Resolution approving the Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 2009-2010 and approving the Issuance by the Redevelopment Agency of Bonds in an aggregate principal amount of not to exceed $87.5 million to finance a portion of redevelopment activities described in such approved Budget for fiscal year 2009-2010.

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various Redevelopment Plans in the City and County of San Francisco (the "City") in accordance with the Community Redevelopment Law of the State of California, California Health and Safety Code section 33000 et seq. (the "Law"); and

WHEREAS, Section 33606 of the Law requires that the Agency adopt an annual budget containing the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency’s proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency’s anticipated revenues; the Agency’s upcoming work program and goals; and an examination of the previous year’s achievements and a comparison of the achievements with the goals of the previous year’s work program; and

WHEREAS, Sections 33334.2 and 33334.3 of the Law require the Agency to use the Low and Moderate Income Housing Fund to construct, rehabilitate, and preserve affordable housing that must remain available at affordable housing cost to, and occupied by, extremely low, very low, low-, and moderate-income households for the longest feasible time, but for not less than the periods of time specified in Section 33334.3 (f)(1)(A)-(C); and

WHEREAS, Section 33334.2 (g) of the Law provides that the Agency may use the Low and Moderate Income Housing Funds outside of redevelopment project areas based on a
finding of benefit to the project areas and the Board of Supervisors hereby finds that the
Agency’s affordable housing activities (within redevelopment project areas and in other parts
of the City and County of San Francisco), as described in the Agency’s fiscal year budget for
2009-2010 (“Budget”) will benefit redevelopment project areas; and

WHEREAS, The Board of Supervisors has adopted Ordinances Nos. 15-05, 115-007,
and 316-08 to implement Section 33333.7 of the Law (Senate Bill No. 2113); and thus the
Agency is authorized to receive tax increment revenues that would otherwise be unavailable
to the Agency for the exclusive purpose of financing affordable housing activities to replace
6709 affordable housing units that the Agency removed prior to 1976 and did not replace; and
the Board of Supervisor wishes to ensure that the Agency has sufficient funds to carry out a
portion of these affordable housing activities in fiscal year 2009-2010 as described in the
Budget; and

WHEREAS, The Budget proposes, consistent with the expressed desire of the Board of
Supervisors in Ordinance No. 316-08, to use tax increment from the former Western Addition
A-2 Redevelopment Project Area ("A-2 Project Area) to assist affordable housing in the A-2
Project Area, namely the development of 100 units of very low-income senior rental housing
at the Mary Helen Rogers Senior Community on Central Freeway Parcel C and the
development of 32 units of low and moderate income, first-time homeownership housing at
1345 Turk Street; and

WHEREAS, The Budget includes tax increment funding for the Bayview Opera House (a
publicly-owned, historic landmark in the Bayview Hunters Point (BVHP) Redevelopment
Project Area); and the BVHP Redevelopment Plan provides for, among other things, the
preservation of historic structures; and

WHEREAS, The Board of Supervisors finds, as required under Section 33445 of the
Law, that the use of tax increment funds for physical improvements to the Bayview Opera
House benefits the BVHP Project Area, assists in the elimination of blighting conditions in the project area, and is consistent with the BVHP Project Five Year Implementation Plan FY 2006/07-2010/11 (a copy of which is on file with the Clerk of the Board of Supervisors under File No. 060343) and further finds that there are no other reasonable means of financing these improvements; and

WHEREAS, The Budget includes tax increment funding for the Bayview Transportation Improvements Projects, which has the goal of improving certain public streets to reduce truck traffic on Third Street and residential streets and to provide a more direct truck route between US 101 and existing and planned industrial areas in the BVHP and the Hunters Point Shipyard; and

WHEREAS, The BVHP Redevelopment Plan provides, among other things for streetscape plans for Third Street, Evans-Innes Avenue and other major roadways as community enhancement programs; and

WHEREAS, The Board of Supervisors finds, as required under Section 33445 of the Law, that the use of tax increment funds for the Bayview Transportation Improvements Projects benefits the BVHP Project Area, assists in the elimination of blighting conditions in the project area, and is consistent with the BVHP Project Five Year Implementation Plan FY 2006/07-2010/11 (a copy of which is on file with the Clerk of the Board of Supervisors under File No. 060343) and further finds that there are no other reasonable means of financing these improvements; and

WHEREAS, The Agency Commission held public hearings on the Agency’s fiscal year 2009-2010 budget on March 17, 2009, April 7, 2009, April 21, 2009, and June 2, 2009; and the Agency Commission approved, per Resolution No. 39-2009, an annual budget for fiscal year 2009-2010, and approved, per Resolution No. 58-2009, a revised budget for fiscal year 2009-2010 (the "Budget"); and
WHEREAS, Section 33606 of the Law provides for approval of the annual Budget of the Agency and of any amendments to the Budget by the Legislative Body of the City (the "Board of Supervisors"); and

