

File No. 100662

Committee Item No. 12

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date June 14, 2010

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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#### OTHER

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Tax Increment Allocation Pledge Agreement</u> |
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Completed by: Alisa Somera Date June 11, 2010

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.



1 [Tax Increment Allocation Pledge Agreement for the Candlestick Point and Phase 2 of the  
2 Hunters Point Shipyard Project]

3  
4 **Resolution approving a Tax Increment Allocation Pledge Agreement between the City**  
5 **and County of San Francisco and the Redevelopment Agency of the City and County of**  
6 **San Francisco for the pledge of net available tax increment to finance public**  
7 **improvements and affordable housing in furtherance of the Candlestick Point and**  
8 **Phase 2 of the Hunters Point Shipyard Redevelopment Project; adopting findings under**  
9 **the California Environmental Quality Act; and adopting findings that the agreement is**  
10 **consistent with the City's General Plan and Eight Priority Policies of City Planning**  
11 **Code Section 101.1.**

12  
13 WHEREAS, After an extensive planning process involving the Bayview Hunters Point  
14 Project Area Committee (the "PAC") and other community groups and government agencies,  
15 on June 1, 2006, by Ordinance No. 113-06, the Board of Supervisors adopted and approved a  
16 redevelopment plan for the Bayview Hunters Point Redevelopment Project Area that  
17 expanded and renamed the Hunters Point Redevelopment Project Area (the "Bayview  
18 Hunters Point Redevelopment Plan"); and,

19 WHEREAS, In May 2007, the Board of Supervisors approved Resolution No. 264-07,  
20 endorsing a conceptual framework (the "Conceptual Framework") for the integrated  
21 development of Phase 2 of the Hunters Point Shipyard and the Candlestick Point subarea  
22 ("Zone 1") of the Bayview Hunters Point Project Area (the integrated development site, the  
23 "Project Site"). The Conceptual Framework envisioned a major mixed-use project, including  
24 hundreds of acres of new and restored open space, thousands of new units of affordable  
25 housing, a robust affordable housing program, extensive job-generating retail and research

1 and development space, permanent space for the artist colony that exists in the Shipyard, and  
2 a site for a new stadium for the 49ers on the Shipyard (the "Project"); and,

3 WHEREAS, One June 3, 2008, the City's voters passed Proposition G, the Jobs Parks  
4 and Housing Initiative, which: (i) adopted policies for the revitalization of the Project Site;  
5 (ii) authorized the conveyance of the City's land under Recreation and Park Department  
6 jurisdiction within Candlestick Point in furtherance of the Project, provided that the transferred  
7 property is replaced with other property of at least the same acreage that will be improved and  
8 dedicated as public parks or open space in the Project; (iii) repealed Proposition D and  
9 Proposition F (June 1997) relating to prior plans for the development of a new stadium and  
10 retail entertainment project on Candlestick Point; and (iv) urged the City, the Redevelopment  
11 Agency of the City and County of San Francisco (the "Agency"), and all other governmental  
12 agencies with jurisdiction to proceed expeditiously with the Project; and,

13 WHEREAS, In furtherance of the Conceptual Framework and Proposition G, the  
14 Agency, working with the PAC, has prepared a proposed amendment to the Bayview Hunters  
15 Point Redevelopment Plan (the "Bayview Redevelopment Plan Amendment"). The Bayview  
16 Redevelopment Plan Amendment revises the land uses within Zone 1 of the Bayview Hunters  
17 Point Project Area (the Candlestick Point subarea) to facilitate the new development  
18 envisioned by the Conceptual Framework and Proposition G. A copy of the Bayview  
19 Redevelopment Plan Amendment is on file with the Clerk of the Board of Supervisors in File  
20 No. 100658, is incorporated in and made part of this resolution by reference; and,

21 WHEREAS, Concurrently herewith, following recommendations of approval from the  
22 PAC and the Agency Commission, this Board of Supervisors is adopting an Ordinance to  
23 approve and adopt the Bayview Redevelopment Plan Amendment; and,

24 WHEREAS, Also in furtherance of the Conceptual Framework and Proposition G, the  
25 Agency, in working with the Hunters Point Shipyard Citizens Advisory Committee (the "CAC"),

1 has prepared a proposed amendment to the Hunters Point Shipyard Redevelopment Plan (the  
2 "Shipyard Redevelopment Plan Amendment"). The Shipyard Redevelopment Plan  
3 Amendment revises the land uses within the Shipyard Project Area to facilitate the new  
4 development envisioned by the Conceptual Framework and Proposition G. A copy of the  
5 Shipyard Redevelopment Plan Amendment is on file with the Clerk of the Board of  
6 Supervisors in File No. 100659, is incorporated in and made part of this resolution by  
7 reference; and,

8 WHEREAS, Concurrently herewith, following recommendations of approval from the  
9 CAC and the Agency Commission, this Board of Supervisors is adopting an Ordinance to  
10 approve and adopt the Shipyard Redevelopment Plan Amendment; and,

11 WHEREAS, The Bayview Redevelopment Plan Amendment and the Shipyard  
12 Redevelopment Plan Amendment (collectively, the "Redevelopment Plan Amendments")  
13 authorize the Agency to use tax increment funds to finance the redevelopment of the Project  
14 Site, including the issuance of tax allocation bonds secured by a pledge of property tax  
15 increment, subject to the limitations set forth in the Redevelopment Plan Amendments and the  
16 California Community Redevelopment Law ("Community Redevelopment Law"; California  
17 Health & Safety Code §§ 33000 et seq.); and,

18 WHEREAS, In furtherance of the Redevelopment Plan Amendments and the  
19 redevelopment of the Project Site, the City and the Agency have negotiated a Tax Increment  
20 Allocation Pledge Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard),  
21 a copy of which is on file with the Clerk of the Board of Supervisors in File No. 100662 (the  
22 "Tax Allocation Agreement") that irrevocably pledges tax increment from the Project Site for  
23 certain development costs; and,

24 WHEREAS, As set forth in the Financing Plan referenced in the Tax Allocation  
25 Agreement (the "Financing Plan"), the Agency will incur specific executory financial

1 obligations to finance certain costs of the Project, including the pledge of tax increment from  
2 the Project Site for public improvements and affordable housing purposes, subject to the  
3 approval of the City's Board of Supervisors, and the purpose of this Resolution is to provide  
4 such approval; and,

