

**RESOLUTION NO. 177-99**  
(Adopted November 16, 1999)

**CONDITIONALLY APPROVING THE SCHEMATIC DESIGN  
FOR THE PROPOSED AFFORDABLE HOUSING  
DEVELOPMENT BY MISSION HOUSING DEVELOPMENT  
CORPORATION ON PARCEL 2 OF BLOCK N2; MISSION BAY  
NORTH REDEVELOPMENT PROJECT AREA**

**BASIS FOR RESOLUTION**

1. The Agency issued a Request for Qualifications ("RFQ") on March 19, 1999 seeking a developer/operator of its first Mission Bay Affordable Housing Parcel in the Mission Bay North Project Area, Parcel 2 of Block N2. Parcel 2 of Block N2 is a 1.1-acre site fronting on Berry and King between 3<sup>rd</sup> and 4<sup>th</sup> Streets (the "Site").
2. On June 29, 1999, the Commission authorized the Agency to enter into Exclusive Negotiations with Mission Housing Development Corporation (MHDC) leading to the lease and development of the Site as 100 units of affordable family rental housing with a child care center and services.
3. On August 31, 1999, the Commission authorized a predevelopment loan to MHDC in an amount not to exceed \$998,886.
4. On October 12, 1999, the Commission held a workshop to review the proposed Schematic Design.
5. On October 26, the Commission authorized extending the Exclusive Negotiations with MHDC to enable MHDC to proceed with development of the Site. MHDC is now requesting that the Commission approve its Schematic Design.
6. Staff recommends approval of the Schematic Design, subject to satisfactory resolution of the following design concerns. Staff proposes the following conditions to approval of the Schematic Design:

The King Street Block:

- (a) The proposed exterior building material for this building block is brick. In order to meet the anticipated construction budget, only brick tiles would be used to achieve its masonry appearance. In utilizing the brick tiles, the architect should study the details of the exterior walls, particularly around all window openings, to achieve a sense of depth for the masonry walls. The architect should also conduct design studies to incorporate windowsills and a cap element at the top of the brick walls to create

additional visual interest and to further articulate the character of a brick building.

- (b) Along King Street and at the interior garden, the architect proposed a series of bay windows to reflect the architectural character of the residential buildings in San Francisco. Adjacent to each bay window, the architect also incorporates a second window bay to maximize the views from the residential units. The architects should conduct design studies to establish the appropriate proportions and details for the window system.
- (c) The length of the proposed building along King Street is approximately 280 feet. In order to break down its length and to create visual interest, the architect has treated the end portion of the building mass adjacent to the mid-block walkway (“Walkway”) with a different architectural expression. Staff supports this design approach, however, the architect needs to further refine this element of the design to strengthen its identity and to achieve its intent of distinctness.

#### The Berry Street and East End Blocks

- (d) The exterior building material for these two blocks is stucco. The architect needs to conduct design studies to provide a pattern of score lines and reveals to further enrich the building surfaces with finer details.
- (e) To break down the length of the Berry Street block, the architect has incorporated a series of bay windows at Berry Street and at the interior garden. Further design studies should be conducted to achieve the appropriate proportions and detailing for this architectural element.
- (f) A childcare center for 48 infants, toddlers and preschool children is located at ground level on Berry Street. The required play area for the center is located along the mid-block walkway connecting King and Berry Streets. The architect should submit a detailed floor plan of the childcare center and the design of the play area for Agency review. Of particular concern is the physical and visual relationship between the play area and the Walkway.

#### Overall Comments

- (g) **Landscape Plan.** The basic concept design for the open space at the podium level above the parking garage is acceptable. However, the Developer’s landscape architect should further develop its design for Agency review.
- (h) **Building Materials and Colors.** The architect has discussed in concept the proposed building materials and colors. The Agency reserves its

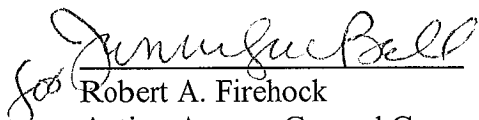
comments until a more detailed sample board is available to the Agency for review.

