

File No. 250948

Committee Item No. 8

Board Item No. 12

COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date October 22, 2025

Board of Supervisors Meeting Date October 28, 2025

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Completed by: Brent Jalipa Date October 16, 2025

Completed by: Brent Jalipa Date October 23, 2025

1 [Issuance of Bonds - Infrastructure and Revitalization Financing District No. 1 (Treasure
2 Island) - Not to Exceed \$31,000,000]

3 **Resolution supplementing Resolution No. 7-17 and authorizing the issuance and sale**
4 **by the City and County of San Francisco Infrastructure and Revitalization Financing**
5 **District No. 1 (Treasure Island) of one or more series of bonds in an aggregate principal**
6 **amount not to exceed \$31,000,000; approving an Official Statement, one or more**
7 **supplements to Indentures of Trust and Continuing Disclosure Certificates, one or**
8 **more Bond Purchase Agreements with a joint exercise of powers authority and the**
9 **bond underwriter, and other related documents, as defined herein; and making other**
10 **related determinations, as defined herein.**

11
12 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
13 Government Code commencing with Section 53369 ("IRFD Law"), this Board of Supervisors is
14 authorized to establish an infrastructure and revitalization financing district and to act as the
15 legislative body for an infrastructure and revitalization financing district; and

16 WHEREAS, Pursuant to IRFD Law, Section 53369.5, an infrastructure and
17 revitalization financing district may be divided into project areas; and

18 WHEREAS, The Board of Supervisors has conducted proceedings under and pursuant
19 to the IRFD Law to (a) form City and County of San Francisco Infrastructure and Revitalization
20 Financing District No. 1 (Treasure Island) ("IRFD") and five initial project areas ("Initial Project
21 Areas" and any future project areas that may be established in the IRFD, "Project Areas"); (b)
22 approve an infrastructure financing plan for the IRFD and the Project Areas ("Infrastructure
23 Financing Plan") pursuant to Ordinance No. 29-22, adopted by the Board of Supervisors on
24 February 15, 2022; (c) provide a process for the future annexation of territory to the IRFD; (d)
25 establish an annual appropriations limit, as defined by subdivision (h) of Section 8 of Article

1 XIII B of the California Constitution, for the IRFD; and (e) authorize the issuance from time to
2 time of bonds or other debt in one or more series for the IRFD for the purpose of financing
3 certain improvements described in the Infrastructure Financing Plan in the maximum
4 aggregate principal amount of (i) \$780,000,000 plus (ii) the principal amount of bonds or other
5 debt approved by this Board of Supervisors and the qualified electors of annexation territory in
6 connection with each annexation of annexation territory to the IRFD, so long as the Board
7 makes the finding specified in IRFD Law, Section 53369.41(f), all as described in those
8 proceedings; and

9 WHEREAS, Capitalized terms used in this Resolution but not defined herein have the
10 meanings given them in the Infrastructure Financing Plan, which is on file with the Clerk of the
11 Board of Supervisors ("Clerk of the Board") in File No. 250948; and

12 WHEREAS, The Infrastructure Financing Plan provides for the allocation of Net
13 Available Increment by the City to the IRFD to finance IRFD Improvements, and further
14 provides that (i) 17.5% of the Net Available Increment ("Housing Increment") shall be put in a
15 segregated account to be used by the Treasure Island Development Authority ("TIDA") for
16 Housing Costs and (ii) 82.5% of the Net Available Increment ("Facilities Increment") will be
17 used to finance certain Facilities (improvements required to serve development of Treasure
18 Island and Yerba Buena Island that will be provided by the private sector); and

19 WHEREAS, The Infrastructure Financing Plan also provides for the allocation to the
20 IRFD of Conditional City Increment for the limited purpose of paying debt service on bonds
21 and other debt of the IRFD in the event that Net Available Increment is insufficient for that
22 purpose, and the Infrastructure Financing Plan also provides for the repayment of the City by
23 the IRFD from Net Available Increment for any Conditional City Increment used by the IRFD
24 to pay debt service in an amount equal to the Conditional City Increment used to pay debt
25 service plus interest through the date of repayment; and