5 WHEREAS, In accordance with the Financing Plan, the Agency is establishing one or  
6 more community facilities districts, which may include improvement areas and tax zones  
7 ("CFDs") for Project Site under the Mello-Roos Community Facilities Act of 1982, as  
8 amended; the Agency and Developer intend that the CFDs will issue bonds to finance public  
9 improvements described in the Infrastructure Plan, which is also referenced in the Tax  
10 Allocation Agreement and is an attachment to the Interagency Cooperation Agreement (which  
11 is concurrently being approved by this Board of Supervisors in the Ordinance adopting and  
12 approving the Redevelopment Plan Amendments); and,

13 WHEREAS, In accordance with the Financing Plan, tax increment from the Project Site  
14 or the proceeds of bonds secured by a pledge of tax increment from the Project Site will be  
15 used to make payments on indebtedness of the Agency under the Financing Plan and to pay  
16 or otherwise reimburse directly the costs of public infrastructure or other public improvements,  
17 all as further provided in the Financing Plan; and,

18 WHEREAS, The Below-Market Rate Housing Plan referenced in the Tax Allocation  
19 Agreement (the "Housing Plan") contemplates that all of the Housing Increment (as defined in  
20 the Financing Plan) produced by development in the Project Site will be used in the Project  
21 Site for the development of up to approximately 3,345 affordable housing units on the Project  
22 Site, including one-for-one replacement of housing in the Alice Griffith Housing Development  
23 (the "Alice Griffith Replacement Units"), and the Financing Plan acknowledges that the  
24 Agency will use Housing Increment produced by development outside of the Project Site to  
25

1 meet its obligations under the Housing Plan with respect to the Alice Griffith Replacement  
2 Units (the "Housing Advance"); and,

3 WHEREAS, As further described in the Financing Plan and the Housing Plan, if  
4 development in the Project Site generates any Net Available Increment that is not required to  
5 pay for public infrastructure and other public improvements, then such Excess Increment (as  
6 defined in the Financing Plan) will be used first to repay the Agency for the Housing Advance,  
7 then to Developer to pay for or reimburse Developer for constructing public improvements as  
8 set forth in the Financing Plan; and,

9 WHEREAS, Except to the extent that the Agency uses Housing Increment from outside  
10 the Project Site to finance the Alice Griffith Replacement Units, to fund its other affordable  
11 housing obligations under the Housing Plan, or to finance Developer's unreimbursed Alice  
12 Griffith Costs (as defined in the Housing Plan) to the extent allowed under section 33334.2 of  
13 the Community Redevelopment Law (California Health & Safety Code §§ 33000 et seq.), the  
14 Agency will use only tax increment generated from development within the Project Site to  
15 finance the Project; and,

16 WHEREAS, As provided in the Financing Plan, no tax increment revenues or any  
17 proceeds of any tax allocation bonds will be made available for the financing of public  
18 infrastructure beyond any Candlestick Proceeds generated from development within Zone 1  
19 and Shipyard Proceeds generated from development within Phase 2 of the Shipyard Site (all  
20 as defined in the Financing Plan), and in this way, except for the Agency's Housing Advance,  
21 no tax increment will be drawn for development in the Project Site from any other  
22 redevelopment project areas; furthermore, as provided in the Financing Plan, the Project  
23 developer has agreed to pay certain shortfalls in tax increment to the extent caused by  
24 reassessments initiated by the developer, subject to the terms, conditions and limitations set  
25 forth in the Financing Plan; and,

1           WHEREAS, The Financing Plan further gives the Agency the discretion on a case-by-  
2 case basis in issuing tax allocation bonds to establish principal financing terms as the Agency  
3 determines are appropriate to safeguard against the risk of default, provided that the terms  
4 are consistent with the Financing Plan; and,

5           WHEREAS, The dedication of Housing Increment and Excess Increment as provided in  
6 the Financing Plan is essential to the financing of affordable housing on the Project Site,  
7 including the Alice Griffith Replacement Units, and complies with the requirements of  
8 Community Redevelopment Law and the objectives of Agency Resolution No. 134-2005 and  
9 the requirements of the Redevelopment Plan Amendments with respect to the use of tax  
10 increment revenues for affordable housing; and,

11           WHEREAS, Under the authority granted under article XVI, section 16 of the California  
12 Constitution and sections 33670, 33334.2, 33671, and 33675 of the Community  
13 Redevelopment Law, and in furtherance of the implementation of the Redevelopment Plan  
14 Amendments, the Board intends by this Resolution to provide for the irrevocable pledge of Net  
15 Available Increment from the Project Site for the purposes of financing or refinancing the  
16 construction of public infrastructure and certain other public improvements in the Project Site,  
17 as further provided in the Financing Plan; and,

18           WHEREAS, The Planning Commission and the Agency Commission, respectively,  
19 certified the completion of a Final Environmental Impact Report for the Project (the "EIR") in  
20 compliance with CEQA and the CEQA Guidelines, a copy of which is on file with Clerk of the  
21 Board of Supervisors in File No. 100572; and,

22           WHEREAS, The Planning Commission determined that the Project, and the various  
23 actions being taken by the City and the Agency to approve and implement the Project, are  
24 consistent with the General Plan and with the Eight Priority Policies of City Planning Code  
25 Section 101.1, and made findings in connection therewith (the "General Plan Consistency



1 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File  
2 No. 100573; and,

3 WHEREAS, This Board of Supervisors has reviewed and considered the information  
4 contained in the EIR and the General Plan Consistency Determination, and concurrently with  
5 this Resolution is adopting findings as required by CEQA and findings of consistency with the  
6 City's General Plan, which findings are in file with the Clerk of the Board of Supervisors in File  
7 Nos. 100572 and 100573 and incorporated into this Resolution by reference; now, therefore,  
8 be it

9 RESOLVED, That the Board of Supervisors finds that the redevelopment of the Project  
10 Site in accordance with the Redevelopment Plan Amendments related documents affords  
11 numerous public benefits for the City and County and its residents, including the revitalization  
12 of the Project Site, which is currently blighted, and the elimination of the blighting influences,  
13 the provision of substantial new affordable housing, the provision of a variety of publicly  
14 accessible open space, the creation and enhancement of public access to the waterfront, the  
15 creation of jobs, including employment opportunities for economically disadvantaged  
16 individuals, the creation of significant new infrastructure; and the replacement of Alice Griffith  
17 Housing Development; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form and  
19 substance of the Tax Allocation Agreement and the pledge of tax increment from the Project  
20 Site for the purposes described therein; and, be it

