RESOLUTION AUTHORIZING THE ISSUANCE OF TAXABLE AND TAX-EXEMPT REFUNDING TAX ALLOCATION BONDS IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $300,000,000, AND APPROVING AND DIRECTING THE EXECUTION OF AN INDENTURE OF TRUST AND BOND PURCHASE CONTRACTS, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS; VARIOUS PROJECT AREAS, SUBJECT TO OVERSIGHT BOARD AND DEPARTMENT OF FINANCE CONCURRENCE

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 the Redevelopment Agency of the City and County of San Francisco (the "Former Redevelopment Agency"), 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 California legislature adopted Assembly Bill 1484 ("AB 1484") amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities (Section 34173 (g) of the California Health and Safety Code (the "Code")), and have the authority, with approval of the oversight board and Department of Finance, to issue bonds for certain refunding purposes (Section 34177.5(a)(1) of the Code), and the Governor of the State signed the bill and it became effective on June 27, 2012 (AB 26 and AB 1484, together with subsequent legislation are referred to as the “Redevelopment Dissolution Law” and are codified at Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of the Code.); 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 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 (as defined herein) 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 the Former Redevelopment Agency, (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 Successor Agency Commission (the “Successor Agency Commission”) and delegated to the Successor Agency Commission the authority (excluding authority as to the “Housing Assets,” as defined in the Implementing Ordinance) to act in place of the Former Redevelopment Agency Commission to, among other matters: (i) implement, modify, enforce and complete the Former Redevelopment Agency’s enforceable obligations, except with respect to certain enforceable obligations for specified affordable housing purposes, (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 Successor Agency 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 (the “Oversight Board”), (e) designated the means by which the five members of the Successor Agency 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 (“OCII”) and its commission is known as the Commission on Community Investment and Infrastructure; and,

WHEREAS, Prior to the dissolution of the Former Redevelopment Agency, the Former Redevelopment Agency entered into the loan agreements set forth on Exhibit A hereto and incorporated herein (collectively, the “Existing Loan Agreements”), and issued the bonds set forth on Exhibit A hereto and incorporated herein (collectively, the “Prior Bonds”), to finance and refinance redevelopment activities; and,

WHEREAS, Section 34177.5(a)(1) of the Code provides that a successor agency may issue bonds or incur other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency to provide savings to the successor agency, provided that the following conditions are met: (A) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness shall not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (B) the principal amount of the refunding bonds or other indebtedness shall not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance (the “Savings Parameters”); and,

WHEREAS, Section 34177.5(b) of the Code authorizes a successor agency to issue such refunding bonds pursuant to Article 11 (commencing with Section 53580) of
WHEREAS, In order to refinance certain of the Prior Bonds (the "Refunded Bonds") and the related Existing Loan Agreements set forth on Exhibit B hereto and incorporated herein (the "Refunded Loan Agreements"), under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, the Successor Agency has determined to issue its refunding bonds (collectively, the "2014 Bonds") in two or more series captioned "2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)" (the "2014 Series B Taxable Bonds") and "2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects)" (the "2014 Series C Bonds"); and,

WHEREAS, To determine that the issuance of the 2014 Bonds, the refunding of the Refunded Bonds and the refinancing of the Refunded Loan Agreements comply with the Savings Parameters, the Successor Agency has caused its financial advisors, Public Financial Management, Inc., and Kitahata & Company (collectively, the "Financial Advisors"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the 2014 Bonds to prepay the Refunded Loan Agreements and, thereby, to refund the Refunded Bonds (the "Debt Service Savings Analysis"); and,

WHEREAS, The following documents and instruments have been made available to the Successor Agency and the public, are on file with the Secretary of the Successor Agency: an Indenture of Trust (the "Indenture") between the Successor Agency and a trustee to be selected by the Successor Agency (the "Trustee"), providing for the issuance of the 2014 Bonds; a Redemption Agreement for each of the Refunded Bonds and the related Refunded Loan Agreements (each a "Redemption Agreement") providing for the refinancing of the Refunded Loan Agreements, and the refunding and defeasance of the Refunded Bonds; a Bond Purchase Contract to be used in connection with the sale of the 2014 Series B Taxable Bonds (the "Series B Purchase Contract"); and a Bond Purchase Contract to be used in connection with the sale of the 2014 Series C Bonds (the "Series C Purchase Contract"); and,

