

1 [Mission Bay North Tax Allocation Agreement]
 2 APPROVING AND AUTHORIZING A TAX INCREMENT ALLOCATION PLEDGE
 3 AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND THE
 4 REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO,
 5 CONCERNING THE PLEDGE OF NET AVAILABLE TAX INCREMENT FROM THE MISSION
 6 BAY NORTH PLAN AREA FOR THE PURPOSE OF FINANCING PUBLIC
 7 INFRASTRUCTURE IN FURTHERANCE OF THE IMPLEMENTATION OF THE
 8 REDEVELOPMENT PLAN FOR THE MISSION BAY NORTH PROJECT AND FOR
 9 DEVELOPMENT OF AFFORDABLE HOUSING IN THE MISSION BAY NORTH AND SOUTH
 10 PLAN AREAS; AUTHORIZING AND APPROVING THE INCURRENCE OF BONDED
 11 INDEBTEDNESS BY THE REDEVELOPMENT AGENCY NOT TO EXCEED \$190,000,000
 12 FOR SUCH PURPOSES; APPROVING THE USE OF ALL AVAILABLE HOUSING
 13 INCREMENT PRODUCED IN THE MISSION BAY NORTH PLAN AREA FOR THE
 14 DEVELOPMENT OF AFFORDABLE HOUSING ON PARCELS TO BE CONTRIBUTED TO
 15 THE REDEVELOPMENT AGENCY IN THE PLAN AREAS; ADOPTING FINDINGS
 16 PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND ADOPTING
 17 FINDINGS THAT THE AGREEMENT IS CONSISTENT WITH THE CITY'S GENERAL PLAN
 18 AND EIGHT PRIORITY POLICIES OF CITY PLANNING CODE SECTION 101.1.

19 WHEREAS, In accordance with the Community Redevelopment Law of California
 20 (Health & Safety Code Section 33000 et seq.), this Board of Supervisors has approved a
 21 Redevelopment Plan for the Mission Bay North Redevelopment Project by Ordinance
 22 No. 327-98 adopted on October 30, 1998 (the "Mission Bay North
 23 Redevelopment Plan"); and,

24 WHEREAS, The Mission Bay North Redevelopment Plan provides for the
 25 redevelopment, rehabilitation and revitalization of the area generally bounded by the north

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1 embankment of the China Basin Channel and Townsend, Third and Seventh Streets and
2 containing approximately 65 acres of land, as more particularly described in such plan (the
3 “North Plan Area”); and,

4 WHEREAS, The Mission Bay North Redevelopment Plan describes a mixed-use
5 development comprised of up to approximately three thousand (3,000) units of housing,
6 including both market-rate and affordable rental and for-sale units, approximately six (6) acres
7 of public open space, up to approximately five hundred thousand (500,000) square feet of
8 retail, commercial and entertainment uses, and parking and loading uses; in addition,
9 approximately five thousand (5,000) leasable square feet of local serving retail uses may be
10 developed on Agency affordable housing sites; and,

11 WHEREAS, Section 500 of the Mission Bay North Redevelopment Plan authorizes the
12 Agency to use tax increment funds to finance the redevelopment of the North Plan Area,
13 including, without limitation, the issuance of tax allocation bonds secured by a pledge of
14 property tax increment from the North Plan Area, subject to the time limits on incurring such
15 indebtedness set forth therein; and,

16 WHEREAS, In order to facilitate the implementation of the Mission Bay North
17 Redevelopment Plan, the Redevelopment Agency of the City and County of San Francisco
18 (the “Redevelopment Agency”) and Catellus Development Corporation, a Delaware
19 corporation (“Catellus”) are entering into or have entered into a Mission Bay North Owner
20 Participation Agreement (the “North OPA”), regarding the development of the property within
21 the North Plan Area owned by Catellus, and a copy of the North OPA is on file with the Clerk
22 of the Board under File No. 98-1440; and,

23 WHEREAS, The North OPA includes a Financing Plan, annexed to the North OPA as
24 Attachment E (the “Financing Plan”), under which the Redevelopment Agency has incurred
25 certain executory financial obligations, including the pledge of tax increment from the North

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1 Plan Area for infrastructure and affordable housing purposes, subject to the approval of the
2 City's Board of Supervisors, and the purpose of this resolution is to provide such approval;
3 and,