- (i) **Roof Plan.** The roof surfaces of this project are visible from existing and future taller buildings around the project site. Exposed rooftop mechanical equipment will not be permitted. The architect should submit a roof plan for Agency review.
  - (j) **Entry Doors.** The architect has not yet submitted detailed proposals for the type, material and color of doors to be used to enter the parking garage, loading bay, service areas, or other entries. The Agency reserves its comments on these doors until it has had an opportunity to review them.
  - (k) **Signage.** The architect has not yet submitted a signage plan. The Agency reserves its comments on the signage plan until it has had an opportunity to review the architect's proposal.
5. Agency and Department of City Planning staff believe that the design concerns enumerated above can be addressed during the architect's next phase of work.

### RESOLUTION

ACCORDINGLY, IT IS RESOLVED BY the Redevelopment Agency of the City and County of San Francisco that the Schematic Design for the project proposed by Mission Housing Development Corporation, a California nonprofit public benefit corporation, for development of Parcel 2 of Block N2 in the Mission Bay North Project Area is conditionally approved substantially in the form submitted by the Developer, subject to resolution of the conditions of approval set forth above to the satisfaction of the Agency Executive Director during the next phase of architectural design work and together with such changes as may be approved by the Director which changes do not substantially alter the Schematic Design; and the Agency Executive Director is authorized to approve Preliminary and final Construction documents substantially consistent with the Schematic Design.

APPROVED AS TO FORM:

  
Robert A. Firehock  
Acting Agency General Counsel

## EXHIBIT B

### REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 4 (Mission Bay North Public Improvements)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Assessor's Parcel of Taxable Property in the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4 (Mission Bay North Public Improvements) (herein "CFD No. 4") shall be levied and collected according to the tax liability determined by the Administrator through the application of the procedures described below. All of the real property in CFD No. 4, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

#### A. DEFINITIONS

The capitalized terms hereinafter set forth have the following meanings when used in this Rate and Method of Apportionment:

"**Acre or Acreage**" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, or other parcel map recorded with the County Recorder. If the Acreage of a particular Parcel is unclear after reference to available maps, the Administrator shall determine the appropriate Acreage for a Parcel.

"**Act**" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Part 1, Division 2, of Title 5 of the Government Code of the State of California.

"**Administrative Expenses**" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees and expenses of its counsel) employed in connection with any Bonds; any costs associated with the marketing or remarketing of the Bonds; the expenses of the Administrator and the Agency in carrying out their duties under any fiscal agent agreement, indenture or resolution with respect to the Bonds or CFD No. 4, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of legal counsel, charges levied by the County or any division or office thereof in connection with the levy and collection of Special Taxes, audits, continuing disclosure or other amounts needed to pay arbitrage rebate to the federal

(iii) from and after the date conveyed to a governmental agency under the terms of the Land Transfer Agreements as in effect on the date the Resolution of Formation was adopted by the Commission, (iv) which is Agency Affordable Housing Parcels (as defined in the Mission Bay North Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission) from and after the date conveyed to the Agency or a Qualified Housing Developer (as defined in the Mission Bay North Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission), (v) which makes up the strip of land under Interstate 280 that: (1) is owned by Catellus Development Corporation, (2) has a separate Assessor's Parcel number assigned to it, and (3) on the date the Resolution of Formation was adopted, was part of Assessor's Parcel number 8703-01, (vi) which is the subject of a public trust or other permanent easement to a public agency making impractical its use for other than the purposes set forth in the easement, (vii) which is Developed Property, or (viii) which is Owner Association Property. Any land described in clauses (ii), (iii), (iv), (v), or (vii) which is or becomes Exempt Land shall thereafter always remain Exempt Land. The Administrator shall determine the extent to which any real property in CFD No. 4 is Exempt Land.

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30.

**"Fixed Rate Bonds"** means any Bonds the interest rate with respect to which is then fixed and is not thereafter subject to variance throughout the term of the Bonds.

