Resolution of intention to issue bonds for City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area).

RESOLVED, By the Board of Supervisors (Board of Supervisors) of the City and County of San Francisco (City), State of California that:

WHEREAS, Under Government Code Section 53395 et seq. (IFD Law), this Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district; and

WHEREAS, This Board of Supervisors has adopted its "Resolution of Intention to Establish Infrastructure Financing District" (Original Resolution of Intention to Establish IFD), stating its intention to form the "City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area)" (IFD) pursuant to the IFD Law, for the purpose of financing certain public improvements (Facilities) as further provided in the Resolution of Intention to Establish IFD; and

WHEREAS, On January 4, 2011, the Board of Supervisors adopted its "Resolution Amending Public Hearing Date Relating to Infrastructure Financing District" (together with the Original Resolution of Intention to Establish IFD, the Resolution of Intention to Establish IFD), which amended the Original Resolution of Intention to Establish IFD to call for a public hearing on February 8, 2011; and

WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution Ordering Preparation of Infrastructure Financing Plan", ordering preparation of an infrastructure financing plan (Infrastructure Financing Plan) consistent with the requirements of the IFD Law; and
WHEREAS, The Infrastructure Financing Plan includes an amended list of Facilities to be financed by the IFD; the amended list does not include the Sailor's Union of the Pacific Community Center or the Library Services; and

WHEREAS, The Infrastructure Financing Plan also proposed including an additional property in the IFD, and incorporated an amended proposed boundary map; and

WHEREAS, In addition, this Board of Supervisors has adopted its “Resolution Proposing Formation of Infrastructure Financing District,” proposing formation of the IFD; and

WHEREAS, Pursuant to Section 53397.1 of the IFD Law, the Board of Supervisors may, by majority vote, initiate proceedings to issue bonds pursuant to the IFD Law by adopting a resolution stating its intent to issue the bonds; and

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein; now, therefore, be it

RESOLVED, By the Board as follows:

Section 1. Purposes of Bonds. The Board of Supervisors proposes issuing one or more series of bonds (Bonds) for the purpose of financing the costs of the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of said purposes and of the financing thereof.

The City hereby declares that it reasonably expects (i) to pay certain costs of the Facilities prior to the date of issuance of the Bonds and (ii) to use a portion of the proceeds of
the Bonds for reimbursement of expenditures for the Facilities that are paid before the date of issuance of the Bonds.

Section 2. Estimated Cost. The Board of Supervisors hereby estimates that the cost of the Facilities will be $15.4 million (in 2011 dollars) or $22.3 million (inflated) and that the estimated costs of preparing and issuing the Bonds will be $631,000 (2011 dollars) or $917,000 (inflated).

Section 3. Terms of Bonds. This Board of Supervisors intends to authorize the issuance and sale of the Bonds in one or more series in the maximum aggregate principal amount of not to exceed $22 million bearing interest payable semi-annually or in such other manner as this Board of Supervisors shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of the Bonds. The maximum discount of the Bonds shall be 1%.

Section 4. Available Tax Revenues. The Board of Supervisors establishes that the maximum incremental property tax that will be available to the IFD shall not exceed $60.2 million over the life of the IFD. The Board of Supervisors hereby finds that the amount necessary to pay principal of and interest on the Bonds is less than or equal to the incremental property tax revenues that will be available to the IFD to pay principal of and interest on the Bonds.

Section 5. Election. The Board of Supervisors will call a special landowner election for February 8, 2011, to consider the proposed issuance of the Bonds for the IFD. The election will be consolidated with the election on the issue of the proposed formation of the IFD and approval of the proposed Infrastructure Financing Plan to be held on the February 8, 2011. The Clerk of the Board of Supervisors is hereby designated as the official to conduct the election and to receive all ballots until 3:00 p.m. on February 8, 2011. Pursuant to Section
5395.20 of the IFD Law, the election shall be conducted by messenger or mail-delivered ballot.

Section 6. Debt. All references in this Resolution to Bonds shall be deemed to include a reference to debt (as defined in the IFD Law).

Section 7. No Obligation. This Resolution shall in no way obligate the Board of Supervisors to propose establishment of the IFD or to issue bonds for the IFD. Issuance of the bonds shall be subject to the approval of this Board of Supervisors by resolution following the election of the qualified electors described above.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By:

MARK D. BLAKE
Deputy City Attorney

Mayor Lee, Supervisor Kim
BOARD OF SUPERVISORS
Resolution of intention to issue bonds for City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area).

January 24, 2011 Land Use and Economic Development Committee - CONTINUED

January 31, 2011 Land Use and Economic Development Committee - RECOMMENDED

January 31, 2011 Land Use and Economic Development Committee - REFERRED

February 02, 2011 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

February 02, 2011 Budget and Finance Committee - RECOMMENDED AS AMENDED

February 08, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

I hereby certify that the foregoing Resolution was ADOPTED on 2/8/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee
Date Approved