4 WHEREAS, In accordance with the Financing Plan, the Redevelopment Agency is
5 establishing one or more Community Facilities Districts ("CFDs") for the North Plan Area
6 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended; the
7 Redevelopment Agency and Catellus intend that the CFDs will issue bonds to permit the
8 financing of public infrastructure, including open space, under the Infrastructure Plan, which is
9 annexed to the North OPA as Attachment D, before development in the North Plan Area
10 generates tax increment which may be applied for such purpose; tax increment from the
11 North Plan Area and/or the issuance of bonds secured by a pledge of such increment will
12 then be used to make payments on indebtedness of the CFDs, defease the CFD
13 indebtedness, or pay or otherwise reimburse directly the costs of public infrastructure, or a
14 combination of the foregoing, all as further provided in the Financing Plan; and,

15 WHEREAS, As provided in the Financing Plan, no tax increment revenues nor any
16 proceeds of any tax allocation bonds will be made available for the financing of public
17 infrastructure beyond any Net Available Increment (as defined in the Financing Plan)
18 generated from development within the North Plan Area, and in this way, no tax increment will
19 be drawn for development by Catellus in the North Plan Area from any other redevelopment
20 project areas; furthermore, as provided in the Financing Plan, Catellus will agree to pay
21 certain shortfalls in tax increment necessary to pay debt service on any tax allocation bonds
22 issued to finance infrastructure in the North Plan Area, subject to the terms, conditions and
23 limitations set forth in the Financing Plan, including certain limitations on the extent to which
24 any such payment obligation applies to transferees or transferred property; and,

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1 WHEREAS, The Financing Plan further gives the Redevelopment Agency the
2 discretion on a case-by-case basis in issuing tax allocation bonds to establish debt coverage,
3 credit enhancement or other terms as the Agency determines are appropriate to safeguard
4 against the risk of default; and,

5 WHEREAS, The Housing Program, annexed to the North OPA as Attachment C (the
6 "Housing Program"), contemplates that all of the Housing Increment (as defined in the
7 Financing Plan) produced by development in the North Plan Area, which is at least 20% of all
8 of the tax increment and is required to be set aside for the provision of Affordable Housing
9 under the Community Redevelopment Law, be used in the North Plan Area for the
10 development of up to approximately 345 affordable housing units on parcels to be contributed
11 by Catellus to the Redevelopment Agency for such purpose and for the development of
12 affordable housing on parcels to be contributed by Catellus to the Redevelopment Agency in
13 the area described in the Redevelopment Plan for the Mission Bay South Redevelopment
14 Project (the "South Plan Area"); and,

15 WHEREAS, As further provided in the Financing Plan, if development in the North Plan
16 Area generates any Net Available Increment that is not required to pay for public
17 infrastructure, then such Excess Increment (as defined in the Financing Plan) will be made
18 available to Catellus in an amount equal to the lesser of the amount due and payable under
19 the Owner VLI Notes (as defined in the Housing Program) or (b) fifty percent (50%) of any
20 Excess Increment (the "Owner Excess Increment") to be applied toward payment of
21 obligations evidenced by the Owner VLI Notes delivered by the Redevelopment Agency to
22 Catellus under the Housing Program in connection with the completion of Owner Very Low
23 Income Units (as defined therein), and the remaining Excess Increment (the "Agency Excess
24 Increment") shall be made available to the Redevelopment Agency to be used for the
25 development of affordable housing in the North Plan Area and shall be added to the Housing

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1 Increment if used in the South Plan Area to the extent needed for the Redevelopment Agency
2 to fulfill its housing program in Mission Bay, subject to the provisions of the Financing Plan
3 and the Housing Program with respect to the use of Agency Excess Increment under certain
4 circumstances for the construction of very low income units on block N5 in the North Plan
5 Area; and,

6 WHEREAS, The Board of Supervisors, by separate resolution, is considering approval
7 of the use of Excess Increment from the South Plan Area for the purpose of financing the
8 development of Agency Affordable Housing Units in the North Plan Area as well as the South
9 Plan Area, as further provided therein; and,

10 WHEREAS, The dedication of the Housing Increment, Agency Excess Increment from
11 the North Plan Area, Excess Increment from the South Plan Area, and Housing Increment for
12 the uses described above is essential to the financing of affordable housing on parcels to be
13 contributed to the Redevelopment Agency and, therefore, to complying with the requirement
14 set forth in the Community Redevelopment Law that at least 15% of the housing to be built in
15 the North Plan Area be affordable and to achieving the objective contemplated by the Mission
16 Bay North Redevelopment Plan and North OPA that 20% of the total housing be affordable;
17 and,

18 WHEREAS, Pursuant to Sections 33220, 33343, 33344 and 33370 of the Community
19 Redevelopment Law, and in order to promote development in accordance with objectives and
20 purposes of the Mission Bay North Redevelopment Plan, this Board of Supervisors has, by
21 Ordinance No. 327-98, approved an Interagency Cooperation Agreement between
22 the City and the Redevelopment Agency, and for the benefit of Catellus and its permitted
23 transferees, to provide for the cooperation of the City with the Redevelopment Agency in
24 administering the control and approval of subdivisions, and all other applicable land use,