**"Infrastructure"** means the public improvements authorized to be financed by CFD No. 4 in accordance with the terms of the Act and the Resolution of Formation.

**"Interest Payment Date"** means the date on which an interest payment is due to Bond holders under the indenture, fiscal agent agreement or resolution authorizing the issuance of the Bonds.

**"Land Transfer Agreements"** means the Amended and Restated City Land Transfer Agreement, the Amended and Restated Port Land Transfer Agreement and the Amended and Restated Agreement Concerning the Public Trust, all as referenced in the Mission Bay North Owner Participation Agreement.

**"Letter of Credit"** means any letter of credit or other financial guaranty relating to Bonds which shall be issued on the closing date of the applicable Bonds, name the trustee or fiscal agent for the Bonds as beneficiary and contain such provisions as are required under the indenture or fiscal agent agreement for such Bonds. "Letter of Credit" shall also mean any substitute letter of credit that is issued in the future to replace all or a portion of any outstanding Letter of Credit.

**"Maximum Special Tax"** means, with respect to any Parcel of Taxable Property, the maximum Special Tax, determined in accordance with Section C, that can be levied in any Fiscal Year on such Parcel.

**"Mission Bay North Owner Participation Agreement"** means the agreement by that name, dated as of November 16, 1998, between the Agency and Catellus Development Corporation.

**"Net Available Increment"** means, as to each Fiscal Year, amounts the Agency has determined to contribute to CFD No. 4 in such Fiscal Year pursuant to the Mission Bay North Owner Participation Agreement.

**"Owner Association Property"** means any property within the boundaries of CFD No. 4 owned by a homeowner association or property owner association, including any master or sub-association.

**"Prior Interest Period"** means, as of any Interest Payment Date, the period beginning with the opening of business on the immediately previous Interest Payment Date and ending at the finish of the day immediately preceding such Interest Payment Date.

**"Redevelopment Law"** means the Community Redevelopment Law of the State of California.

**"Resolution of Formation"** means the Resolution of Formation of Community Facilities District No. 4, as adopted by the Commission.

**"Special Tax"** means the special tax to be levied pursuant to the Act in each Fiscal Year on Taxable Property within CFD No. 4.

**"Special Tax Requirement"** means the amount necessary as of any Interest Payment Date (i) to pay interest on the Bonds due for the Prior Interest Period, (ii) to pay principal of the Bonds due as of the Interest Payment Date, (iii) to replenish reserve funds, if any, established pursuant to the indenture or fiscal agent agreement authorizing the Bonds, (iv) to pay Administrative Expenses, (v) to pay costs of any credit enhancement for the Bonds, and (vi) to cure any delinquencies in the payment of principal or interest on indebtedness of CFD No. 4 which have occurred since the prior Interest Payment Date and which have not yet been cured from a draw on the Letter of Credit. The Special Tax Requirement shall be reduced by the following: (i) any credit from interest earnings on the reserve fund or other Bond funds the earnings on which are available to pay debt service on the Bonds, (ii) the collection of delinquent Special Taxes and associated penalties, (iii) Net Available Increment available to pay debt service on the Bonds, (iv) monies available in the capitalized interest fund that was established when Bonds were issued and (v) any other funds available to apply against the Special Tax Requirement as determined by the Administrator.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 4 which are not Exempt Land or exempt from the Special Tax pursuant to law.

**"Variable Rate Bonds"** means any Bonds which are sold on behalf of CFD No. 4 that are not Fixed Rate Bonds.

**B. IDENTIFYING TAXABLE PROPERTY**

Five days prior to each Interest Payment Date, the Administrator shall determine which Parcels in CFD No. 4 are Taxable Property. Taxable Property shall be subject to Special Taxes in accordance with the rate and method of apportionment described in Sections C and D below.