WHEREAS, The Board of Supervisor adopted Resolution No. 330-94 (April 21, 1994), which provides that resolutions approving the annual budget of the Agency should include a limitation on budget transfers between line items to ten percent (10%) (similar to the limitation that applies to City departmental budgets), a requirement that all budgetary project transfers in excess of ten percent (10%) shall be subject to specific budgetary approval by the Board, certain quarterly reporting requirements, and public hearings; and

WHEREAS, The Agency has submitted its Budget to the Board of Supervisors for approval; and

WHEREAS, The Agency has developed a financing program for the purposes of financing a portion of its Budget that will require the Agency to enter into loans and/or to issue and to refund, as necessary, or to cause to be loaned and/or issued and/or refunded on its behalf by a public finance authority, tax allocation bonds, notes, or other evidence of indebtedness (such loans, bonds, notes or other evidence of indebtedness being referred to as the "Bonds") in an aggregate principal amount of not to exceed $ 87.5 million (a portion of the proceeds of which may be used to reimburse the Agency for amounts spent under its Budget prior to the issuance of the Bonds) and which will be repaid from and secured by the taxes allocated to and paid to the Agency pursuant to the Law (and in particular but not limited to Sections 33670 - 33674) and to Section 16 of Article XVI of the California Constitution; and

WHEREAS, The Law provides that the issuance of the Bonds is subject to the approval of the Board of Supervisors; and
WHEREAS, The Agency hereby requests that such approval be granted, and the Board of Supervisors is agreeable to doing so, based on the terms and conditions contained in this resolution; and

WHEREAS, The Agency and the City and County of San Francisco (the "City") entered into the Mission Bay North Tax Increment Allocation Pledge Agreement and the Mission Bay South Tax Increment Allocation Pledge Agreement, each dated as of November 16, 1998, ("Mission Bay Agreements") for the purpose of providing to said project areas tax increment based not on estimated property values but on actual tax increment; and

WHEREAS, The Agency and the City and the Transbay Joint Powers Authority (the "TJPA") entered into the Transbay Redevelopment Project Tax Increment Allocation and Sales Proceeds Pledge Agreement dated as of January 31, 2008 ("Transbay Agreement") for the purpose of financing development of the Transbay Terminal Project, such financing including, but not limited to, the irrevocable pledge of all Net Tax Increment, as defined in the Transbay Agreement, to the TJPA; now, therefore, be it

RESOLVED, By the Board of Supervisors of the City and County of San Francisco that it does hereby approve the Budget of the Agency for fiscal year 2009-2010, which Budget is incorporated herein and made a part hereof; and, be it

FURTHER RESOLVED, That the Agency report annually to the Board of Supervisors on the percent completion for each of the project areas currently underway with the submission of future annual budgets; and, be it

FURTHER RESOLVED, That the issuance of the Bonds by the Agency is approved in the principal amount of not to exceed $87.5 million for the purposes of financing a portion of the Agency's Budget and of reimbursing the Agency for amounts spent under its Budget prior to the issuance of the Bonds; and, be it
FURTHER RESOLVED, That the Agency is authorized to refund such Bonds if the sale of such refunding Bonds produces a minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the par value of Bonds that are refunded or that achieve a more favorable debt to debt service coverage ratio; and, be it

FURTHER RESOLVED, That the Controller is hereby authorized and directed to make adjustments to the Agency’s tax increment draw, as set forth in the Redevelopment Agency’s fiscal year 2009-2010 Budget, related to the Mission Bay North Redevelopment Project adopted October 26, 1998 and Mission Bay South Redevelopment Project adopted November 2, 1998 for the purpose of providing to said project areas tax increment based not on estimated property values but on actual tax increment recorded, as administered under the Teeter Plan, including the net impact of all roll corrections, as required by the Mission Bay Agreements; and, be it

FURTHER RESOLVED, That the Controller is hereby authorized and directed, to the extent that certain state-owned parcels identified in the Transbay Agreement generate net tax increment, to make adjustments to the Agency’s tax increment draw, as set forth in the Redevelopment Agency’s fiscal year 2009-2010 Budget, pursuant to the Transbay Agreement for the purpose of providing to the TJPA Net Tax Increment, as defined in the Transbay Agreement, based not on estimated property values but on actual Net Tax Increment recorded, as administered under the Teeter Plan, including the net impact of all roll corrections.
Resolution approving the Budget of the Redevelopment Agency of the City and County of San Francisco for FY 2009-2010 and approving the Issuance by the Redevelopment Agency of Bonds in an aggregate principal amount of not to exceed $87.5 million to finance a portion of redevelopment activities described in such approved Budget for FY 2009-2010.

June 30, 2009 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 090695

I hereby certify that the foregoing Resolution was ADOPTED on June 30, 2009 by the Board of Supervisors of the City and County of San Francisco.

Angel Calvillo
Clerk of the Board

Date Approved

7/10/09

Mayor Gavin Newsom