1 WHEREAS, Pursuant to Resolution No. 7-17, which was adopted by the Board of
2 Supervisors on January 24, 2017, and signed by the Mayor on February 3, 2017 ("Original
3 Resolution of Issuance"), the Board of Supervisors authorized the issuance of bonds entitled
4 "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
5 (Treasure Island) Tax Increment Revenue Bonds" in one or more series, in an aggregate
6 principal amount not to exceed \$780,000,000; provided that (i) the aggregate principal amount
7 of \$780,000,000 does not include the principal amount of (A) any bonds or other debt issued
8 or incurred for the sole purpose of refunding the bonds, funding a reserve fund for such
9 refunding bonds and paying related costs of issuance and (B) any bonds or other debt issued
10 or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund
11 and paying related costs of issuance; and (ii) the Board of Supervisors may increase the
12 \$780,000,000 maximum aggregate principal amount described above by adopting a
13 Resolution supplementing Resolution No. 7-17; and

14 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors approved
15 the sale of one or more series of bonds, but provided that the bonds shall not be issued until
16 such time as (i) the Board of Supervisors has approved the terms of the sale to the investor(s)
17 and (ii) an Authorized Officer (as defined below) has caused the legal documents relating to
18 the bonds and any related disclosure document describing the bonds and the security for the
19 bonds to be prepared and caused such documents to be submitted to this Board of
20 Supervisors for its approval; and

21 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors also
22 authorized the filing of a judicial validation action with respect to the IRFD and the bonds
23 approved therein pursuant to Code of Civil Procedure, Section 860 *et seq.* ("Validation
24 Statute"); and
25

1 WHEREAS, On March 10, 2017, the City, TIDA and the IRFD filed a complaint in the
2 Superior Court of the State of California under the Validation Statute; and

3 WHEREAS, On May 9, 2018, the Superior Court of the State of California, County of
4 San Francisco, issued a judgment in Case No. CGC-17-557496; and

5 WHEREAS, The City previously executed on behalf of the IRFD a Subordinate Pledge
6 Agreement, dated as of May 29, 2015 ("Subordinate Pledge Agreement"), for the benefit of
7 the United States of America, which is related to the payment of the purchase price for land
8 on Treasure Island and Yerba Buena Island and that certain Promissory Note (Initial
9 Consideration) dated May 29, 2015, executed by TIDA to the order of the United States of
10 America, acting by and through the Department of the Navy ("TIDA Promissory Note"); and

11 WHEREAS, In reliance on the Facilities Increment, the IRFD previously issued (i) the
12 \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing
13 District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities
14 Increment) ("2022 Facilities Bonds") pursuant to (A) the IRFD Law, (B) the Original Resolution
15 of Issuance, as modified by Resolution No. 161-22, adopted by the Board of Supervisors on
16 April 19, 2022, and signed by the Mayor on April 28, 2022, and (C) an Indenture of Trust,
17 dated as of September 1, 2022 (the "Original Facilities Indenture"), by and between the IRFD
18 and Zions Bancorporation, National Association, as trustee (the "Trustee"); and (ii) the
19 \$7,615,000 City and County of San Francisco Infrastructure and Revitalization Financing
20 District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities
21 Increment) ("2023 Facilities Bonds") pursuant to (A) the IRFD Law, (B) the Original Resolution
22 of Issuance, as modified by Resolution No. 549-23, adopted by the Board of Supervisors on
23 November 28, 2023, and signed by the Mayor on November 30, 2023 ("2023 Bond
24 Resolution"), and (C) the Original Facilities Indenture, as supplemented by a First
25

1 Supplemental Indenture, dated as of December 1, 2023 (“First Supplemental Facilities
2 Indenture”), by and between the IRFD and the Trustee; and