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1 development, construction, improvement, public infrastructure, occupancy and use
2 requirements; and,

3 WHEREAS, Pursuant to the authority granted under Article XVI, Section 16 of the
4 California Constitution and Sections 33670, 33334.2, 33671 and 33675 of the Community
5 Redevelopment Law, and in furtherance of the implementation of the Mission Bay North
6 Redevelopment Plan, the Board intends by this resolution to provide for (1) the irrevocable
7 pledge of Net Available Increment from the North Plan Area for the purposes of financing or
8 refinancing the construction of all public infrastructure in the North Plan Area and, to the
9 extent of any Owner Excess Increment and Agency Excess Increment, the irrevocable pledge
10 of such Excess Increment to be allocated between the Agency and Catellus for the affordable
11 housing purposes described above, and (2) authorization and approval of the incurrence of
12 bonded indebtedness by the Redevelopment Agency for such purposes, all in accordance
13 with the terms and conditions of a proposed Tax Allocation Agreement between the City and
14 the Redevelopment Agency; and,

15 WHEREAS, A copy of the proposed Mission Bay North Tax Increment Allocation
16 Pledge Agreement is on file with the Clerk of the Board of Supervisors in File
17 No. 981432 (the "Tax Allocation Agreement"); and,

18 WHEREAS, On September 17, 1998, the City Planning Commission, by Motion
19 No. 14696, and the Redevelopment Agency Commission, by Resolution
20 No. 182-98, certified the Final Subsequent Environmental Impact Report for the
21 Mission Bay Project ("Final SEIR") as accurate, adequate and objective and in compliance
22 with the California Environmental Quality Act ("CEQA"), which certification was affirmed by
23 the Board of Supervisors by Motion No. M98-132; and,

24 WHEREAS, This Board of Supervisors has reviewed and considered the information
25 contained in the Final SEIR; and,

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1 WHEREAS, For purposes of compliance with CEQA, the Tax Allocation Agreement is
2 part of the implementation of the Mission Bay project examined in the Final SEIR for which
3 the Board of Supervisors, by Resolution No. 854-98, has adopted findings with
4 respect to the Final SEIR as required by CEQA, which findings are on file with the Clerk of the
5 Board of Supervisors under File No. 981427, and which findings are incorporated
6 herein by this reference; and,

7 WHEREAS, The Planning Commission, by Resolution No. 14699 adopted on
8 September 17, 1998, found that the Mission Bay project, including the Tax Allocation
9 Agreement, is consistent with the City's General Plan, as amended, and with the eight Priority
10 Policies of City Planning Code Section 101.1; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby adopts and incorporates the
12 findings under CEQA contained in Resolution No. 854-98 by reference as though
13 such findings were fully set forth in this resolution; and, be it

14 FURTHER RESOLVED, The Board of Supervisors finds that the redevelopment of the
15 North Plan Area in accordance with the Mission Bay North Redevelopment Plan and related
16 documents affords numerous public benefits for the City and County and its residents, and
17 that such public benefits include, without limitation, the revitalization of the North Plan Area,
18 which is currently blighted, and the elimination of the blighting influences, the provision of
19 substantial new affordable housing, the provision of a variety of publicly accessible open
20 space, the creation and enhancement of public access to the waterfront, the creation of jobs,
21 including employment opportunities for economically disadvantaged individuals, and the
22 creation of an entire infrastructure; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form and
24 substance of the Tax Allocation Agreement and the pledge of tax increment from the North
25 Plan Area for the purposes described therein; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Tax
2 Allocation Agreement, which is part of the implementation of the Mission Bay development
3 project, is consistent with the General Plan, as amended, and with the eight Priority Policies
4 of Planning Code Section 101.1 for the same reasons as set forth in Planning Commission
5 Resolution No. 14699, and hereby incorporates such findings by reference as
6 though fully set forth in this resolution; and, be it

7 FURTHER RESOLVED, That this Board of Supervisors authorizes and urges the
8 Mayor and the Controller to execute the Tax Allocation Agreement, in the name and on behalf
9 of the City, in substantially the form of such agreement presented to this Board of
10 Supervisors; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor and the
12 Controller (or any successor City officer designated by law) to enter into or approve any
13 additions, amendments or other modifications to the Tax Allocation Agreement (including,
14 without limitation, the Financing Plan, the Infrastructure Plan or the Housing Program) that
15 they shall determine, in consultation with the City Attorney, are in the best interests of the
16 City, provided that any such additions, amendments or modifications do not increase the
17 pledge of tax increment which is the subject of this resolution or otherwise materially increase
18 the liabilities or obligations of the City and are necessary or advisable to effectuate the
19 implementation of the Mission Bay North Redevelopment Plan, the North OPA and this
20 resolution, or materially decrease the pledge of tax increment for affordable housing
21 purposes, such determination to be conclusively evidenced by the execution and delivery by
22 the Mayor and the Controller of the Tax Allocation Agreement and any amendments thereto;
23 and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
25 Mayor, Controller and any other officers, agents and employees of the City to take any and all