WHEREAS, The 2014 Bonds will be payable from “Pledged Tax Revenues” (as defined in the Indenture) on a basis subordinate to the Successor Agency’s repayment obligations under the Existing Loan Agreements that will remain outstanding after the issuance of the 2014 Bonds; and,

WHEREAS, The Financial Advisors have had input into the staff report submitted in connection with this Resolution, which addresses matters described in Section 34177.5(h) of the Code; and,

WHEREAS, The Successor Agency will be requesting that the Oversight Board direct the Successor Agency to undertake the refunding proceedings and to approve the issuance of the 2014 Bonds consistent with this Resolution and the Indenture;
WHEREAS, The Successor Agency further will request that the Oversight Board make certain determinations described below on which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2014 Bonds; and,

WHEREAS, The Successor Agency has determined to sell the 2014 Series B Taxable Bonds to the underwriters (to be determined at a later date) (the “Series B Original Purchasers”) pursuant to the Series B Purchase Contract, and to sell the 2014 Series C Bonds to the underwriters (to be determined at a later date) (the “Series C Original Purchasers”) pursuant to the Series C Purchase Contract; and,

WHEREAS, Following approval by the Oversight Board of the issuance of the 2014 Bonds by the Successor Agency and the review and approval or nonobjection of the Oversight Board Resolution by the California Department of Finance, the Successor Agency will, with the assistance of the Financial Advisors, bond counsel to the Successor Agency (“Bond Counsel”), disclosure counsel to the Successor Agency (“Disclosure Counsel”), and the fiscal consultant to the Successor Agency (the “Fiscal Consultant”), cause to be prepared a form of Official Statement describing the 2014 Bonds and containing material information relating to the Successor Agency and the 2014 Bonds, the preliminary form of which will be submitted to the Successor Agency for approval for distribution by the Series B Original Purchasers and Series C Original Purchasers to persons and institutions interested in purchasing the 2014 Bonds; and,

WHEREAS, The sale and issuance of the 2014 Bonds are Successor Agency fiscal activities that do not constitute a “Project” 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; now therefore, be it

RESOLVED, The Successor Agency Commission finds that:

The Successor Agency’s proposed issuance of the 2014 Bonds complies with Section 34177.5(a)(1) of the Code for the purpose of refunding the Refunded Bonds and the Refunded Loan Agreements, and upon the Oversight Board’s approval and the Department of Finance’s non-object to or approval of the Oversight Board’s Resolution, all acts and proceedings required by law necessary to make the 2014 Bonds (when executed by the Successor Agency, authenticated and delivered by the Trustee and duly issued) the valid, binding and legal special obligations of the Successor Agency, and to constitute the Indenture a valid and binding agreement for the uses and purposes therein set forth, in accordance with its terms, will have been done or taken and the execution and delivery of the Indenture will have been in all respects duly authorized.

RESOLVED, The Successor Agency Commission has determined that there are significant potential savings available to the Successor Agency and to applicable taxing entities in compliance with the Savings Parameters by the issuance by the Successor Agency of the 2014 Bonds to provide funds to refund and defease the Refunded Bonds, all as evidenced by the Debt Service Savings Analysis on file
RESOLVED, Pursuant to Redevelopment Dissolution Law, this Resolution, the Indenture, Section 34177.5(b) of the Code, and the Refunding Law, the 2014 Bonds are hereby authorized to be issued, provided that the aggregate initial amount of the 2014 Series B Taxable Bonds shall not exceed $110,000,000, the aggregate initial amount of the 2014 Series C Bonds shall not exceed $190,000,000, and each series of the 2014 Bonds shall be in compliance with the Savings Parameters at the time of their issuance and delivery. The initial principal amount of each series of the 2014 Bonds shall be as provided in each respective Purchase Contract, as executed by the Executive Director as further provided herein. The 2014 Bonds shall be executed in the form set forth in and otherwise as provided in the Indenture. Notwithstanding the foregoing, the Successor Agency may issue more than one series of taxable refunding bonds and more than one series of tax-exempt refunding bonds at different times if the Authorized Officers determine it is in the best interests of the Successor Agency to do so, provided that the maximum combined principal amount of all taxable refunding bonds shall not exceed $110,000,000 and the maximum combined principal amount of all tax-exempt refunding bonds shall not exceed $190,000,000.