**C. MAXIMUM SPECIAL TAX**

As of any Interest Payment Date, the Maximum Special Tax for Taxable Property in CFD No. 4 shall be the greater of (1) \$2,320,000 per Acre or (2) the amount determined pursuant to the following steps:

**Step 1: For Any Variable Rate Bonds Then Outstanding and Any Authorized but Unissued Bonds**

- Step 1a:** Add to any then outstanding Variable Rate Bonds the estimated maximum principal amount of Bonds that will be sold in the future on behalf of CFD No. 4
- Step 1b:** Multiply the amount from Step 1a by one hundred twelve percent (112%);
- Step 1c:** Add estimated annual Administrative Expenses to the amount determined in Step 1b to determine the maximum potential Special Tax Requirement for Variable Rate Bonds;
- Step 1d:** Determine the Acreage of Taxable Property within the CFD;
- Step 1e:** Divide the amount from Step 1c by the Acreage from Step 1d to determine the "Maximum Variable Rate Special Tax" per Acre of Taxable Property in the CFD.

**Step 2: For Any Fixed Rate Bonds Then Outstanding**

- Step 2a:** Determine the maximum annual debt service on all outstanding Fixed Rate Bonds;
- Step 2b:** Multiply the total debt service determined in Step 2a by 1.10 and add estimated annual Administrative Expenses to determine the maximum potential Special Tax Requirement for Fixed Rate Bonds;
- Step 2c:** Determine the Acreage of Taxable Property within the CFD;

**Step 2d:** Divide the amount from Step 2b by the Acreage from Step 2c to determine the "Maximum Fixed Rate Special Tax" per Acre of Taxable Property in the CFD.

**Step 3:**        *Calculating the Maximum Special Tax*

Add the Maximum Variable Rate Special Tax from Step 1e above to the Maximum Fixed Rate Special Tax from Step 2d above to determine the current Maximum Special Tax per Acre of Taxable Property in the CFD.

**D.     METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

At least three business days prior to an Interest Payment Date, the Administrator shall determine or cause to be determined the Special Tax Requirement for the Interest Payment Date. The Special Tax shall then be levied proportionately per Acre on each Assessor's Parcel of Taxable Property up to 100% of the Maximum Special Tax for Taxable Property, as determined by reference to Section C above, until the amount levied is equal to the Special Tax Requirement due on the Interest Payment Date.

**E.     LIMITATIONS**

No Special Taxes shall be levied on any Parcel after such Parcel becomes Exempt Land. Notwithstanding the foregoing and pursuant to the definition of Developed Property in Section A above, the last Parcel of Taxable Property in CFD No. 4 for which a building permit for new construction is issued (which is not an Agency Affordable Housing Parcel, as defined in the Mission Bay North Owner Participation Agreement) shall not be classified as Developed Property and therefore categorized as Exempt Land until such time as all outstanding Bonds have been paid in full or otherwise legally defeased. Until such time, the Parcel shall continue to be categorized as Taxable Property and be subject to the levy of the Maximum Special Tax determined pursuant to Section C above.

The Special Tax may be levied and collected on Taxable Property until the later of (i) the date on which principal and interest on all outstanding Bonds have been paid in full or legally defeased, or (ii) the Infrastructure has been paid for or provision for payment has been made. Upon determination by the Administrator that these requirements have been met, the Special Tax lien shall be removed from all Parcels in the CFD.

**F.     MANNER OF COLLECTION**

At least two business days prior to an Interest Payment Date, the Administrator shall send or cause to be sent a bill for Special Taxes due on that Interest Payment Date to the current property owners of Taxable Property reflected on the Assessor's tax roll unless the Administrator has more accurate

ownership information that has been recorded at the County Recorder's Office but is not yet reflected on the Assessor's tax roll. Notwithstanding the above, the Administrator may collect Special Taxes at a different time or in a different manner if necessary to meet the financial obligations of CFD No. 4 or otherwise more convenient or efficient in the circumstances.

**G. APPEALS**

Any property owner claiming that the amount or application of the Special Tax is not correct and requesting a refund may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the Administrator's decision requires the Special Tax to be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of the levy), but an adjustment shall be made to the next Special Tax levy. This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

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