[Redevelopment Agency Bond Authorization]

Resolution approving the issuance by the Redevelopment Agency of Bonds in an additional principal amount not to exceed $28 million to finance a portion of redevelopment activities described in the approved Budget as amended for fiscal year 2009-2010 of which additional tax increment will be needed in FY 2010-2011 for such financing thereof.

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

WHEREAS, Section 33606 of the Law provides for approval of the annual budget of the Agency, and any amendments to the budget, by the legislative body of the City (the "Board of Supervisors"); and,

WHEREAS, The Board of Supervisors approved the Agency's budget for the fiscal year 2009-10 (the "Budget") and approved the issuance of bonds in the principal amount of not to exceed $87.5 million for the purposes of financing a portion of the Budget (“Bonds”) by Resolution No. 267-09; and,

WHEREAS, on July 24, 2009, the California Legislature enacted, in a special legislative session, Assembly Bill No. 26 (Statutes 2009, Chapter 21), which added Sections 33690 and 33690.5 and required the Agency to make a payment estimated to be $28.7 million in fiscal year 2009-10 for deposit into the Educational Revenue Augmentation Fund (“ERAF”) of the City and County of San Francisco; and

WHEREAS, The Board of Supervisors, by Resolution No. _________, approved amendments to the Agency Budget for the fiscal year 2009-10 to (i) allocate $28.7 million for payment to ERAF; (ii) increase expenditure authority by the amount of additional grant reimbursements received from the EDA; and (iii) increase expenditure authority by the amount of $1,033,417 in additional HOPWA funds; and

WHEREAS, Section 33690 (b) of the Law authorizes the Agency to make its ERAF payment by using any funds that are legally available and not legally obligated for other uses, including but not limited to bond proceeds or other indebtedness; and

WHEREAS, the Agency seeks to make the ERAF payment by financing a portion of its Budget, as amended, whereby the Agency will enter into loans and/or issue and refund, as necessary, or 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 additional principal amount of not to exceed $28 million, 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;

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; now, therefore, be it

RESOLVED, By the Board of Supervisors of the City and County of San Francisco that it does hereby approve the issuance of the Bonds by the Agency in an additional principal amount of not to exceed $28 million for the purposes of financing a portion of the Agency's Budget related to the ERAF payment; and be it

FURTHER RESOLVED, That the Agency is authorized to refund such Bonds if the sale of 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 to achieve a more favorable debt to debt service coverage ratio.