3 WHEREAS, In reliance on the Housing Increment, the IRFD previously issued (i) the
4 \$5,120,000 City and County of San Francisco Infrastructure and Revitalization Financing
5 District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing
6 Increment) (“2022 Housing Bonds”; together with 2022 Facilities Bonds, “2022 Bonds”)
7 pursuant to (A) the IRFD Law, (B) the Original Resolution of Issuance, as modified by
8 Resolution No. 161-22, and (C) an Indenture of Trust, dated as of September 1, 2022 (the
9 “Original Housing Indenture”), by and between the IRFD and the Trustee; and (ii) the
10 \$1,595,000 City and County of San Francisco Infrastructure and Revitalization Financing
11 District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing
12 Increment) (“2023 Housing Bonds”) pursuant to (A) the IRFD Law, (B) the Original Resolution
13 of Issuance, as modified by the 2023 Bond Resolution, and (C) the Original Housing
14 Indenture, as supplemented by a First Supplemental Indenture, dated as of December 1,
15 2023 (the “First Supplemental Housing Indenture”), by and between the IRFD and the
16 Trustee; and

17 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
18 Resolution of Issuance to provide for the issuance by the IRFD of one or more series of bonds
19 (“Bonds”) as further provided in this Resolution; and

20 WHEREAS, The Bonds shall be issued pursuant to one or more supplements to the
21 Original Facilities Indenture and the Original Housing Indenture (collectively, “Supplements”),
22 each by and between the IRFD and the Trustee; and

23 WHEREAS, Forms of the Supplements, on file with the Clerk of the Board in File
24 No. 250948, provide for the issuance of one series of Bonds to be payable from Housing
25 Increment and another series of Bonds to be payable from Facilities Increment, both of which

1 provide for payment of debt service from Conditional City Increment in a manner consistent
2 with the Infrastructure Financing Plan, the Original Housing Indenture and the Original
3 Facilities Indenture, as applicable; and

4 WHEREAS, A form of Preliminary Official Statement in connection with the marketing,
5 sale and issuance of the Bonds is on file with the Clerk of the Board in File No. 250948, and
6 this Board of Supervisors has reviewed the preliminary Official Statement ("Preliminary Official
7 Statement"); and

8 WHEREAS, A form of bond purchase agreement ("Bond Purchase Agreement") among
9 the IRFD, Stifel, Nicolaus & Company, Inc., as underwriter of the Bonds ("Underwriter"), and a
10 joint exercise of powers authority ("JPA") established under the Joint Exercise of Powers Act
11 (commencing at Section 6500 of the California Government Code) to be identified by the
12 Director of the Office of Public Finance, under which the IRFD will sell the Bonds to the JPA
13 and the JPA will sell the Bonds to the Underwriter in a manner consistent with California
14 Government Code, Section 6589, is on file with the Clerk of the Board in File No. 250948; and

15 WHEREAS, This Board of Supervisors has reviewed the documents submitted to it in
16 connection with the issuance of the Bonds, on file with the Clerk of the Board in File
17 No. 250948, and found them to be in proper order; and

18 WHEREAS, In accordance with Government Code, Section 5852.1, this Board of
19 Supervisors has obtained and disclosed good faith estimates prepared by the City's municipal
20 advisor of (a) the true interest cost of the Bonds, (b) the finance charge of the Bonds, (c) the
21 amount of proceeds received by the IRFD for sale of the Bonds less the finance charge and
22 any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the
23 sum total of all payments the IRFD will make to pay debt service on the Bonds plus the
24 finance charge of the Bonds not paid with the proceeds of the Bonds; and

1 WHEREAS, All conditions, things and acts required to exist, to have happened and to
2 have been performed precedent to and in the issuance of the Bonds as contemplated by this
3 Resolution, have happened and have been performed in due time, form and manner as
4 required by the laws of the State of California, including the IRFD Law; and

5 WHEREAS, The City, for itself and for and on behalf of City and County of San
6 Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), TIDA, the
7 IRFD, and Zions Bancorporation, National Association, as special fund trustee (the "Special
8 Fund Trustee"), have entered into a Special Fund Administration Agreement, dated as of
9 September 1, 2022 ("Special Fund Administration Agreement"), for the purpose of facilitating
10 a more orderly administration of the revenues generated by the CFD and the IRFD; now,
11 therefore, be it

12 RESOLVED, That the foregoing recitals are all true and correct; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors is acting in its capacity as
14 legislative body with respect to the IRFD; and

15 FURTHER RESOLVED, That pursuant to the IRFD Law and the Original Resolution of
16 Issuance as previously supplemented and as supplemented by this Resolution, the Board of
17 Supervisors hereby authorizes the issuance of the Bonds in one or more series in an
18 aggregate principal amount not to exceed \$31,000,000; and, be it