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1 steps (including, but not limited to, the execution and delivery of any and all agreements,
2 notices, consents and other instruments or documents) as they or any of them deem
3 necessary or appropriate, in consultation with the City Attorney, in order to consummate the
4 Tax Allocation Agreement in accordance with this resolution, or to otherwise effectuate the
5 purpose and intent of this resolution, such determination to be conclusively evidenced by the
6 execution and delivery by such person or persons of any such documents; and, be it

7 FURTHER RESOLVED, That the approval under this resolution shall take effect upon
8 the effective date of the amendments to the General Plan approved under Board of
9 Supervisors Ordinance No. 324-98; and, be it

10 FURTHER RESOLVED, That in accordance with Section 33606 of the Community
11 Redevelopment Law, the Board of Supervisors authorizes and approves the incurrence of
12 bonded indebtedness by the Redevelopment Agency for the purposes described in the Tax
13 Allocation Agreement and in furtherance of the purposes of redevelopment under the Mission
14 Bay North Redevelopment Plan, provided that the total amount of such indebtedness shall
15 not exceed \$190,000,000; and, be it

16 FURTHER RESOLVED, That all of the Housing Increment produced by development
17 in the North Plan Area, which is required to be set aside for the provision of Affordable
18 Housing under the Community Redevelopment Law, shall be reserved and dedicated for the
19 predevelopment, development and construction of approximately 345 affordable housing
20 units on the parcels to be contributed to the Redevelopment Agency by Catellus in the North
21 Plan Area under the North OPA, provided that the Agency may use Housing Increment from
22 the South Plan Area for development of Agency affordable housing in the North Plan Area
23 and may also use such Housing Increment for the predevelopment, development and
24 construction of approximately 1,100 affordable housing units on parcels to be contributed by

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1 Catellus in the South Plan Area, under the terms and conditions set forth in the North and
2 South Financing Plans.

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City and County of San Francisco

Veterans Building
401 Van Ness Avenue, Room 308
San Francisco, CA 94102-4532

Tails

Resolution

File Number: 981432

Date Passed:

Resolution approving and authorizing a tax increment allocation pledge agreement between the City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco, concerning the pledge of net available tax increment from the Mission Bay North Plan Area for the purpose of financing public infrastructure in furtherance of the implementation of the Redevelopment Plan for the Mission Bay North project and for development of affordable housing in the Mission Bay North and South Plan Areas; authorizing and approving the incurrence of bonded indebtedness by the Redevelopment Agency not to exceed \$190,000,000 for such purposes; approving the use of available housing increment produced in the Mission Bay North Plan Area for the development of affordable housing on parcels to be contributed to the Redevelopment Agency; adopting findings pursuant to the California Environmental Quality Act; and adopting findings that the agreement is consistent with the City's General Plan and Eight Priority Policies of the Planning Code Section 101.1.

October 19, 1998 Board of Supervisors — CONTINUED

Ayes: 9 - Ammiano, Bierman, Brown, Katz, Leno, Medina, Teng, Yaki, Yee

Absent: 1 - Newsom

Excused: 1 - Kaufman

October 26, 1998 Board of Supervisors — ADOPTED

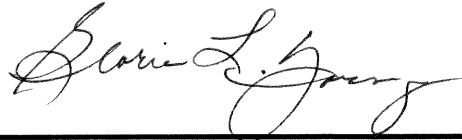
Ayes: 8 - Ammiano, Bierman, Brown, Leno, Medina, Teng, Yaki, Yee

Absent: 1 - Katz

Excused: 2 - Kaufman, Newsom

File No. 981432

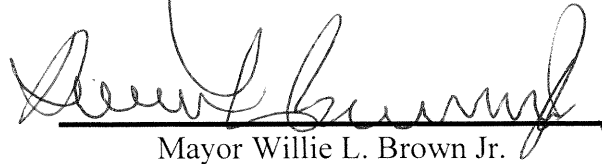
I hereby certify that the foregoing Resolution was ADOPTED on October 26, 1998 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

OCT 30 1998

Date Approved



Mayor Willie L. Brown Jr.