ADOPTING A RESOLUTION OF CONSIDERATION TO AMEND AND RESTATE THE AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS)

WHEREAS, The former Redevelopment Commission (the “Former Commission”) of the former Redevelopment Agency of the City and County of San Francisco (“SFRA”) has conducted proceedings under and 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”), to form Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the “CFD”), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by the special taxes, all as described in those proceedings; and,

WHEREAS, The Rate and Method of Apportionment of Special Tax for the CFD (the “Rate and Method”), was approved by the Former Commission pursuant to Resolution No. 36-2005 adopted by the Former Commission on April 5, 2005 (the “Resolution of Formation”) and is attached as Exhibit B to the Amended and Restated Notice of Special Tax Lien recorded in the office of the Recorder for the City and County of San Francisco on May 26, 2005 as Document No. 2005H961494; and,

WHEREAS, Pursuant to Resolution No. 37-2005, adopted by the Former Commission on April 5, 2005, entitled “Determining Necessity to Incur Bonded Indebtedness of Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements)—Hunters Point Shipyard Redevelopment Project Area,” the Former Commission declared the necessity to incur bonded indebtedness in the maximum principal amount of $40,000,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the authorized facilities (the “Facilities”); and,

WHEREAS, At an election of the qualified electors in the CFD held on April 5, 2005, the qualified electors approved the incurring of bonded indebtedness in the maximum principal amount of $40,000,000 and an annual appropriations limit of $40,000,000; and,

WHEREAS, On April 20, 2005, pursuant to an Indenture of Trust dated as of April 5, 2005 (as amended, restated or supplemented from time to time, the “Indenture”), SFRA issued its $34,500,000 initial principal amount Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) bonds. The Indenture contains the covenants and conditions governing the bonds issued under the Indenture. Pursuant to the Indenture, SFRA has established a fund for the purpose of financing the costs of the facilities described in the Indenture, including, but not limited to, providing the necessary funds for the operation and maintenance of the facilities. The Indenture also contains provisions governing the use of the proceeds of the bonds issued under the Indenture.
Shipyard Phase One Improvements) Variable Rate Demand Special Tax Bonds, 2005 Series A (the “2005 Bonds”); and,

WHEREAS, On July 15, 2008, the Former Commission commenced change proceedings by adopting Resolution No. 80-2008, entitled “Considering Amendment and Restatement of the Rate and Method of Apportionment of Special Tax and Increases in the Authorized Principal Amount of Bonded Indebtedness and the Annual Appropriations Limit for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements),” pursuant to which, among other things, the Former Commission approved the proposed amended and restated Rate and Method (the “Amended and Restated Rate and Method”) in the form attached thereto as Exhibit A, (ii) declared the intention of the Former Commission, acting as the legislative body for the CFD, to cause bonds of the SFRA to be issued for the CFD pursuant to the Act to finance in whole or in part the construction and/or acquisition of the Facilities in the aggregate principal amount not to exceed $65,000,000 (which amount included the initial principal amount of the 2005 Bonds but not the principal amount of fixed interest rate bonds issued for the purpose of refunding the variable rate 2005 Bonds), an increase from the then existing maximum bonded indebtedness limit of $40,000,000, and (iii) approved an increased annual appropriations limit of $65,000,000; and,

WHEREAS, At an election of the qualified electors in the CFD held on September 2, 2008, the qualified electors approved the proposed changes, including the Amended and Restated Rate and Method; and,

WHEREAS, Under 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 SFRA, 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,

WHEREAS, In June of 2012, the State legislature adopted Assembly Bill 1484 (“AB 1484”) amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities and have the authority, with approval of the oversight board and Department of Finance, to issue bonds in certain circumstances, including refunding bonds to achieve debt service savings, and the Governor of the State signed the bill and it became effective on June 27, 2012; and,