19 FURTHER RESOLVED, That the Bonds shall be entitled "City and County of San
20 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax
21 Increment Revenue Bonds" (or such other designation as the Director of the Office of Public
22 Finance deems necessary and appropriate) with (i) a series designation (such as "Series
23 20__ A"), (ii) a designation as to whether such Bonds are payable from Housing Increment or
24 Facilities Increment, (iii) a designation as to whether such Bonds are issued as tax-exempt or
25

1 taxable bonds under federal tax law and (iv) a designation as to whether such Bonds are
2 green bonds or sustainability bonds; and, be it

3 FURTHER RESOLVED, That the terms of the Bonds shall be as follows: (i) each Bond
4 shall be dated its date of issuance, (ii) the maturity date of each Bond shall be a date not to
5 exceed 30 years from the date of its issuance or such later date as is permitted by the IRFD
6 Law and approved by the Director of the Office of Public Finance, (iii) the Bonds shall be
7 issued in denominations of \$5,000 or any integral multiple of \$5,000 or such other
8 denomination determined by the Director of the Office of Public Finance, (iv) the form of the
9 Bonds shall be substantially the form attached to the Indentures of Trust, (v) the Bonds shall
10 be executed by the Director of the Office of Public Finance or such other Authorized Officer
11 (as defined below) identified in the Indenture of Trust, (vi) the principal of and interest on the
12 Bonds shall be payable in lawful money of the United States of America, (vii) the Bonds shall
13 be registered with the Trustee and shall be payable at the principal office of or by check or
14 wire of the Trustee and (viii) the Bonds shall be subject to redemption prior to maturity at the
15 times and subject to the premiums approved by the Director of the Office of Public Finance;
16 and, be it

17 FURTHER RESOLVED, That the Mayor, the Controller, the Treasurer, and the Director
18 of the Office of Public Finance, and such other officials of the City as may be designated by
19 such officials (each, an "Authorized Officer") is hereby authorized and directed, on behalf of
20 the IRFD, to execute and deliver the documents approved herein in substantially the form on
21 file with the Clerk of the Board in File No. 250948, together with such additions or changes as
22 are approved by such Authorized Officer, including such additions or changes as are
23 necessary or advisable to permit the timely issuance, sale and delivery of the Bonds; the
24 approval of such additions or changes shall be conclusively evidenced by the execution and
25 delivery by an Authorized Officer of the documents herein specified; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors hereby approves the
2 Supplements in substantially the form on file with the Clerk of the Board in File No. 250948;
3 the terms and provisions of each Supplement, as executed, are incorporated herein by this
4 reference as if fully set forth herein; and Authorized Officer is hereby authorized and directed
5 to execute each Supplement on behalf of the IRFD, with such changes, additions or deletions
6 as may be approved by the Authorized Officer, and the Clerk of the Board is hereby
7 authorized and directed to attest thereto; and, be it

8 FURTHER RESOLVED, That this Board of Supervisors hereby approves a Preliminary
9 Official Statement prepared in connection with the Bonds in substantially the form on file with
10 the Clerk of this Board in File No. 250948, together with any changes therein or additions
11 thereto deemed necessary or advisable by an Authorized Officer; subject to an Authorized
12 Officer deeming such Preliminary Official Statement “final” pursuant to Rule 15c2-12 under
13 the Securities Exchange Act of 1934 (“Rule”), this Board of Supervisors hereby approves and
14 authorizes the distribution by the Underwriter of the Preliminary Official Statement to
15 prospective purchasers of the Bonds, and authorizes and directs an Authorized Officer on
16 behalf of the IRFD to deem the Preliminary Official Statement “final” pursuant to the Rule prior
17 to its distribution to prospective purchasers of the Bonds; the execution of the final Official
18 Statement, which shall include Bond pricing information, such other changes and additions
19 thereto deemed advisable by an Authorized Officer, and such information permitted to be
20 excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive
21 evidence of the approval of such Official Statement by the IRFD; and, be it

22 FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more
23 Continuing Disclosure Certificates with respect to the Bonds in substantially the form thereof
24 attached to the preliminary Official Statement on file with the Clerk of the Board of
25 Supervisors; an Authorized Officer is hereby authorized and directed to execute each

