

1 [Intention to Issue Bonds for the Infrastructure Financing District No. 1 - Rincon Hill Area]

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

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

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

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

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

22 WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution Ordering  
23 Preparation of Infrastructure Financing Plan", ordering preparation of an infrastructure  
24 financing plan (Infrastructure Financing Plan) consistent with the requirements of the IFD Law;  
25 and,

1 WHEREAS, The Infrastructure Financing Plan includes an amended list of Facilities to  
2 be financed by the IFD; the amended list does not include the Sailor's Union of the Pacific  
3 Community Center or the Library Services; and,

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

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

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

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

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

19 RESOLVED, By the Board as follows:

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

24 The City hereby declares that it reasonably expects (i) to pay certain costs of the  
25 Facilities prior to the date of issuance of the Bonds and (ii) to use a portion of the proceeds of

1 the Bonds for reimbursement of expenditures for the Facilities that are paid before the date of  
2 issuance of the Bonds.

3 Section 2. Estimated Cost. The Board of Supervisors hereby estimates that the cost  
4 of the Facilities will be \$15.4 million (in 2011 dollars) or \$22.3 million (inflated) and that the  
5 estimated costs of preparing and issuing the Bonds will be \$631,000 (2011 dollars) or  
6 \$917,000 (inflated).

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

13 Section 4. Available Tax Revenues. The Board of Supervisors estimates, based on  
14 the analysis set forth in the Infrastructure Financing Plan, that the incremental property tax  
15 revenues that will be available to the IFD to pay principal of and interest on the Bonds is \$60.2  
16 million. The Board of Supervisors hereby finds that the amount necessary to pay principal of  
17 and interest on the Bonds is less than or equal to the incremental property tax revenues that  
18 will be available to the IFD to pay principal of and interest on the Bonds.

19 Section 5. Election. The Board of Supervisors will call a special landowner election  
20 for February 8, 2011, to consider the proposed issuance of the Bonds for the IFD. The  
21 election will be consolidated with the election on the issue of the proposed formation of the  
22 IFD and approval of the proposed Infrastructure Financing Plan to be held on the February 8,  
23 2011. The Clerk of the Board of Supervisors is hereby designated as the official to conduct  
24 the election and to receive all ballots until 3:00 p.m. on February 8, 2011. Pursuant to Section  
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1 5395.20 of the IFD Law, the election shall be conducted by messenger or mail-delivered  
2 ballot.

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

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

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10 APPROVED AS TO FORM:

11 DENNIS J. HERRERA  
12 City Attorney

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14 By: \_\_\_\_\_  
15 MARK D. BLAKE  
16 Deputy City Attorney  
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