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012 the Board of Supervisors of the City adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which Implementing Ordinance was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) is a separate legal entity from the City, (b) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in AB 26 as amended by AB 1484, and as it may be further amended from time to time (collectively referred to in the Implementing Ordinance as the “Redevelopment Dissolution Law”), title to all assets, and all
rights, obligations and liabilities of SFRA, (c) declared that the name of the Successor Agency is the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco,” (d) established the Commission to the Successor Agency (the “Commission”) and delegated to the Commission the authority (excluding authority as to the transferred “Housing Assets,” as defined in the Implementing Ordinance) to act in place of the Former Commission to, among other matters: (i) implement, modify, enforce and complete SFRA’s enforceable obligations, including its Retained Housing obligations as defined in the Implementing Ordinance, (ii) approve all contracts and actions related to the assets transferred to or returned by the Successor Agency, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, including, without limitation, authorizing additional obligations in furtherance of enforceable obligations, and approving the issuance of bonds to carry out the enforceable obligations, subject to any approval of the Oversight Board of the Successor Agency established pursuant to the provisions of the Redevelopment Dissolution Law, (e) designated the means by which the five members of the Commission would be determined, and (f) provided for an Executive Director of, and legal counsel to, the Successor Agency; and,

WHEREAS, The Successor Agency is also known as the Office of Community Investment and Infrastructure (“OCI”) and its commission is known as the Commission on Community Investment and Infrastructure; and,

WHEREAS, As provided for in the Sixth Amendment to the Phase 1 DDA, the current development plan includes the transfer of Block 49 from the Developer to OCI for the development of affordable housing (60 units targeting 50 percent Area Median Income households). The Block 49 Project was approved by the Commission on February 18, 2014 by Resolution No. 8-2014. OCI and the Developer wish to exempt Block 49 from special taxes, consistent with the other affordable housing sites in Phase 1; and,

WHEREAS, The current proposed development plan in the CFD further provides for the reduction in the maximum special tax rates for the CFD to make the special tax rates more competitive in the relevant market; and

WHEREAS, The Commission has been asked by owners of property in the CFD to amend and restate the Amended and Restated Rate and Method (as so amended and restated, the “Second Amended and Restated RMA”) to (i) reflect the proposed exemption from special taxes of Block 49 and (ii) amend the maximum special tax rates for the CFD to make them more competitive in the relevant market; and,

WHEREAS, The proposed changes must occur following a public hearing and must be approved by two-thirds of the votes cast on the proposition at an election of the qualified electors in the CFD; now therefore, be it

RESOLVED, The Commission finds that:
This Resolution relates to the property in the CFD and it is hereby determined that the public convenience and necessity require the changes to the CFD described in this resolution; and, be it further

RESOLVED, The proposed changes to the Amended and Restated Rate and Method will not interfere with the timely retirement of the 2005 Bonds and do not cause the Successor Agency to violate any provisions of the Indenture, and, be it further

RESOLVED, The proposed Second Amended and Restated RMA in the form attached hereto as Exhibit A, incorporated herein by reference, and substantially in the form on file with the Secretary of the Commission, is hereby approved by the Commission, subject to approval by two-thirds of the votes cast on the proposition of approving the Second Amended and Restated RMA at an election of the qualified electors in the CFD; and, be it further

RESOLVED, The Commission hereby sets May 6, 2014 at 1:00 p.m. (which date is at least 30 days and not more than 60 days after the date of this Resolution) or as soon thereafter as possible in Room 416, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102 as the date and time for the public hearing on the question of approving the Second Amended and Restated RMA; and, be it further

RESOLVED, The Secretary of the Commission is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least seven days before the date of the public hearing specified above. The notice shall comply with the provisions of Section 53335 of the Act; and, be it further

RESOLVED, The Commission authorizes the Executive Director of OCII to take such actions as may be necessary or appropriate, to effectuate the purpose or intent of this resolution; and, be it further

RESOLVED, The Commission has received a petition filed by the owners of the taxable property in the CFD requesting institution of the proposed change proceedings, and, in compliance with Section 53332 of the Act, the owners have advanced moneys to pay for, or are otherwise in compliance with arrangements agreed to by OCII to pay for, all costs incurred by OCII in conducting the proposed change proceedings; and, be it further

RESOLVED, This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 1, 2014.

[Signature]
Commission Secretary
EXHIBIT A

REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 7
(Hunters Point Shipyard Phase One Improvements)

SECOND AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX