

**RESOLUTION NO. 213-99**  
(Adopted December 21, 1999)

**FORMING COMMUNITY FACILITIES DISTRICT NO. 4 (MISSION BAY  
NORTH PUBLIC IMPROVEMENTS), AUTHORIZING THE LEVY OF A  
SPECIAL TAX WITHIN THE DISTRICT AND PRELIMINARILY  
ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE DISTRICT;  
MISSION BAY NORTH REDEVELOPMENT PROJECT AREA**

**BASIS FOR RESOLUTION**

1. On November 16, 1999, the Commission (the "Commission") of the Redevelopment Agency of the City and County of San Francisco adopted Resolution No. 179-99 Declaring the Intention to Establish a Community Facilities District No. 4 (Mission Bay North Public Improvements) and to Authorize the Levy of Special Taxes in the District; Mission Bay North Project Area (the "Resolution of Intention"), stating its intention to form the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4 (Mission Bay North Public Improvements) (the "District") pursuant to the Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311 of the California Government Code (the "Act").
2. The Resolution of Intention incorporates a map of the proposed boundaries of the District and states the facilities to be provided and the rate and method of apportionment of the special tax to be levied within the District to pay the costs of the facilities and the principal and interest on bonds proposed to be issued with respect to the District, and the provisions of the Resolution of Intention.
3. The Commission has held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the District.
4. At the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the District, the facilities to be provided and the levy of the special tax were heard and a full and fair hearing was held.
5. At the hearing a report was presented to the Commission by the Senior Project Manager of the Agency for the Mission Bay North Project Area (the "Report") as to the facilities to be provided through the District and the costs thereof.
6. No written protests with respect to the formation of the District, the furnishing of specified types of facilities or the rate and method of apportionment of the special taxes have been filed with the Secretary.
7. The special tax proposed to be levied in the District has not been precluded by protest by fifty percent (50%) or more of the registered voters residing within the territory of the District or the owners of one-half (1/2) or more of the area of land within the District and not exempt from the special tax.
8. On November 16, 1999, the Commission adopted Resolution No. 178-99 Approving Local Goals and Policies for Community Facilities Districts.

## **FINDINGS**

1. The Commission finds that the proposed special tax to be levied within the District has not been precluded by majority protest pursuant to Section 53324 of the Act.
2. The Commission finds that all prior proceedings taken by the Commission in connection with the establishment of the District and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the requirements of the Act.
3. The Commission finds that the District is in compliance with the Agency's Local Goals and Policies for Community Facilities Districts.
4. The Commission finds that the Facilities are necessary to meet increased demands placed upon local agencies as the result of development or rehabilitation occurring in the District.

## **RESOLUTION**

ACCORDINGLY, IT IS RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, THAT:

1. The recitals in the Basis for Resolution above are true and correct.
2. The community facilities district designated "Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 4 (Mission Bay North Public Improvements)" (the "District") is hereby established pursuant to the Community Facilities Act of 1982.
3. The boundaries of the District, as set forth in the map of the District heretofore recorded in the City and County of San Francisco Recorder's Office in Book 2 at Page 127 of Maps of Assessment and Community Facilities Districts, are hereby approved and shall be the boundaries of the District.
4. The public facilities proposed to be financed by the District and pursuant to the Community Facilities Act of 1982 shall consist of those facilities described in Exhibit A (the "Facilities").
5. Except to the extent that funds are otherwise available to the District to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the District issued to finance the Facilities, a special tax sufficient to pay the costs thereof, secured by a continuing lien against all non-exempt real property in the District, will be levied annually within the District, and collected by direct billing of the affected property owners or in such other manner as the Commission or its designee shall determine. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District, in sufficient detail to allow each landowner within the proposed District to estimate the probable maximum amount such owner will have to pay, are described in Exhibit B.

