

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 9-2017

Adopted February 21, 2017

CONFIRMING THE ISSUANCE, UNDER SECTION 34177.7(a)(1)(a) AND (b) OF THE CALIFORNIA HEALTH AND SAFETY CODE, OF THE FOLLOWING NEW MONEY TAX ALLOCATION BONDS: (i) 2017 SERIES A TAXABLE THIRD LIEN TAX ALLOCATION BONDS TO FINANCE AFFORDABLE HOUSING OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$112,000,000 (AFFORDABLE HOUSING PROJECTS) AND (ii) 2017 SERIES B THIRD LIEN TAX ALLOCATION BONDS TO FINANCE INFRASTRUCTURE IN THE TRANSBAY PROJECT AREA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000, (TRANSBAY INFRASTRUCTURE PROJECTS); AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; AFFORDABLE HOUSING OBLIGATIONS; TRANSBAY INFRASTRUCTURE OBLIGATION

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 the California Department of Finance, to issue bonds for certain purposes (Section 34177.5(a) of the Code), and the Governor of the State signed the bill on June 27, 2012 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 (the “Board of Supervisors”) 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, but not excluding authority as to the “Retained Housing Obligations”) 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) authorized the Mayor to appoint the five members of the Successor Agency Commission, 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, In September of 2015, the California legislature adopted Senate Bill No. 107 (Stats. 2015, ch. 325, § 9, *codified at* Cal. Health & Safety Code § 34177.7) (“SB 107”) further amending the Redevelopment Dissolution Law and providing that the Successor Agency has the authority, with approval of its oversight board and the California Department of Finance, to issue bonds for certain purposes, including the funding of affordable housing required by (i) the Disposition and Development Agreement Hunters Point Shipyard Phase 1 dated as of December 2, 2003 between Lennar/BVHP, LLC, a California limited liability company doing business as Lennar/BVHP Partners, as succeeded by HPS Development Co., L.P., and the Former Agency, as succeeded by the Successor Agency, as heretofore amended and as hereafter may be amended, (ii) the Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated for reference purposes only as of June 3, 2010, between CP Development Co. LP, and the Former Agency, as succeeded by the Successor Agency, as heretofore amended and as hereafter may be amended, (iii) the Mission Bay North Owner Participation Agreement executed November 16, 1998, as heretofore amended and as hereafter may be amended, (iv) the Mission Bay South Owner Participation Agreement executed November 16, 1998, as heretofore amended and as hereafter may be amended, and (v) the Transbay Implementation Plan (as defined below) (Section 34177.7(a)(1)(A) of the Code) ((i) – (v) are collectively referred to herein as the “Affordable Housing Obligations”), and the Governor of

the State signed the bill on September 22, 2015 and it became effective immediately; and,

WHEREAS, SB 107 also provides that the Successor Agency has the authority, with approval of its oversight board and the California Department of Finance, to issue bonds to finance the infrastructure required by the Transbay Redevelopment Project Implementation Agreement dated as of January 20, 2005 between the Former Agency, as succeeded by the Successor Agency, and the Transbay Joint Powers Authority, as hereafter may be amended (the “Transbay Infrastructure Obligation”) (Section 34177.7(a)(1)(B) of the Code); and,

WHEREAS, In order to finance the Affordable Housing Obligations under the authority of Section 34177.7(a)(1)(A) of the Code, the Successor Agency has determined, subject to the approval of the Oversight Board and the California Department of Finance, to issue its bonds (the “2017 Series A Taxable Bonds”) captioned “2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects)”;

WHEREAS, In order to finance the Transbay Infrastructure Obligation under the authority of Section 34177.7(a)(1)(B) of the Code, the Successor Agency has determined, subject to the approval of the Oversight Board and the California Department of Finance, to issue its bonds (the “2017 Series B Bonds” and, together with the 2017 Series A Taxable Bonds, the “2017 Bonds”) captioned “2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)”;

WHEREAS, The 2017 Bonds will be payable from “Pledged Tax Revenues” (as defined in the hereinafter defined Indenture) on a basis subordinate to the Successor Agency’s repayment obligations under the \$67,955,000 initial aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) and the \$75,945,000 initial aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (collectively, the “2014 Bonds”) and any debt issued on a parity with the 2014 Bonds; and,