RESOLVED, The Successor Agency intends to sell and deliver the 2014 Bonds in whole, provided that there is compliance with the Savings Parameters. However, the Successor Agency will initially authorize the sale and delivery of the 2014 Bonds in whole or, if such Savings Parameters cannot be met with respect to the whole, then in part; provided that the 2014 Bonds so sold and delivered in part are in compliance with the Savings Parameters. The sale and delivery of the 2014 Bonds in part will in each instance provide sufficient funds only for the refunding of that portion of the 2014 Bonds that meet the Savings Parameters. If the 2014 Bonds are initially sold in part, the Successor Agency intends to sell and deliver additional parts of the 2014 Bonds without the further approval of the Oversight Board provided that in each such instance the 2014 Bonds so sold and delivered in part are in compliance with the Savings Parameters.

RESOLVED, The Indenture is hereby approved in the form lodged with the Successor Agency’s Secretary and attached to the Commission memorandum accompanying this Resolution. The Executive Director and the Deputy Executive Director, Finance and Administration (each being hereinafter referred to as an “Authorized Officer”), each acting alone, are hereby authorized and directed, subject to the Oversight Board’s approval and the Department of Finance’s non-objection to or approval of the Oversight Board’s Resolution, to execute and deliver the Indenture in said form, with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the Successor Agency and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Indenture by an Authorized Officer. The date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration, privileges, manner of execution, place of payment terms of redemption and other terms of the 2014 Bonds shall be as
provided in the Indenture as finally executed. Each Authorized Officer is hereby authorized and directed to select one or more banking corporations, trust companies or national banking associations to serve as trustee under the Indenture.

RESOLVED, The Redemption Agreements are hereby approved in the forms lodged with the Successor Agency’s Secretary and attached to the Commission memorandum accompanying this Resolution. Each Authorized Officer, acting alone, is hereby authorized and directed, subject to the Oversight Board’s approval, and the Department of Finance’s non-objection to or approval of the Oversight Board’s Resolution, to execute and deliver the Redemption Agreements in said forms, with such additions thereto or changes therein as are approved by an Authorized Officer upon consultation with the Successor Agency and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of the Redemption Agreements by an Authorized Officer.

RESOLVED, The Series B Purchase Contract and the Series C Purchase Contract are hereby approved in the forms lodged with the Successor Agency’s Secretary and attached to the Commission memorandum accompanying this Resolution. An Authorized Officer is hereby authorized and directed to accept the offer of the Series B Original Purchasers to purchase the 2014 Series B Taxable Bonds, and the offer of the Series C Original Purchasers to purchase the 2014 Series C Bonds, provided that the following conditions are met: (a) the aggregate initial amount of the 2014 Series B Taxable Bonds may not exceed $110,000,000, the true interest cost of the 2014 Series B Taxable Bonds may not exceed 5.40% per annum, and the Underwriters’ discount for the 2014 Series B Taxable Bonds, without regard to any original issue discount, may not exceed 0.462% of the aggregate initial amount of the 2014 Series B Taxable Bonds; (b) the aggregate initial amount of the 2014 Series C Bonds may not exceed $190,000,000, the true interest cost of the 2014 Series C Bonds may not exceed 5.00% per annum, and the Underwriters’ discount for the 2014 Series C Bonds, without regard to any original issue discount, may not exceed 0.450% of the aggregate initial amount of the 2014 Series C Bonds, and (c) the net present value savings obtained by issuing the 2014 Bonds, based on the debt service of the Refunded Bonds, is not less than 3% of the principal amount of the Refunded Bonds; provided, however, that, in accordance with the Debt Policy of the Successor Agency, this criterion may be waived in order to take advantage of the current historically low interest rate environment and the economic efficiency of including multiple loans in the current refinancing. Subject to the Oversight Board’s approval, and the Department of Finance’s non-objection to or approval of the Oversight Board’s Resolution, an Authorized Officer is hereby authorized and directed to execute and deliver each Purchase Contract in said form, with such additions thereto or changes therein as are recommended or approved by an Authorized Officer upon consultation with the Successor Agency and Bond Counsel, the approval of such additions or changes to be conclusively evidenced by the execution and delivery of each Purchase Contract by an Authorized Officer.
RESOLVED, Following approval by the Oversight Board of the issuance of the 2014 Bonds by the Successor Agency and upon the California Department of Finance’s nonobjection to or approval of the Oversight Board approval, the Successor Agency will, with the assistance of Disclosure Counsel, Bond Counsel, the Fiscal Consultant and the Financial Advisors, cause to be prepared a form of Official Statement describing the 2014 Bonds and containing material information relating to the Successor Agency and the 2014 Bonds, the preliminary form of which will be submitted to the Commission (but not to the Oversight Board) for approval for distribution by the Underwriters to persons and institutions interested in purchasing the 2014 Bonds.