21 FURTHER RESOLVED, That this Board of Supervisors authorizes and urges the  
22 Mayor and the Controller to execute the Tax Allocation Agreement, in the name and on behalf  
23 of the City, in substantially the form presented to this Board of Supervisors; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor and the  
25 Controller (or any successor City officer designated by law) to enter into or approve any

1 additions, amendments, or other modifications to the Tax Allocation Agreement (including the  
2 Financing Plan, Infrastructure Plan, or Housing Plan) that they determine, in consultation with  
3 the City Attorney, are in the best interests of the City, provided that any such additions,  
4 amendments, or modifications do not increase the pledge of tax increment that is the subject  
5 of this Resolution or otherwise materially increase the liabilities or obligations of the City and  
6 are necessary or advisable to effectuate the implementation of the Redevelopment Plan  
7 Amendments, or materially decrease the pledge of tax increment for affordable housing  
8 purposes, such determination to be conclusively evidenced by the execution and delivery by  
9 the Mayor and the Controller of the Tax Allocation Agreement and any amendments to it; and,  
10 be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the  
12 Mayor, Controller, and any other officers, agents, and employees of the City to take any and  
13 all steps (including the execution and delivery of any and all agreements, notices, consents  
14 and other instruments or documents) as they or any of them deem necessary or appropriate,  
15 in consultation with the City Attorney, in order to consummate the Tax Allocation Agreement in  
16 accordance with this Resolution, or to otherwise effectuate the purpose and intent of this  
17 Resolution, such determination to be conclusively evidenced by the execution and delivery by  
18 such person or persons of any such documents; and, be it

19 FURTHER RESOLVED, The approval under this Resolution shall take effect upon the  
20 effective date of the amendments to the General Plan, Planning Code and Zoning Map  
21 approved under Board of Supervisors Ordinance Nos. \_\_\_\_\_,  
22 copies of which are on file with the Clerk of the Board of Supervisors in File Nos. 100574,  
23 100578 and 100579 and are incorporated herein by reference as if fully set forth; and, be it  
24  
25

1           FURTHER RESOLVED, That all of the Housing Increment produced by development in  
2 the Project Site, which is required to be set aside for the provision of affordable housing under  
3 the Community Redevelopment Law, shall be reserved and dedicated for the  
4 predevelopment, development and construction of affordable housing units in the Project Site,  
5 including the Alice Griffith Replacement Units.  
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**TAX INCREMENT ALLOCATION PLEDGE AGREEMENT  
(CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD)**

This TAX INCREMENT ALLOCATION PLEDGE AGREEMENT (CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD) (as amended from time to time, this "**Agreement**") dated for reference purposes as of \_\_\_\_\_ (the "**Reference Date**") is between the CITY AND COUNTY OF SAN FRANCISCO, a charter city and county (the "**City**"), and the REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, of the State of California (together with any successor public agency, the "**Agency**"), in reference to the Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) dated for reference purposes as of June 3, 2010, by and between the Agency and CP DEVELOPMENT CO., LP, a Delaware limited partnership (together with its successors, "**Developer**"), including all attached and incorporated exhibits (the "**DDA**"). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings for such terms set forth in the DDA.

**RECITALS**

**A.** In accordance with the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq.) (the "**CCRL**"), the City approved: (1) the Hunters Point Shipyard Redevelopment Plan by Ordinance No. \_\_\_\_, adopted by the Board of Supervisors of the City and County of San Francisco (the "**Board of Supervisors**") on September 10, 1999; and (2) an amendment to the Hunters Point Shipyard Redevelopment Plan (the "**Shipyard Plan Amendment**") by Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2010, providing for the Project described below (the Hunters Point Shipyard Redevelopment Plan, as amended, the "**Shipyard Plan**"). The Shipyard Plan provides for the redevelopment, rehabilitation, reuse, and revitalization of the former Hunters Point Naval Shipyard containing approximately 500 acres of land along the southeastern waterfront of San Francisco, as described in the Shipyard Plan (the "**Shipyard Plan Area**"). The Shipyard Plan Area consists of Parcels A through G.

**B.** The City also approved, in accordance with the CCRL: (1) the Hunters Point Redevelopment Plan by Ordinance No. 25-69, adopted January 20, 1969; (2) an amendment to the Hunters Point Redevelopment Plan by Ordinance No. 280-70, adopted August 24, 1970; (3) an amendment to the Hunters Point Redevelopment Plan by Ordinance No. 475-86, adopted December 1, 1986; (3) an amendment to the Hunters Point Redevelopment Plan by Ordinance No. 417-94, adopted December 12, 1994; (4) an amendment to the Hunters Point Redevelopment Plan by Ordinance No. 113-06, adopted June 1, 2006, under which the Hunters Point Redevelopment Plan: (i) was renamed the Bayview Hunters Point Redevelopment Plan; (ii) the redevelopment project area was enlarged to add Project Area B (as defined in the Bayview Plan); and (iii) the financing plan for redevelopment was amended to provide for tax increment financing for Project Area B; and (5) an amendment to the Bayview Hunters Point Redevelopment Plan (the "**Bayview Plan Amendment**") by Ordinance No. \_\_\_\_\_, adopted \_\_\_\_\_, 2010 (the Bayview Hunters Point Redevelopment Plan, as amended, the "**Bayview Plan**"). The Bayview Plan provides for the redevelopment, rehabilitation, and revitalization of approximately 1,500 acres of land in the southeastern area of San Francisco north and west of the Shipyard Plan Area, as described in the Bayview Plan (the "**Bayview Plan Area**").

**C.** San Francisco voters passed Proposition G on June 3, 2008. Proposition G:

1. Adopted policies to encourage a mixed-use development encompassing Phase 2 of the Shipyard Plan Area and Zone 1 of the Bayview Plan Area, which includes the Alice Griffith Housing Development, the Candlestick Point State Recreation Area, and the city-owned stadium leased to the San Francisco 49ers (the "**Project Site**") which, at full build-out,

could include: over 300 acres of public park and open space improvements; over 10,000 homes for sale or rent; approximately 700,000 square feet of retail uses; over 2,150,000 square feet of green office, science and technology, research and development, and industrial uses; a possible arena or other public performance site; a site in the Shipyard Plan Area for a new stadium if the 49ers and the City determine that the stadium is feasible; and additional green office, science and technology, research and development, and industrial uses if the stadium is not built (collectively, the “Project”).

