

1 [Redevelopment Agency Budget and Bonds]

2

3 **Resolution approving the Budget of the Redevelopment Agency of the City and County**  
4 **of San Francisco for fiscal year 2009-2010 and approving the Issuance by the**  
5 **Redevelopment Agency of Bonds in an aggregate principal amount of not to exceed**  
6 **\$87.5 million to finance a portion of redevelopment activities described in such**  
7 **approved Budget for fiscal year 2009-20010.**

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

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

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

24 WHEREAS, Section 33334.2 (g) of the Law provides that the Agency may use the Low  
25 and Moderate Income Housing Funds outside of redevelopment project areas based on a

1 finding of benefit to the project areas and the Board of Supervisors hereby finds that the  
2 Agency's affordable housing activities (within redevelopment project areas and in other parts  
3 of the City and County of San Francisco), as described in the Agency's fiscal year budget for  
4 2009-2010 ("Budget") will benefit redevelopment project areas; and

5 WHEREAS, The Board of Supervisors has adopted Ordinances Nos. 15-05, 115-007,  
6 and 316-08 to implement Section 33333.7 of the Law (Senate Bill No. 2113); and thus the  
7 Agency is authorized to receive tax increment revenues that would otherwise be unavailable  
8 to the Agency for the exclusive purpose of financing affordable housing activities to replace  
9 6709 affordable housing units that the Agency removed prior to 1976 and did not replace; and  
10 the Board of Supervisor wishes to ensure that the Agency has sufficient funds to carry out a  
11 portion of these affordable housing activities in fiscal year 2009-2010 as described in the  
12 Budget; and

13 WHEREAS, The Budget proposes, consistent with the expressed desire of the Board of  
14 Supervisors in Ordinance No. 316-08, to use tax increment from the former Western Addition  
15 A-2 Redevelopment Project Area ("A-2 Project Area) to assist affordable housing in the A-2  
16 Project Area, namely the development of 100 units of very low-income senior rental housing  
17 at the Mary Helen Rogers Senior Community on Central Freeway Parcel C and the  
18 development of 32 units of low and moderate income, first-time homeownership housing at  
19 1345 Turk Street; and

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

24 WHEREAS, The Board of Supervisors finds, as required under Section 33445 of the  
25 Law, that the use of tax increment funds for physical improvements to the Bayview Opera

1 House benefits the BVHP Project Area, assists in the elimination of blighting conditions in the  
2 project area, and is consistent with the BVHP Project Five Year Implementation Plan FY  
3 2006/07-2010/11 (a copy of which is on file with the Clerk of the Board of Supervisors under  
4 File No. 060343) and further finds that there are no other reasonable means of financing  
5 these improvements; and

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

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

14 WHEREAS, The Board of Supervisors finds, as required under Section 33445 of the  
15 Law, that the use of tax increment funds for the Bayview Transportation Improvements  
16 Projects benefits the BVHP Project Area, assists in the elimination of blighting conditions in  
17 the project area, and is consistent with the BVHP Project Five Year Implementation Plan FY  
18 2006/07-2010/11 (a copy of which is on file with the Clerk of the Board of Supervisors under  
19 File No. 060343) and further finds that there are no other reasonable means of financing  
20 these improvements; and

21 WHEREAS, The Agency Commission held public hearings on the Agency's fiscal year  
22 2009-2010 budget on March 17, 2009, April 7, 2009, April 21, 2009, and June 2, 2009; and  
23 the Agency Commission approved, per Resolution No. 39-2009, an annual budget for fiscal  
24 year 2009-2010, and approved, per Resolution No. 58-2009, a revised budget for fiscal year  
25 2009-2010 (the "Budget"); and

1           WHEREAS, Section 33606 of the Law provides for approval of the annual Budget of the  
2 Agency and of any amendments to the Budget by the Legislative Body of the City (the "Board  
3 of Supervisors"); and

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

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

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

22          WHEREAS, The Law provides that the issuance of the Bonds is subject to the approval  
23 of the Board of Supervisors; and

1           WHEREAS, The Agency hereby requests that such approval be granted, and the Board  
2 of Supervisors is agreeable to doing so, based on the terms and conditions contained in this  
3 resolution; and

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

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

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

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

21           FURTHER RESOLVED, That the issuance of the Bonds by the Agency is approved in  
22 the principal amount of not to exceed \$87.5 million for the purposes of financing a portion of  
23 the Agency’s Budget and of reimbursing the Agency for amounts spent under its Budget prior  
24 to the issuance of the Bonds; and, be it

25

1           FURTHER RESOLVED, That the Agency is authorized to refund such Bonds if the sale  
2 of such refunding Bonds produces a minimum net debt service savings (net of reserve fund  
3 earnings and other offsets) of at least 3% of the par value of Bonds that are refunded or that  
4 achieve a more favorable debt to debt service coverage ratio; and, be it

5           FURTHER RESOLVED, That the Controller is hereby authorized and directed to make  
6 adjustments to the Agency's tax increment draw, as set forth in the Redevelopment Agency's  
7 fiscal year 2009-2010 Budget, related to the Mission Bay North Redevelopment Project  
8 adopted October 26, 1998 and Mission Bay South Redevelopment Project adopted November  
9 2, 1998 for the purpose of providing to said project areas tax increment based not on  
10 estimated property values but on actual tax increment recorded, as administered under the  
11 Teeter Plan, including the net impact of all roll corrections, as required by the Mission Bay  
12 Agreements; and, be it

13           FURTHER RESOLVED, That the Controller is hereby authorized and directed, to the  
14 extent that certain state-owned parcels identified in the Transbay Agreement generate net tax  
15 increment, to make adjustments to the Agency's tax increment draw, as set forth in the  
16 Redevelopment Agency's fiscal year 2009-2010 Budget, pursuant to the Transbay Agreement  
17 for the purpose of providing to the TJPA Net Tax Increment, as defined in the Transbay  
18 Agreement, based not on estimated property values but on actual Net Tax Increment  
19 recorded, as administered under the Teeter Plan, including the net impact of all roll  
20 corrections.