1 Continuing Disclosure Certificate on behalf of the IRFD with such changes, additions or
2 deletions as may be approved by the Authorized Officer; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more
4 Bond Purchase Agreements in substantially the form on file with the Clerk of the Board of
5 Supervisors; and Authorized Officer is hereby authorized and directed to execute the Bond
6 Purchase Agreement on behalf of the IRFD, with such changes, additions or deletions as may
7 be approved by the Authorized Officer and that are in accordance with the provisions of this
8 Resolution, such execution to be conclusive evidence of such approval; subject to the
9 requirement that the Underwriter's discount on the purchase of the Bonds may not exceed
10 1.50% of the par amount of the Bonds and the interest rate may not exceed the maximum rate
11 permitted by applicable law; this Board of Supervisors hereby approves the negotiated sale of
12 the Bonds to the Underwriter pursuant to such Bond Purchase Agreement; and, be it

13 FURTHER RESOLVED, That this Board of Supervisors hereby ratifies and approves
14 the Subordinate Pledge Agreement, on file with the Clerk of the Board in File No. 250948, and
15 finds and determines that the Subordinate Pledge Agreement shall only be included in the
16 calculation of bonds and other debt of the IRFD to the extent that the IRFD pays the principal
17 balance of the TIDA Promissory Note; and, be it

18 FURTHER RESOLVED, That in Resolution No. 503-16, adopted by the Board of
19 Supervisors on December 6, 2016, and signed by the Mayor on December 16, 2016, titled the
20 "Resolution of intention to establish City and County of San Francisco Infrastructure and
21 Revitalization Financing District No. 1 (Treasure Island) and project areas therein to finance
22 the construction and/or acquisition of facilities on Treasure Island and Yerba Buena Island; to
23 provide for future annexation; to call a public hearing on the formation of the district and
24 project areas therein and to provide public notice thereof; and determining other matters in
25 connection therewith," this Board of Supervisors made certain findings under the California

1 Environmental Quality Act ("CEQA") about the Final Environmental Impact Report ("FEIR") for
2 the disposition and development of a portion of Naval Station Treasure Island, and those
3 findings are incorporated in this Resolution as if set forth in their entirety herein; and, be it

4 FURTHER RESOLVED, That no changes have occurred in the project studied in the
5 FEIR, or in the circumstances under which that project will be undertaken, and no new
6 information that was not available at the time the FEIR was certified has become available
7 that would warrant preparation of a subsequent or supplemental environmental impact report;
8 and, be it

9 FURTHER RESOLVED, That the IRFD is hereby authorized and directed to execute
10 and deliver any amendment to the Special Fund Administration Agreement that an Authorized
11 Officer determines is necessary to consummate the lawful issuance and delivery of the Bonds
12 in accordance with this Resolution and the Fiscal Agent Agreement; and, be it

13 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
14 the City (including, but not limited to, the Authorized Officers) with respect to the
15 establishment of the IRFD and the Initial Project Areas, the execution and delivery of the
16 Subordinate Pledge Agreement, the issuance of the 2022 Bonds and the 2023 Bonds, and
17 the sale and issuance of the Bonds are hereby approved, confirmed and ratified; and, be it

18 FURTHER RESOLVED, That each of the Authorized Officers and any and all other
19 officers of the City are hereby authorized, for and in the name of and on behalf of the IRFD, to
20 do any and all things and take any and all actions, including execution and delivery of any and
21 all documents, assignments, certificates, requisitions, agreements, notices, consents,
22 instruments of conveyance, warrants and documents (including, but not limited to, one or
23 more indentures of trust other than those described above), which they, or any of them, may
24 deem necessary or advisable in order to effectuate the purposes of this Resolution, provided
25 however that any such actions be solely intended to further the purposes of this Resolution,

1 and are subject in all respects to the terms of the Resolution, and all actions to be taken by an
2 Authorized Officer, as defined herein, may be taken by such Authorized Officer or any
3 designee, with the same force and effect as if taken by the Authorized Officer; and, be it

4 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
5 word of this Resolution, or any application thereof to any person or circumstance, is held to be
6 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
7 shall not affect the validity of the remaining portions or applications of this Resolution, this
8 Board of Supervisors hereby declaring that it would have passed this Resolution and each
9 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
10 unconstitutional without regard to whether any other portion of this Resolution or application
11 thereof would be subsequently declared invalid or unconstitutional; and, be it

12 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment;
13 enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution
14 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of
15 Supervisors overrides the Mayor's veto of the Resolution; the provisions of any previous
16 Resolutions in any way inconsistent with the provisions hereof in and for the issuance of the
17 Bonds as herein described are hereby repealed.

