

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 10-2017

Adopted February 21, 2017

CONFIRMING THE ISSUANCE, UNDER SECTIONS 34177.7 (a)(1) AND 34177.5(a)(1) OF THE CALIFORNIA HEALTH AND SAFETY CODE, OF THE FOLLOWING NEW MONEY AND REFUNDING TAX ALLOCATION BONDS: 2017 SERIES C TAXABLE SUBORDINATE TAX ALLOCATION BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 TO FUND AFFORDABLE HOUSING IN MISSION BAY AND REFUND EXISTING INDEBTEDNESS WITH RESPECT TO MISSION BAY (MISSION BAY NEW MONEY AND REFUNDING HOUSING PROJECTS); APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY NORTH AND MISSION BAY SOUTH AFFORDABLE HOUSING OBLIGATIONS

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the “Former Redevelopment Agency”) and FOCIL-MB, LLC (the “Master Developer”), as assignee of Catellus Development Corporation, are parties to a Mission Bay North Owner Participation Agreement executed November 16, 1998, as amended by the First Amendment, dated February 17, 2004, by the Second Amendment, dated March 16, 2004, by the Third Amendment, dated January 18, 2005, by the Fourth Amendment, dated March 15, 2005, and by the Fifth Amendment, dated January 21, 2014 (as further amended, the “Mission Bay North OPA”), which includes as part thereof Attachment E thereto, entitled “Mission Bay North Financing Plan”, and a Mission Bay South Owner Participation Agreement executed November 16, 1998, as amended by the First Amendment, dated February 17, 2004, by the Second Amendment, dated November 1, 2005, by the Third Amendment, dated May 21, 2013, by the Fourth Amendment dated June 4, 2013, and by the Fifth Amendment, dated April 29, 2014 (as further amended, the “Mission Bay South OPA”), which includes as part thereof Attachment E thereto, entitled “Mission Bay South Financing Plan”; 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 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 refunding purposes (Section 34177.5(a)(1) 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 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 to the Redevelopment Agency of the City and County of San Francisco (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 the Mission Bay North OPA and the Mission Bay South OPA (Section

34177.7(a)(1)(A) of the Code) (collectively referred to as the “Mission Bay Affordable Housing Obligations”), and the Governor of the State signed the bill on September 22, 2015 and it became effective immediately; and,

WHEREAS, Prior to the dissolution of the Former Redevelopment Agency, the Former Redevelopment Agency entered into the following loan agreements (collectively, the “Mission Bay North Existing Loan Agreements”) to finance and refinance affordable housing under the Mission Bay North OPA:

(i) Loan Agreement dated as of August 1, 2006, among the Former Redevelopment Agency, The Bank of New York Trust Company, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as trustee, and the City and County of San Francisco Redevelopment Financing Authority (the “Authority”), in the initial aggregate principal amount of \$3,900,000; and,

(ii) Loan Agreement dated as of December 1, 2009, among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the Authority, in the initial aggregate principal amount of \$975,000; and,

(iii) Loan Agreement dated as of April 1, 2011 among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the Authority, in the initial aggregate principal amount of \$1,660,000; and,

WHEREAS, Prior to the dissolution of the Former Redevelopment Agency, the Former Redevelopment Agency entered into the following loan agreements (collectively, the “Mission Bay South Existing Loan Agreements”) to finance and refinance affordable housing under the Mission Bay South OPA:

(i) Loan Agreement dated as of December 1, 2009, among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the Authority, in the initial aggregate principal amount of \$5,230,000; and,

(ii) Loan Agreement dated as of April 1, 2011 among the Former Redevelopment Agency, U.S. Bank National Association, as trustee, and the Authority, in the initial aggregate principal amount of \$7,795,000; and,

WHEREAS, In connection with the execution and delivery of the Mission Bay North Existing Loan Agreements and the Mission Bay South Existing Loan Agreements (collectively, the “Existing Loan Agreements”), the Authority issued the following bonds (collectively, the “Prior Bonds”):

(i) \$50,731,330.80 initial aggregate principal amount of 2006 Series A Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects); and,

(ii) \$72,565,000 initial aggregate principal amount of 2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects); and,

(iii) \$9,455,000 initial aggregate principal amount of 2011 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects); and,

- WHEREAS, Section 34177.5(a)(1) of the Code provides that a successor agency may, subject to the approval of the oversight board and the California Department of Finance, 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 conditions set forth in that section (the “Savings Parameters”) are met; 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 Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”); and,
- WHEREAS, Section 34177.7(a)(1)(A) of the Code provides that a successor agency may, subject to the approval of the oversight board and the California Department of Finance, issue bonds or incur other indebtedness to finance the Mission Bay Affordable Housing Obligations; and,
- WHEREAS, In order to refinance the Existing Loan Agreements and the Prior Bonds under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, and to finance the Mission Bay 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 C Bonds”) captioned “2017 Series C Taxable Subordinate Tax Allocation Bonds (Mission Bay New Money and Refunding Housing Projects)”;
- WHEREAS, The sale of the 2017 Series C 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. 54-2016, adopted December 6, 2016, approved the issuance of the 2017 Series C Bonds and the execution of certain documents relating to the 2017 Series C 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 Series C Bonds will be issued (the “Indenture”), and requested that the Oversight Board approve the issuance of the 2017 Series C Bonds by the Successor Agency; and,
- WHEREAS, The Oversight Board by Resolution No. 12-2016, adopted December 12, 2016, approved the issuance of the 2017 Series C 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. 12-2016 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 Series C Bonds and containing material information relating to the Successor Agency and the 2017 Series C 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 Series C 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 (i) under Section 34177.5(a)(1) of the Code to issue the 2017 Series C Bonds to refinance the Existing Loan Agreements and the Prior Bonds and (ii) under 34177.7(a)(1)(A) of the Code to issue the 2017 Series C Bonds to finance the Mission Bay Affordable Housing Obligations, 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 Series C 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

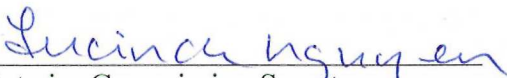
RESOLVED, The Successor Agency hereby approves the preliminary Official Statement describing the 2017 Series C Bonds, in substantially the form on file with the Successor Agency’s Secretary. Distribution of the preliminary Official Statement by Piper Jaffray & Co. and Stinson Securities, LLC (collectively, 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 Series C 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. 54-2016 authorizing and approving the issuance of the 2017 Series C Bonds pursuant to the Act, the Refunding Law, Resolution No. 54-2016, the Indenture and Sections 34177.5(a)(1), 34177.5(b), 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 C Bonds set forth in Resolution No. 54-2016; 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 Series C Bonds herein authorized, the expenditure of the proceeds of the 2017 Series C 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 Series C 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