WHEREAS, The sale of the 2017 Bonds will comply with the provisions of the Successor Agency’s debt policy (the “Debt Policy”), adopted by Resolution 72-2014 of the Successor Agency Commission on August 19, 2014, unless such compliance is waived in accordance with the Debt Policy; and,

WHEREAS, The Successor Agency, pursuant to Resolution No. 53-2016, adopted December 6, 2016, approved the issuance of the 2017 Bonds and the execution of certain documents relating to the 2017 Bonds, including the Indenture of Trust, between the Successor Agency and U.S. Bank National Association, as trustee (the “Trustee”), pursuant to which the 2017 Bonds will be issued (the “Indenture”), and requested that the Oversight Board approve the issuance of the 2017 Bonds by the Successor Agency; and,

WHEREAS The Oversight Board by Resolution No. 11-2016, adopted December 12, 2016, approved the issuance of the 2017 Bonds by the Successor Agency, and said Resolution has been forwarded to the California Department of Finance pursuant to Sections 34177.7(f) and 34179(h) of the Code; and,

WHEREAS, On December 19, 2016, the California Department of Finance requested review of Oversight Board Resolution No. 11-2016 and indicated that it has 60 days to review the resolution; and,

WHEREAS, The Successor Agency with the assistance of Public Financial Management, Inc. and Kitahata and Company (collectively, the “Financial Advisor”), 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”), has caused to be prepared a form of Official Statement describing the 2017 Bonds and containing material information relating to the Successor Agency and the 2017 Bonds, the preliminary form of which is on file with the Secretary of the Successor Agency; and,

WHEREAS, The sale and issuance of the 2017 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 has full authority to issue the 2017 Series A Taxable Bonds to finance Affordable Housing Obligations under said Section 34177.7(a)(1)(A) of the Code, and to issue the 2017 Series B Bonds to finance Transbay Infrastructure Obligation under Section 34177.7(a)(1)(B) of the Code, and upon the Oversight Board’s approval and the California Department of Finance’s non-objection to or approval of the Oversight Board’s Resolution, all acts and proceedings required by law necessary to make the 2017 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; and, be it further

RESOLVED, The Successor Agency hereby approves the preliminary Official Statement describing the 2017 Bonds, in substantially the form on file with the Successor Agency’s Secretary. Distribution of the preliminary Official Statement by Stifel, Nicolaus & Company, Incorporated, Backstrom, McCarley Berry & Co., LLC and Stinson Securities, LLC , as the underwriters for the 2017 Bonds (collectively, the “Underwriters”) is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Executive Director and the Deputy Director of Finance and Administration (each being hereinafter referred to as an “Authorized Officer”), each acting alone, are hereby authorized and directed, on behalf of the

Successor Agency, to deem the preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer and the addition of such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2017 Bonds, and the Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriters a certificate with respect to the information set forth therein and to deliver to the Underwriters a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement; and, be it further

RESOLVED, The Successor Agency hereby confirms its actions in Resolution No. 53-2016 authorizing and approving the issuance of the 2017 Series A Taxable Bonds pursuant to the Act, Resolution No. 53-2016, the Indenture, and Sections 34177.7(a)(1)(A) and 34177.7(b) of the Code, subject to the approval of the Oversight Board and the California Department of Finance and subject to the satisfaction of the terms and conditions for the issuance of the 2017 Series A Taxable Bonds set forth in Resolution No. 53-2016; and, be it further

RESOLVED, The Successor Agency hereby confirms its actions in Resolution No. 53-2016 authorizing and approving the issuance of the 2017 Series B Bonds pursuant to the Act, Resolution No. 53-2016, the Indenture, and Sections 34177.7(a)(1)(B) and 34177.7(b) of the Code, the 2017 Series B Bonds are hereby authorized to be issued, subject to the approval of the Oversight Board and the California Department of Finance and subject to the satisfaction of the terms and conditions for the issuance of the 2017 Series B Bonds set forth in Resolution No. 53-2016; and, be it further

RESOLVED, This Commission authorizes all actions heretofore taken by the officers and agents of the Successor Agency with respect to the sale and issuance of the 2017 Bonds herein authorized, the expenditure of the proceeds of the 2017 Bonds is hereby approved, confirmed and ratified, and 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 consummate the lawful issuance and delivery of the 2017 Bonds in accordance with this Resolution and any certificate, agreement and other document described in the documents herein approved.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of February 21, 2017.



Interim Commission Secretary