

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 21-2018

AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX BONDS AND OTHER DEBT FOR IMPROVEMENT AREA NO. 1 OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 9 (HPS2/CP PUBLIC FACILITIES AND SERVICES) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$202,200,000 AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

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 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 and County of San Francisco (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 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 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” or the “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 governing board of the Former Redevelopment Agency (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, The Commission has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (“Act”), to, among other matters, (i) form “Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (HPS2/CP Public Facilities and Services)” (“CFD”), “Improvement Area No. 1 of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (HPS2/CP Public Facilities and Services)” (“Improvement Area No. 1”) and a future annexation area for the CFD (“Future Annexation Area”), (ii) authorize the levy of a special tax on property within Improvement Area No. 1 and (iii) issue bonds and other debt (as defined in the Act) secured by said special tax for the purpose of financing certain public improvements (“Facilities”) and public services (“Services”), all as described in those proceedings; and,

WHEREAS, The Commission adopted a resolution entitled “Resolution of Formation of Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (HPS2/CP Public Facilities and Services), Improvement Area No. 1 and a Future Annexation Area, and determining other matters in connection therewith” (“Resolution of Formation”). In the Resolution of Formation, this Commission made certain findings under the California Environmental Quality Act (“CEQA”) about the Final Environmental

Impact Report and subsequent addenda thereto (cumulatively, the “FEIR”) for the disposition and development of Candlestick Point and Phase 2 of Hunters Point Shipyard adopted by the Former Redevelopment Agency Commission together with certain findings regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the FEIR, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations (cumulatively “CEQA Findings”); and,

WHEREAS, The actions proposed under this resolution are an undertaking pursuant to and in furtherance of the Project in conformance with CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164; and,

WHEREAS, The FEIR and associated CEQA Findings reflect the independent judgment and analysis of the Former Redevelopment Agency Commission, remain adequate, accurate and objective, and were prepared and adopted following the procedures required by CEQA; and,

WHEREAS, Copies of the FEIR, addenda, CEQA Findings and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference as applicable to the actions proposed under this resolution; and,

WHEREAS, The Commission now wishes to provide for the issuance of special tax bonds for the CFD with respect to Improvement Area No. 1 to finance a portion of the Facilities and related costs and expenses, and wishes to direct Successor Agency staff to prepare and return to this Commission for approval of certain documents providing for the issuance and sale of the special tax bonds; and,

WHEREAS, Pursuant to Government Code Section 5852.1 which became effective on January 1, 2018 by the enactment of Senate Bill 450, certain information relating to the portion of the Bonds is set forth in Exhibit A attached to this Resolution, and such information is hereby disclosed and made public; now, therefore be it

RESOLVED, Pursuant to the Act and this Resolution, special tax bonds designated the “Improvement Area No. 1 of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 9 (HPS2/CP Public Facilities and Services), Special Tax Bonds, Series 2018” (the “Bonds”), or such other designation as determined by the Executive Director of the Successor Agency (“Executive Director”), are hereby authorized to be issued in one or more series in an aggregate principal amount not to exceed \$202,200,000; and, be it further

RESOLVED, The Bonds shall be secured by and payable from special taxes levied and collected in Improvement Area No. 1; and, be it further

RESOLVED, Successor Agency staff is hereby directed to work with the Successor Agency’s consultants to prepare the documentation required for the issuance and sale of the

Bonds and to return to this Commission for its approval of such documentation; and, be it further

RESOLVED, The Executive Director and the Successor Agency's General Counsel, in consultation with bond counsel, are hereby authorized to initiate a judicial validation action with respect to the CFD and the Bonds pursuant to Code of Civil Procedure Section 860 et seq.; and, be it further

RESOLVED, The Commission finds and determines that the actions taken by this resolution are consistent with the Project as analyzed in the FEIR and require no additional environmental review beyond the FEIR pursuant to CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164 because there are no substantial changes to the Project analyzed in the FEIR, no change in circumstances under which the Project is being undertaken, and no new information of substantial importance indicating that new significant impacts would occur, that the impacts identified in the FEIR as significant impacts would be substantially more severe, or that mitigation or alternatives previously found infeasible are now feasible; and, be it further

RESOLVED, If the Board of Supervisors rescinds Ordinance No. 215-12 without otherwise delegating to the Commission the authority to act as legislative body for the CFD, all references to the Commission in this Resolution shall thereafter constitute references to the Board of Supervisors; and, be it further

RESOLVED, The Commission intends to transfer the authority for the governance of the CFD to the City if such transfer is required to preserve the CFD and is permitted under the Mello-Roos Act, as amended from time to time; and, be it further

RESOLVED, If any section, subsection, sentence, clause, phrase, or word of this Resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this Resolution, this Commission hereby declaring that it would have passed this Resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this Resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it further

RESOLVED, The Executive Director, the Deputy Director of Finance and Administration, the Secretary of the Commission, the Successor Agency's General Counsel and any and all other officers of the Successor Agency are hereby authorized, for and in the name of and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this

Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; and, be it further

RESOLVED, All actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by this Commission; 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 17, 2018.

Commission Secretary

Exhibit A: Required Good Faith Estimates Pursuant to Government Code Section 5852

EXHIBIT A

REQUIRED GOOD FAITH ESTIMATES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

(SB 450 effective January 1, 2018)*

1. True Interest Cost of the Bonds: 5.07%.
2. Finance charge for the portion of the Bonds, being the sum of all fees and charges paid to third parties (costs of issuance of approximately \$2,000,000 plus estimated underwriter's compensation and bond insurance assuming bond insurance is obtained): \$4,020,000.
3. Amount of proceeds of the Bonds expected to be received by the Successor Agency, net of proceeds for costs of issuance described in (2) above and net of capitalized interest (if any) and reserves (if any) paid or funded with the proceeds of the Bonds: \$185,000,000.
4. Total payment amount for the portion of the Bonds, being the sum of (a) debt service to be paid on the Bonds to final maturity, plus (b) any financing costs not paid from proceeds of the Bonds: \$400,000,000.

**All amounts and percentages are estimates, and are made in good faith by the Successor Agency based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Bonds.*