RESOLUTION NO. 48-2005

Adopted March 15, 2005.

AUTHORIZING A TAX INCREMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED FIVE MILLION SIX HUNDRED THOUSAND DOLLARS ($5,600,000) WITH MISSION BAY HOUSING PARTNERS, A CALIFORNIA LIMITED PARTNERSHIP, IN CONJUNCTION WITH THE DEVELOPMENT OF 234 UNITS OF LOW AND VERY LOW INCOME RENTAL HOUSING (PLUS TWO MANAGER’S UNITS) BLOCK N5 (420 BERRY STREET); CITYWIDE AFFORDABLE HOUSING PROGRAM

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq., the “Law”), the Agency undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco (the “City”).

2. On September 17, 1998, the Agency Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements (“OPAs”) with Catellus Development Corporation (“Catellus”), now FOCIL-MB, LLC, a Delaware limited liability company (“Owner”). The OPA requires that approximately 1,700 of the 6,000 housing units be affordable to low and moderate income households. Additionally, notwithstanding the requirements of the Housing Program, Owner shall Complete Construction of all Owner Very Low Income Units required for all Major Phases, along with any Very Low Income Units to be built by Owner (“N5 VLI Units”) no later than December 31, 2007.

3. Under the affordable housing formula in the MB North OPA, FOCIL is required to develop 98 rental units for very low income (“VLI”) households, earning up to 50% of area median income. In order to allow the use of tax-exempt bond financing, the OPA allows these units to be grouped together into a single project. The Developer will construct the 98 units as well as an additional 36 VLI units that are being constructed on “behalf” of the Agency.

4. The Owner and the Agency have agreed that the Owner shall build the Owner Very Low Income Units required for all Major Phases, along with the N5 VLI Units, within a project on Parcel N5 in the North Plan Area (the “Parcel N5 Project”), and that the Agency shall provide certain funds to Owner or Owner’s designee to assist in the development of the Parcel N5 Project (“N5 Development Funding”). Owner and the Agency agree that in consideration of the N5 Development Funding, Owner shall waive any and all rights and claims to any VLI Contribution, Owner Excess Increment, or VLI Notes, and to any Agency Excess Increment or Owner N5 Note, and Agency shall have no obligation to
provide Owner with such Owner VLI Notes or Owner N5 Notes, or to pay any portion of Excess Increment to Owner.

5. On March 1, 2005, the Agency Commission approved Catellus Development Corporation’s Major Phase Application for Blocks N5 in the Mission Bay North Redevelopment Project Area. Pursuant to the terms of the OPA between the Agency and FOCIL, the Site then became available for the Agency to approve a developer.

6. In January 2005, Mission Bay Housing Partners, a California limited partnership, formally requested a Five Million Six Hundred Thousand dollar ($5,600,000) tax increment loan to pay for costs associated with the development of 236 rental units at 420 Berry Street (Block N5).

7. The proposed development will be comprised of 236 units, of which 134 units (the “VLI Units”) will be affordable to households at 50% of the area median income (“AMI”) as published by the Redevelopment Agency and 100 units will be affordable to households at 60% of AMI as published by the Tax Credit Allocation Committee (“TCAC units”) and two manager units.

8. The authorization and disbursement of this tax increment loan will also satisfy a condition precedent for adoption of the Fourth Amendment to the Mission Bay North Owner Participation Agreement with FOCIL-MB, LLC (Agency Resolution No 47-2005).

9. On March 4, 2005, the Citywide Affordable Housing Loan Committee recommended Commission approval of the tax increment funding. The Agency now desires to execute a tax increment loan to assist MBHP in the development of the project.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Tax Increment Capital Loan Agreement, in an amount not to exceed $5,600,000, with Mission Bay Housing Partners, a California limited partnership, to pay for construction expenses and permanent financing related to the development of 234 units (plus two manager’s units) of rental housing affordable to low and very low income households, and related community space, substantially in the form lodged with Agency General Counsel; and enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:

[Signature]

James B. Morales 3/6/05
Agency General Counsel