6. The Commission authorizes the Agency Deputy Executive Director, Finance and Administration, 770 Golden Gate Avenue, 3rd Floor, San Francisco, California, 94102, telephone number (415) 749-2465 as the officer of the Agency who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to Section 53340.2 of the Community Facilities Act of 1982.
7. Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the California Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the District and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Agency ceases.
8. In accordance with Section 53325.7 of the Community Facilities Act of 1982, the annual appropriations limit of the District, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, is hereby preliminarily established at \$10,000,000. The proposition establishing the annual appropriations limit shall become effective if approved by the qualified electors voting on the appropriations limit and shall be adjusted in accordance with the applicable provisions of Section 53325.7 of the Community Facilities Act of 1982.
9. Pursuant to the provisions of the Community Facilities Act of 1982, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the District at an election the time, place and conditions of which election shall be as specified by a separate resolution of the Commission.

APPROVED AS TO FORM



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Robert A. Firehock  
Acting Agency General Counsel

## EXHIBIT A

### DESCRIPTION OF FACILITIES TO BE FINANCED BY THE DISTRICT

#### FACILITIES TO BE FINANCED

Those items identified in the Infrastructure Plan, constituting Attachment D to the Mission Bay North Owner Participation Agreement, dated as of November 16, 1998, between the Agency and Catellus Development Corporation, including open space (including, among other items, park improvements and restrooms), streets, rails and rail line bridges, sewer and storm drainage systems, water systems, street improvements (including freeway ramps or other demolition), traffic signal systems, dry utilities, and any other improvements which are to be constructed in or for the benefit of the North Plan Area or any other matters described in said Infrastructure Plan.

#### OTHER

Bond related expenses, including underwriters discount, appraisals, reserve fund, capitalized interest, bond counsel, disclosure counsel, financial advisor, special tax consultant, bond and official statement printing and all other incidental expenses.

Administrative fees and expenses of the Agency, the District and the Bond trustee or fiscal agent related to the District and the Bonds.

EXHIBIT B

PROPOSED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

## 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

government with respect to Bonds; costs associated with complying with continuing disclosure requirements; costs associated with responding to public inquiries regarding Special Tax levies and appeals; attorneys' fees and other costs associated with commencement or pursuit of foreclosure for delinquent Special Taxes; and all other costs and expenses of the Agency, the Administrator, the County, and any fiscal agent, escrow agent or trustee related to the administration of CFD No. 4.

**"Administrator"** means the Deputy Executive Director, Finance and Administration of the Agency or such other person or entity designated by the Executive Director of the Agency to administer the Special Tax according to this Rate and Method of Apportionment of Special Tax.

**"Agency"** means the Redevelopment Agency of the City and County of San Francisco.

**"Assessor's Parcel" or "Parcel"** means a lot, parcel or airspace parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the Assessor of the County designating Parcels by Assessor's Parcel number.

**"Bonds"** means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Agency for CFD No. 4 under the Act.

**"City"** means the City and County of San Francisco.

**"Commission"** means the Commission of the Agency, being the legislative body of CFD No. 4.

**"County"** means the City and County of San Francisco.

**"Developed Property"** means, as of any date, all Taxable Property for which a building permit for new construction (excluding renovations to buildings that were built prior to the date the Resolution of Formation is adopted) was issued prior to the July 5 immediately preceding such date, excluding any Parcel of Taxable Property for which a building permit was issued prior to formation of CFD No. 4 but only until such time as a building permit is issued for any such Parcel following the formation of CFD No. 4. Notwithstanding the foregoing, the last Parcel of Taxable Property in CFD No. 4 for which a construction building permit is issued shall not be considered Developed Property and therefore categorized as Exempt Land until such time as all outstanding Bonds for CFD No. 4 have been paid in full or otherwise legally defeased. Once a Parcel becomes Developed Property, it shall always be Developed Property.

**"Exempt Land"** means any real property within the boundaries of CFD No. 4 (i) owned by a governmental agency as of the date of adoption of the Resolution of Formation (but not after the date, if any, such land is conveyed to a nongovernmental entity), (ii) from and after the date conveyed to a governmental agency under the terms of the Mission Bay North Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Commission,

(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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