RESOLVED, The 2014 Bonds, when executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the 2014 Bonds by executing the Trustee’s certificate of authentication and registration appearing thereon, and to deliver the 2014 Bonds, when duly executed and authenticated, to the Underwriters in accordance with written instructions executed on behalf of the Successor Agency by an Authorized Officer, which instructions such officer is hereby authorized and directed to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the 2014 Bonds to the Underwriters upon payment of the purchase price therefor.

RESOLVED, The Successor Agency hereby requests the Oversight Board, as authorized by Section 34177.5(f) of the Code, to direct the Successor Agency to undertake the refunding proceedings and as authorized by Sections 34177.5(f) and 34180(b) of the Code to approve the issuance of the 2014 Bonds pursuant to Section 34177.5(a)(1) of the Code, this Resolution and the Indenture.

RESOLVED, The Successor Agency requests that the Oversight Board make the following determinations upon which the Successor Agency will rely in undertaking the refunding proceedings and the issuance of the 2014 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 2014 Bonds from the proceeds of the 2014 Bonds, including the cost of reimbursing its administrative staff for time spent with respect to the authorization, issuance, sale and delivery of the 2014 Bonds.

(b) The application of proceeds of the 2014 Bonds by the Successor Agency to the refunding and defeasance of the Refunded Bonds and the refinancing of the Refunded Loan Agreements, as well as the payment by the Successor Agency of costs of issuance of the 2014 Bonds, as provided in Section 34177.5(a) of the Code, shall be implemented by the Successor Agency promptly upon sale and delivery of the 2014 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 34183(a)(3) of the Code without any deductions with respect to continuing costs related to the 2014 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 2014 Bonds for any reason, the Successor Agency shall, nevertheless, be entitled to recover its costs incurred with respect to the refunding proceedings of the 2014 Bonds from such property tax revenues pursuant to Section 34183 of the Code without reduction in its Administrative Cost Allowance.

RESOLVED The Successor Agency is hereby authorized and directed to file the Debt Service Savings Analysis, together with a certified copy of this Resolution, with the Oversight Board, and, as provided in Section 34180(j) of the Code, with the California Department of Finance.

RESOLVED, The Authorized Officers, each acting alone, are hereby authorized and directed to take all actions necessary to obtain a municipal bond insurance policy or reserve account surety bond, or both, for the 2014 Bonds, or any portion thereof, from a municipal bond insurance company if it is determined, upon consultation with the Financial Advisor, the Series B Original Purchasers and the Series C Original Purchasers, that such municipal bond insurance policy and/or surety bonds will reduce the true interest costs with respect to the 2014 Bonds.

RESOLVED, All actions heretofore taken by the officers and agents of the Successor Agency with respect to the sale and issuance of the 2014 Bonds and the expenditure of the proceeds thereof are hereby approved, confirmed and ratified. The proper officers of the Successor Agency are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to obtain the requested approvals by the Oversight Board and the California Department of Finance and consummate the lawful issuance and delivery of the 2014 Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of September 12, 2014.

[Signature] Commission Secretary