2. Adopted City policy mandating that the Project: produce tangible community benefits for BVHP and the City; reconnect the Project Site with the Bayview and protect the Bayview’s character for existing residents; produce substantial new affordable and market-rate rental and for-sale housing and encourage rebuilding the Alice Griffith Housing Development; incorporate environmental sustainability; encourage the 49ers to remain in San Francisco by providing a new stadium site and supporting infrastructure; and require the project to be financially sound, with or without a new stadium.

3. Authorized the City to transfer for non-recreational use any park land under Recreation and Park Commission jurisdiction within Zone 1 (as defined in the Bayview Plan) free of any park or recreational use restrictions if: the City’s approval is conditioned on a binding obligation to create new public park or public open space areas in the Project Site at least equal in size to the transferred park land; and the Board of Supervisors finds, after public review, that the proposed new public park or public open space areas are suitable and will be dedicated for those purposes and that the transfer will further the Project objectives.

4. Encouraged the City, the Agency, and other public agencies with jurisdiction over aspects of the Project to proceed as expeditiously as possible to implement Proposition G and take actions such as adopting land use controls for the Project Site consistent with Proposition G’s objectives, subject to public review processes outlined in Proposition G.

5. Encouraged the Board of Supervisors and other public agencies with applicable jurisdiction to approve final development plans at the conclusion of the review process so long as the Board of Supervisors and the Mayor determined that such plans were generally consistent with Proposition G’s objectives, even if the final development plans for, and boundaries of, the Project Site were materially different from those identified in Proposition G due to variables such as market changes, economic feasibility, and the 49ers’ decision regarding a stadium.

**D.** The Shipyard Plan authorizes the Agency to use tax increment funds from the Shipyard Plan Area to finance the redevelopment of the Shipyard Plan Area, including the issuance of Tax Allocation Debt secured by a pledge of property tax increments from the Shipyard Plan Area, subject to the Shipyard Plan’s time limits on incurring indebtedness. The Shipyard Plan limits the amount of bonded indebtedness of the Agency to be repaid from an allocation of tax increments under the CCRL from the Shipyard Plan Area that can be outstanding at one time to \$ \_\_\_\_\_ million in the aggregate. Under the Shipyard Plan, the Agency may not pay indebtedness or receive tax increments from the Shipyard Plan Area after forty five (45) years from the date the Agency begins collecting a total allocation of tax increment funds exceeding one hundred thousand dollars (\$100,000), unless such date is extended pursuant to an amendment to the Shipyard Plan.

**E.** The Bayview Plan authorizes the Agency to use tax increment funds from the Bayview Plan Area to finance the redevelopment of the Bayview Plan Area, including the issuance of Tax Allocation Debt secured by a pledge of property tax increments from the Bayview Plan Area, subject to the Bayview Plan’s time limits on incurring indebtedness. The Bayview Plan limits the amount of bonded indebtedness of the Agency to be repaid from an

allocation of tax increments under the CCRL from Zone 1 of the Bayview Plan Area that can be outstanding at one time to \$\_\_\_\_\_ million in the aggregate. Under the Bayview Plan, the Agency may not pay indebtedness or receive tax increments from Bayview Plan Area after June 1, 2051, which is forty five (45) years after the effective date of the Bayview Plan Amendment, unless such date is extended pursuant to an amendment to the Bayview Plan.

F. The City and the Agency have found in accordance with section 33445 of the CCRL that: (1) Infrastructure and other Improvements to be constructed in Zone 1 and later acquired by the City or other public agencies will benefit the adjacent Shipyard Plan Area, and Infrastructure and other Improvements to be constructed in the Shipyard Plan Area and later acquired by the City or other public agencies will benefit the adjacent Zone 1; (2) no reasonable means of financing the Infrastructure is available to the community; (3) the Agency's use of tax increment and Tax Allocation Debt to acquire Infrastructure and other Improvements will assist in the elimination of one or more blighting conditions in both the Bayview Plan Area and the Shipyard Plan Area; and (4) the Agency's use of tax increment and Tax Allocation Debt to pay for the acquisition of land or the cost of buildings or other improvements, including Infrastructure, will contribute to the provision of housing for low- or moderate-income persons in both the Bayview Plan Area and the Shipyard Plan Area.

G. In order to facilitate the implementation of the Project, the Agency and Developer entered into the DDA. Attached to the DDA is the Financing Plan under which the Agency has incurred certain executory financial obligations, including the obligation to pledge Net Available Increment for the purposes of the Financing Plan. The Shipyard Plan, the Bayview Plan, and their implementing documents, including the DDA, and related ordinances and regulations, are referred to in this Agreement collectively as the "**Plan Documents.**"

H. The redevelopment of the Project Site in accordance with the Plan Documents affords numerous public benefits for the City and its residents, which include: eliminating blighting influences from and revitalizing the blighted Project Site; substantial new rental and for-sale affordable and market-rate housing; publicly accessible open space and new, enhanced public access to the waterfront; and new jobs, including employment opportunities for economically disadvantaged individuals.

I. In accordance with the Financing Plan, the Agency will establish CFDs for the Project Site. The CFDs will levy special taxes and issue bonds to finance the acquisition of Infrastructure and other Improvements as described in the Financing Plan before and after development in the Project Site will generate tax increment. In addition to CFD financing, tax increment from the Project Site and Tax Allocation Debt and Supplemental Obligation Financing secured by such increment will be used to pay or otherwise directly reimburse Qualified Project Costs.

J. As provided in the Financing Plan, no tax increment revenues will be made available to Developer for the Project beyond any Net Available Increment and Housing Increment generated from development within the Project Site.

K. Developer agrees in the Financing Plan to pay certain shortfalls in the available tax increment after Tax Allocation Debt is issued by the Agency to finance Infrastructure and other Improvements. This payment obligation applies to a decrease in tax increment caused by Developer's initiation of a reassessment of property in the Project Site owned by Developer. Developer's payment obligation will terminate as set forth in the Financing Plan. The Financing Plan establishes Funding Goals for Public Financing under the Financing Plan and describes the general terms and conditions under which the Agency will issue Tax Allocation Debt.

