds that the use of the Authority to accomplish the borrowings 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.

### **RESOLUTION**

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

**Section 1. Approval of Loans.** The Redevelopment Agency of the City and County of San Francisco (“Agency”) authorizes and approves borrowings from the City and County of San Francisco Redevelopment Financing Authority (“Authority”) pursuant to loan agreements with respect to the Mission Bay North Redevelopment Project and the Mission Bay South Redevelopment Project in connection with the issuance by the Authority of the Bonds (collectively, the “Loan Agreements”). The Agency finds and determines that the use of the Authority to accomplish the financings 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 Agency affirms the cross-collateralization provisions contained in the Loan Agreements. The Loan Agreements are approved substantially in the form lodged with

advisable by the Executive Director or the Deputy Executive Director, Finance and Administration, and their respective designees, after consultation with the Agency General Counsel, 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 its redevelopment activities. Each Loan Agreement shall be executed by either the Executive Director or the Deputy Executive Director, Finance and Administration, or their respective designees, 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 \$80,000,000. Notwithstanding anything herein to the contrary, the Bonds may be issued in two separate series, one series for the Mission Bay North Redevelopment Project and one series for the Mission Bay South Redevelopment Project.

**Section 2. Official Statement.** The Agency hereby approves the use of an Official Statement describing the Bonds (the "Official Statement"), a draft of which is lodged with the Agency General Counsel and attached to the memorandum accompanying this Resolution, 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 the 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 Underwriters (as defined below) is hereby approved.

**Section 3. Sale of Bonds.** The Agency authorizes the sale of the Bonds to E. J. De La Rosa & Co., Inc. and Stone & Youngberg LLC (the "Underwriters") pursuant to the terms of the bond purchase agreement (the "Bond Purchase Agreement") among the Authority, the Agency and the Underwriters, a draft of which is lodged with the Agency General Counsel, and authorizes the Executive Director or the Deputy Executive Director, Finance and Administration, and their respective designees, to take any and all actions necessary to sell the Bonds by executing the Bond Purchase Agreement in substantially the form lodged with the Agency General Counsel, with such additions thereto or changes therein as are recommended or approved by such officer upon consultation with the Agency General Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement by the Executive Director or the Deputy Executive Director, Finance and Administration, provided that the yield to maturity payable with respect to the Bonds shall not exceed nine and one-half percent (9.50%) per annum (ten percent (10%) per annum if the Bonds are sold without a rating), and the underwriters' discount (excluding original issue discount) shall not exceed one percent (1.00%) of the par amount of the


Bonds. In determining yield to maturity, all issuance costs, including underwriters' discount, shall be taken into account.

**Section 4. Disclosure Certificate.** The Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed by the Agency is hereby approved substantially in the form lodged with the Agency General Counsel. The Executive Director and the Deputy Executive Director, Finance and Administration are each hereby authorized to execute and deliver the Disclosure Certificate in said form, with such additions thereto or changes therein as are recommended or approved by such officer upon consultation with the Agency General Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Disclosure Certificate by the Executive Director or the Deputy Executive Director, Finance and Administration.

**Section 5. Municipal Bond Insurance and Surety Bonds.** The Executive Director and the Deputy Executive Director, Finance and Administration are hereby authorized and directed to obtain a municipal bond insurance policy for the Bonds and reserve account surety bonds for the Loan Agreements if it is determined, upon consultation with the Underwriters and Public Financial Management, Inc., the financial advisor to the Agency and the Authority, that such municipal bond insurance policy and/or surety bonds are available and will reduce the true interest costs with respect to the Bonds and/or otherwise enable the Agency and the Authority to better meet their financing objectives.

**Section 6. Official Actions.** The Executive Director, the Deputy Executive Director, Finance and Administration, the Secretary, the Agency General Counsel, and any and all other officers and designees 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, all as described herein.

**APPROVED AS TO FORM:**



James B. Morales  
Agency General Counsel