L. The CCRL requires the Agency to set aside at least twenty percent (20%) of the tax increment it receives to increase, improve, and preserve the City's supply of housing for persons and families of very low-, low-, or moderate income (the "**Citywide Affordable Housing Fund**"). Attached to the DDA is the Below-Market Rate Housing Plan. In accordance with the Below-Market Rate Housing Plan and the Financing Plan, the Agency and the City intend to: (1) reserve and dedicate Shipyard Housing Increment for the predevelopment, development, and construction of Agency Affordable Units, including Infrastructure to support Affordable Units, in the Shipyard Site; and (2) reserve and dedicate Candlestick Housing Increment for the predevelopment, development, and construction of Affordable Units, including Alice Griffith Replacement Units and Infrastructure to support Affordable Units, in the Candlestick Site. Consistent with Proposition G, the Agency also may use the Citywide Housing Fund to help finance the development of Affordable Units in the Project.

M. The Agency has committed to spend Excess Increment, if any, as provided in the Financing Plan. The Agency's use of Housing Increment and Excess Increment from the Project Site, as well as funds from the Citywide Housing Fund to the extent required, is essential for: (1) developing the Agency Affordable Units in the Project Site; (2) the Agency's compliance with the CCRL requirement that at least fifteen percent (15%) of the new and rehabilitated housing units in the Shipyard Plan Area and Bayview Plan Area be affordable; and (3) achieving the DDA objectives for Affordable Units as more particularly described in the Below-Market Rate Housing Plan.

N. In order to promote development in accordance with objectives and purposes of the Shipyard Plan, the Bayview Plan, Proposition G and the DDA, the City and the Agency are entering into that certain Interagency Cooperation Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) to provide for their cooperation in administering the control and approval of subdivisions, and all other applicable land use, development, construction, improvement, Infrastructure, occupancy, and use requirements applicable to the Project Site.

O. To create a reliable source of funds to pay all of the Agency's contractual obligations under the Financing Plan, the parties now wish to: (1) agree to pledge irrevocably Net Available Increment from the Project Site to finance or refinance Qualified Project Costs; and (2) authorize and approve the Agency's incurrence of bonded indebtedness for these purposes, all on the terms and conditions further set forth below.

## AGREEMENT

In consideration of the matters described in the foregoing recitals, the covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and the Agency agree as follows:

### 1. PURPOSE

The purpose of this Agreement is to facilitate the implementation of the Project in accordance with the Shipyard Plan, the Bayview Plan, Proposition G, the DDA and other Plan Documents. The Agency and the City agree that: (a) the development of the Project in accordance with the DDA is in the best interests of the City and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws; and (b) Developer is entitled to rely on this Agreement, receive the benefits of this Agreement for the Project and enforce any provision of this Agreement against any party to this Agreement, but neither the Agency nor the City will be liable to Developer or any Developer Transferee for damages under this Agreement, except as provided in Section 9.2. The parties intend that all Net Available Increment generated in the Project Site shall be irrevocably pledged

to finance or refinance Qualified Project Costs, all in accordance with the terms and conditions of the Financing Plan.

## 2. PLEDGE OF NET AVAILABLE INCREMENT FOR INFRASTRUCTURE

In accordance with the CCRL, the City recognizes and approves the incurrence of indebtedness by the Agency under the Financing Plan for the purpose of financing or refinancing, in whole or in part, the Qualified Project Costs in accordance with the terms and conditions of the Financing Plan, and the City agrees that all tax increment produced from the Project Site and any interest earnings thereon shall be irrevocably pledged by the Agency, as a first pledge where applicable, for the payment of the Project Indebtedness (as defined below) of the Agency.

## 3. AUTHORIZATION OF AGENCY BONDED INDEBTEDNESS

3.1. Shipyard Indebtedness. The City authorizes and approves the Agency to:

(a) incur indebtedness (which may be evidenced by Tax Allocation Debt and Supplemental Obligation Financing) in a total amount not exceeding the amount authorized for this purpose in the Shipyard Plan, as it may be amended, to finance or refinance Qualified Project Costs and Agency Affordable Units in the Shipyard Plan Area in accordance with the Financing Plan and the Below-Market Rate Housing Plan (the “**Shipyard Indebtedness**”);

(b) pledge irrevocably all Net Available Increment produced from the Shipyard Plan Area, plus any accrued interest earnings, to pay the Shipyard Indebtedness; and

(c) pledge irrevocably all Housing Increment generated in the Shipyard Plan Area, plus any accrued interest earnings, to finance or refinance the development of Agency Affordable Units in the Project Site and applicable Qualified Project Costs within the Project Site.

3.2. Bayview Indebtedness. The City authorizes and approves the Agency to:

(a) incur indebtedness (which may be evidenced by Tax Allocation Debt and Supplemental Obligation Financing) in a total amount not exceeding the amount authorized for this purpose in the Bayview Plan, as it may be amended, to finance or refinance Qualified Project Costs and Agency Affordable Units, including the Alice Griffith Replacement Units in accordance with the Financing Plan and the Below-Market Rate Housing Plan (the “**Bayview Indebtedness**,” and together with the Shipyard Indebtedness, the “**Project Indebtedness**”);

(b) pledge irrevocably all Net Available Increment produced from Zone 1, plus any accrued interest earnings, to pay the Bayview Indebtedness; and

(c) pledge irrevocably all Housing Increment generated in the Bayview Plan Area, plus any accrued interest earnings, to finance or refinance the development of Agency Affordable Units in the Project Site and applicable Qualified Project Costs within the Project Site.

3.3. City Budget Approval. The City agrees to take actions necessary to approve the Agency’s budget to the extent required to fulfill the terms of this Agreement and the DDA (including the Financing Plan).



#### 4. JOINT COMMUNITY FACILITIES AGREEMENT.

4.1. Authorized Activities. The City and the Agency acknowledge and agree that the Infrastructure and other Improvements described in the DDA (including the Infrastructure Plan and the Financing Plan) to be constructed or provided by Developer and that will be ultimately owned by the City or other public agencies may be financed by one or more CFDs formed by the Agency over the Project Site under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with § 53311) of Part I of Division 2 of Title 5 of the California Government Code (as amended from time to time, the “CFD Act”). In addition, the CFDs will be formed for the purpose of financing certain services on property to be owned by the City and other public agencies. The CFDs are to be formed by the Agency from time to time in connection with the development of the Project. It is the intention of the Agency and the City that: (i) any CFD may finance Infrastructure or other Improvements owned or controlled by the City and any other public agency; and (ii) any CFD may finance services on property owned or operated by the City and any other public agency for the Project, as provided in the Financing Plan. This Agreement constitutes a joint community facilities agreement within the meaning of section 53316.2 of the CFD Act.

4.2. Benefit. The City and the Agency find and determine that this Agreement will be beneficial to the residents residing within the respective boundaries of the City, the City, and the Agency.

4.3. Limited Liability and Control. The City and the Agency agree that, as between themselves, the Agency will make all decisions regarding the CFDs (including boundaries, tax formulas, use of special tax or bond proceeds, and costs), and all proceeds of bonds and special taxes shall be allocated to the CFDs to be disbursed as determined by the CFDs, and neither the City nor the Agency will have any liability for, or the benefits of, the CFDs or any bonds issued therein.

4.4. Cooperation. The City and the Agency agree to take all reasonable steps, and execute such documents necessary, to give effect to the provisions of this Section 4 and to consummate the financing of the Infrastructure, other Improvements, and services under the CFD Act as described in the Financing Plan.

4.5. Infrastructure. The Agency agrees to: (a) use CFD Bonds, CFD special taxes, Net Available Increment, Supplemental Obligation Financing, and Tax Allocation Debt to pay a portion of the City’s or any other public agency’s cost to acquire Infrastructure components and other Improvements after the City or other public agency has inspected and found the components acceptable for acquisition; and (b) otherwise cooperate with the City and other public agency in accepting Infrastructure and other Improvements to be accepted as provided in the Financing Plan.

#### 5. STATEMENT OF INDEBTEDNESS; COVENANT TO ALLOCATE

5.1. Agency Covenant. The Agency agrees to submit to the City Controller a Statement of Indebtedness annually for as long as the Agency is entitled to collect tax increment generated in the Project Site. The Statement of Indebtedness must report the amount of funds the Agency needs to meet its obligations under the Financing Plan and the Below-Market Rate Housing Plan and all other requirements of the CCRL for the Project.

5.2. City Covenant. The City covenants to take all actions necessary to allocate to the Agency all Net Available Increment and Housing Increment, to the extent legally available, in the amounts required to pay the Project Indebtedness, based on the Agency’s Statement of Indebtedness.

5.3. Satisfaction of Indebtedness. The City and the Agency agree that Net Available Increment from the Project Site may be used only in accordance with this Agreement, the Financing Plan, or the Plan Documents (other than the Shipyard Plan and the Bayview Plan), and the CCRL.

## 6. EFFECTIVE DATES AND TERMS

6.1. Shipyard Effective Date and Term. As to the Shipyard Plan Area, the provisions of this Agreement other than Section 4 will:

(a) become effective (the “**Shipyard Effective Date**”) on the latest of: (i) the date the Shipyard Plan Amendment becomes effective; (ii) the date a Board of Supervisors resolution authorizing and approving this Agreement becomes effective; and (iii) the date this Agreement, including Developer’s consent, has been fully executed and delivered; and

(b) remain in effect until the date that is forty five (45) years from the date the Agency has received tax increment funds from the Shipyard Plan Area exceeding one hundred thousand dollars (\$100,000), unless such date is extended by an amendment to the Shipyard Plan.

6.2. Bayview Effective Date. As to the Bayview Plan Area, the provisions of this Agreement other than Section 4 will:

(a) become effective (the “**Bayview Effective Date**”) on the latest of: (i) the date the Bayview Plan Amendment becomes effective; (ii) the date a Board of Supervisors resolution authorizing and approving this Agreement becomes effective; and (iii) the date this Agreement, including Developer’s consent, has been fully executed and delivered; and

(b) remain in effect until the date that is forty five (45) years after the effective date of the Bayview Amendment, unless such date is extended pursuant to an amendment to the Bayview Plan, or the Bayview Plan otherwise expires pursuant to the CCRL.

6.3. Effective Date and Term of Section 4. The provisions of Section 4 shall become effective upon execution of this Agreement and shall remain in effect in perpetuity.

6.4. Independent Operation of Shipyard and Bayview Provisions. The City and the Agency intend the provisions specifically applicable to the Shipyard Plan and the Shipyard Plan Area and the provisions specifically applicable to the Bayview Plan and the Bayview Plan Area to operate independently to the fullest extent possible, and agree that they may be severed if necessary or convenient. Because portions of both the Shipyard Plan Area and the Bayview Plan Area are included in the Project, the City and the Agency have entered into this Agreement covering both the plan areas for convenience.

## 7. NO GENERAL FUND COMMITMENT

This Agreement covers only Agency indebtedness payable from Net Available Increment and Housing Increment, including any accrued interest (and not from any other funds or assets of the Agency). This Agreement is not intended to and does not create any City commitment or obligation to satisfy any portion of the Agency’s indebtedness from the City’s General Fund, nor may this Agreement be construed in any manner that would violate the debt limitations under article XVI, section 18 of the State Constitution or of the City’s Charter, including section 3.105 of the Charter. As further provided in the Financing Plan, the lack of sufficient tax increment proceeds to finance all or a portion of the Qualified Project Costs of the Project will not relieve

Developer of its obligations under the DDA to complete the Infrastructure, so long as Net Available Increment is pledged and allocated consistent with this Agreement.

## 8. LIMITATIONS ON TAX INCREMENT

**8.1. No Increment from Other Areas.** The parties recognize and agree that in accordance with the DDA, the Shipyard Plan and the Bayview Plan, no property tax increment or bond proceeds from areas other than the Project Site (other than the Citywide Housing Advance) will be made available for the Project.

**8.2. Major Phase and Sub-Phase Allocations.** The parties recognize Net Available Increment pledged to pay the Shipyard Indebtedness and the Bayview Indebtedness is allocated among Major Phases under the Financing Plan and the DDA.

## 9. DEFAULT

### 9.1. Default Procedures.

(a) **Notice of Default.** If either the City or the Agency defaults in the performance of this Agreement (each a “default”), the non-defaulting party may deliver a written notice of default to the other. The notice of default must state with reasonable specificity the nature of the alleged default, the provisions under which the default is claimed to arise, and the manner in which the default may be cured.

(b) **Meet and Confer.** After a notice of default is received, the City and the Agency agree to meet promptly to discuss the default and the manner in which the defaulting party can cure the default and satisfy the aggrieved party’s concerns. The City and the Agency agree to continue meeting regularly, discussing, investigating, and considering alternatives for a period ending sixty (60) days after the notice of default was received. If the aggrieved party no longer believes that the other party is in default at the end of the meet and confer period, the aggrieved party must issue a written rescission of the notice of default.

(c) **Cure and Remedy.** Unless the aggrieved party has issued a rescission of the notice of default, the other party must commence to cure the default no later than sixty (60) days after the meet and confer period has expired, and must complete the cure within a reasonable time. If the defaulting party either: (i) does not commence to cure the default within the sixty (60) day cure period and cure the default within a reasonable time; or (ii) refuses to meet and confer, subject to Section 9.2, the aggrieved party may institute proceedings it believes are necessary or desirable to cure the default, including proceedings to compel specific performance by the defaulting party. The parties acknowledge that termination of the Agreement is not a remedy for a default.

**9.2. No Monetary Damages.** The parties agree that monetary damages are generally inappropriate and that it would be extremely difficult and impractical to fix or determine the actual damages to a party as a result of a default and that equitable remedies and remedies at law other than monetary damages are the appropriate remedies for proceedings on this Agreement. The parties would not have entered into this Agreement if either of them were liable to the other or to any other Person (including Developer and any Developer Transferee) for damages under or with respect to this Agreement. Consequently, except as otherwise provided in the DDA between the Agency and Developer, the parties agree that neither party will be liable for damages to the other or to any other Person (including Developer and any Developer Transferee), and each covenants not to sue for or claim any damages and expressly waives its right to do so in any proceeding arising out of or connected with (A) any breach of this

Agreement or (B) any dispute, controversy, or issue regarding the application, interpretation, or effect of this Agreement.

**9.3. Attorneys' Fees.** Each party will bear its own attorneys' fees and costs of suit in any dispute or any legal action or other dispute resolution mechanism to enforce or interpret any provision of this Agreement, regardless of its final disposition.

## 10. NOTICES

A notice or communication under this Agreement by either party to the other must be delivered by hand or by registered or certified mail, postage prepaid, addressed as follows:

To the Agency: San Francisco Redevelopment Agency  
One South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, California 94102  
Attn: Executive Director  
Re: CP/HPS Tax Allocation Agreement

With a copy to: San Francisco Redevelopment Agency  
One South Van Ness Avenue, 5<sup>th</sup> Floor  
San Francisco, California 94102  
Attn: General Counsel  
Re: CP/HPS Tax Allocation Agreement

To the City: Office of Economic and Workforce Development  
City and County of San Francisco  
City Hall, Rm. 448  
1 Carlton B. Goodlett Place, Third Floor  
San Francisco, California 94102  
Attn: Director  
Re: CP/HPS Tax Allocation Agreement

With a copy to: Office of the Controller  
City and County of San Francisco  
875 Stevenson Street, Room 235  
San Francisco, California 94103  
Attn: Controller  
Re: CP/HPS Tax Allocation Agreement

And to: Office of the City Attorney  
City Hall, Rm. 234  
1 Carlton B. Goodlett Place, Room 232  
San Francisco, California 94102  
Attn: Real Estate/Finance  
Re: CP/HPS Tax Allocation Agreement

And copies of all notices to: CP Development Co., LP  
c/o Lennar Urban  
One California Street, Suite 2700  
San Francisco, California 94111  
Attn: Kofi Bonner

Paul Hastings LLP

55 Second Street, 24th Floor  
San Francisco, California 94105  
Attn: Charles V. Thornton  
David A. Hamsher

Every notice given under this Agreement must be in writing and must state (or must be accompanied by a cover letter that states) substantially the following, as applicable:

1. the Section of this Agreement under which the notice is given and the action or response required;
2. the period of time within which the recipient of the notice must respond;
3. a "Request for Approval under the Tax Allocation Agreement"; and
4. for any response to a request for approval that requires the responding party to grant or withhold approval reasonably, the specific reasons for disapproval.

Any mailing address may be changed at any time by giving written notice of the change in the manner provided above at least ten (10) days before the effective date of the change. All notices under this Agreement will be deemed given, received, made, or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

## 11. RELATED AGREEMENTS

**11.1. Amendments to Agreement.** Except as otherwise provided in this Agreement, this Agreement may be amended or modified only by a written instrument executed by the City and the Agency. Developer's written consent to any amendment or modification of this Agreement will be required only until Developer has been reimbursed for all Qualified Project Costs provided in the Financing Plan and has completed all Improvements contemplated in the DDA. The Mayor and the City Controller (or any successor City officer as designated by law) may consent on the City's behalf to any non-material amendments or other modifications to this Agreement and to the Financing Plan. A "**non-material change**" means any change that does not increase or decrease the pledge of tax increment that is the subject of this Agreement or otherwise materially increase the City's liabilities or obligations or materially decrease the availability of Net Available Increment for the Project. The Board of Supervisors must approve material amendments to this Agreement by resolution.

**11.2. Amendments to DDA Documents.** Except as otherwise provided in the Financing Plan, the Agency agrees not to amend the Financing Plan, the Infrastructure Plan or the Below-Market Rate Housing Plan in any manner that would increase or decrease the pledge of Net Available Increment or decrease the pledge of Housing Increment contemplated by this Agreement without in each case obtaining the City's prior written consent, which the City may give or withhold in its sole discretion. The Mayor and the City Controller (or any successor City officer as designated by law) may act on the City's behalf in response to a request for the City's consent under this Section 11.2.

**11.3. Developer Consents.** Any consent required of Developer under this Agreement must be given by a Developer Representative.

## 12. MISCELLANEOUS

**12.1. Severability.** If any court finds any provision of this Agreement invalid or inapplicable to any Person or circumstance, then the invalid or inapplicable provision will not affect any other provision of this Agreement or its application to any other Person or circumstance, and the remaining portions of this Agreement will continue in full force and effect,

unless enforcement of this Agreement as so modified would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. If any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the parties agree to modify or amend this Agreement, or any portion of this Agreement, in a manner that preserves to the greatest extent possible the benefits of this Agreement absent the conflict with federal or state law. However, if: (i) such amendment, modification or suspension would deprive the City or the Agency of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, and (ii) Developer has been reimbursed for all Qualified Project Costs provided in the Financing Plan and has completed all Improvements contemplated in the DDA; then either the City or the Agency may terminate this Agreement upon written notice to the other party. Termination will be effective on the date stated in the notice, and following that date, all rights and obligations under this Agreement will be extinguished.

**12.2. Non-Waiver.** A delay or failure to exercise any right under this Agreement will not be deemed a waiver of that or any other right contained in this Agreement.

**12.3. Successors and Assigns; Third Party Beneficiary.** This Agreement inures to the benefit of and bind the respective successors and assigns of the City and the Agency. Developer and any Developer Transferee of a Major Phase under the DDA are intended third party beneficiaries of this Agreement. Except for Developer and Developer Transferees of a Major Phase, this Agreement is for the exclusive benefit of the parties and not for the benefit of any other Person and may not be deemed to have conferred any rights, express or implied, upon any other Person.

**12.4. Governing Law.** This Agreement is governed by and must be construed in accordance with the laws of the State of California.

**12.5. Counterparts.** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

**12.6. Entire Agreement.** This Agreement contains all of the representations and the entire agreement between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties, or representations relating to such subject matter are superseded by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement may be introduced as evidence in any litigation or other dispute resolution proceeding by either party or any other Person, and no court or other body may consider those drafts in interpreting this Agreement.

### **13. INTERPRETATION**

**13.1. Captions.** All references to a Section, Article, or paragraph refer to this Agreement unless otherwise specified. The captions preceding the Articles and Sections of this Agreement have been inserted for convenience of reference only and do not define or limit the scope or intent of any provision of this Agreement.

**13.2. Words of Inclusion.** The words “including”, “such as” or words of similar import when following any general term may not be construed to limit the general term to the following specific terms, whether or not language of non-limitation is used in the reference. Rather, the general term will be deemed to refer to all other terms that could reasonably fall within the broadest possible scope of the term.

**13.3. References.** All references to any provision, term, or matter “in this Agreement”, “herein” or “hereof” or words of similar import will be deemed to refer to any and all provisions of this Agreement reasonably related to the provision, term, or matter in the context of the reference, unless the reference refers solely to a specific numbered or lettered, Section, paragraph, or subdivision of this Agreement.

**13.4. Recitals.** Recitals provide the context for this Agreement and do not have legal effect.

**13.5. Definitions.** The following terms have the meanings given to them below or are defined where indicated.

“**Act**” is defined in Section 4.1 of this Agreement.

“**Agency Affordable Units**” is defined in the Below-Market Rate Housing Plan.

“**Bayview Effective Date**” is defined in Section 6.2(a) of this Agreement.

“**Bayview Housing Increment**” is defined in the Financing Plan.

“**Bayview Indebtedness**” is defined in Section 3.2(a) of this Agreement.

“**Bayview Plan Amendment**” is defined in Recital B of this Agreement.

“**Bayview Plan**” is defined in Recital B of this Agreement.

“**Bayview Plan Area**” is defined in Recital B of this Agreement.

“**Board of Supervisors**” is defined in Recital A.

“**CFD**” means a community facilities district established by the Commission, acting as the legislative body under the CFD Act.

“**Citywide Affordable Housing Fund**” is defined in Recital L.

“**CCRL**” is defined in Recital A.

“**default**” is defined in Section 9.1(a).

“**Developer Representative**” is defined in the DDA.

“**Developer Transferee**” is defined in the DDA.

“**Excess Increment**” is defined in the Financing Plan.

“**Financing Plan**” is defined in the DDA.

“**Housing Increment**” is defined in the Financing Plan.

“**Below-Market Rate Housing Plan**” is defined in Recital L.

“**Infrastructure**” is defined in the DDA.

“**Major Phase**” is defined in the DDA.

“**Project**” is defined in Recital C.

“**Project Indebtedness**” is defined in Section 3.2(a).

“**Net Available Increment**” is defined in the Financing Plan.

“**non-material change**” is defined in Section 11.1(a).

“**Person**” is defined in the DDA.

“**Plan Documents**” is defined in the DDA.

“**Project Site**” is defined in Recital C.

“**Shipyard Effective Date**” is defined in Section 6.1(a).

“**Shipyard Housing Increment**” is defined in the Financing Plan.

“**Shipyard Indebtedness**” is defined in Section 3.1(a).

“**Shipyard Plan Amendment**” is defined in Recital A.

“**Shipyard Plan**” is defined in Recital A.

“**Shipyard Plan Area**” is defined in Recital A.

“**Statement of Indebtedness**” is defined in the Financing Plan.

“**Tax Allocation Debt**” is defined in the Financing Plan.

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This Agreement was executed and delivered as of the Reference Date.

CITY AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_  
Gavin Newsom, Mayor

By \_\_\_\_\_  
Angela Calvillo  
Clerk of the Board of Supervisors

By \_\_\_\_\_  
Ben Rosenfield, Controller

APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

By \_\_\_\_\_  
Deputy City Attorney

REDEVELOPMENT AGENCY OF THE CITY  
AND COUNTY OF SAN FRANCISCO

By \_\_\_\_\_  
Fred Blackwell  
Executive Director

APPROVED AS TO FORM:

\_\_\_\_\_  
James B. Morales  
General Counsel

**DEVELOPER'S CONSENT AND AGREEMENT**

By signing below, the undersigned, on behalf of Developer, acknowledges that Developer is an intended third party beneficiary of the Tax Increment Allocation Agreement dated as of \_\_\_\_\_ (the "Agreement"), to which this consent is attached, consents to the Agreement, may enforce this Agreement, and specifically agrees to be bound by all limitations on remedies under the Agreement.

Executed and delivered as of \_\_\_\_\_.

**CP DEVELOPMENT CO., LP,**  
a Delaware limited partnership

By CP/HPS Development Co. GP, LLC,  
a Delaware limited liability company,  
its General Partner

By: \_\_\_\_\_  
Name: Kofi Bonner  
Its: Authorized Representative