18 APPROVED AS TO FORM:
19 DAVID CHIU
20 City Attorney

21 By: /s/Mark D. Blake
22 MARK D. BLAKE
23 Deputy City Attorney

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25

Items 7 & 8 Files 25-0946, 25-0948	Department: Controller's Office of Public Finance
EXECUTIVE SUMMARY	
Legislative Objectives • File 25-0946: The proposed ordinance would appropriate a total of \$5,769,288 to the Mayor's Office of Housing and Community Development (MOHCD) for affordable housing and place the amount on Controller's Reserve until the bonds are issued. • File 25-0948: The proposed resolution would authorize the issuance of Treasure Island Tax Increment Revenue Bonds in an amount not to exceed \$31 million and approve related documents and amendments to existing documents, including a preliminary Official Statement, two supplements to the Indentures of Trust, two Bond Purchase Agreements, two Continuing Disclosure Certificates, and a Subordinate Pledge Agreement. Key Points • The Treasure Island/Yerba Buena Development Project includes up to 8,000 residential units, including 2,173 affordable units, as well as retail and commercial space, up to 500 hotel rooms, and 300 acres of public open space. To date, the Project has completed Stage 1 infrastructure improvements on Yerba Buena Island and Treasure Island, which include approximately 15 acres of new public parks, street network and roadway improvements, utilities, two public art installations, new water storage facilities, and a new ferry terminal. In addition, 974 residential units, which include 677 market rate and 297 affordable units, have been completed. The developer has expended approximately \$890 million as of August 31, 2025. • Proceeds from the proposed bonds will be used to reimburse eligible project costs, including demolition, abatement and geotechnical work, predevelopment costs, public park construction, and a proposed 100-unit senior affordable multifamily housing development. Fiscal Impact • The proposed bonds are anticipated to generate \$25.1 million in proceeds, have a 30-year term and an estimated true interest cost of 5.84 based on market conditions as of August 28, 2025. Total debt service is expected to be \$55.1 million or approximately \$1.9 million on average, per year. Bond debt service will be paid from incremental increases to property tax revenues on Treasure Island. • The proposed appropriation ordinance would appropriate \$5.5 million of bond proceeds from the Series 2025B Housing Bonds and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Housing Bonds for MOHCD to finance a senior affordable multifamily housing development. The remaining portion of the proposed bond proceeds do not require an appropriation. Recommendation • Approve the proposed resolution.	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) any modification of such contracts of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND**Treasures Island/Yerba Buena Development Project**

The Treasure Island/Yerba Buena Development Project (Project) is part of the Treasure Island Development Authority's (TIDA) ongoing project to transition Treasure Island and a portion of Yerba Buena Island from a former military base to a residential and commercial development. In 2011, the Board of Supervisors approved the Development Agreement between the City and Treasure Island Community Development, LLC (TICD), the master developer for the Treasure Island development project, and the Disposition and Development Agreement (DDA) between TIDA and TICD (Files 11-0226, 11-0291, 24-0198, & 24-0202). The Project is anticipated to include up to 8,000 residential units, including 2,173 affordable units (27.2 percent), as well as retail and commercial space, up to 500 hotel rooms, and 300 acres of public open space.

The Project is phased over eight stages for a total estimated budget of approximately \$2.56 billion. Under the DDA's Financing Plan, public infrastructure costs are paid for by the developer and then reimbursed over time by long-term public financing support by growth in property tax increment (through an Infrastructure and Revitalization Financing District), special tax revenues (through a Community Facilities District), and up to \$115 million in Certificates of Participation. According to TIDA, the developer has expended approximately \$890 million as of August 31, 2025.

Financing Plan

The Financing Plan obligates the City to provide funding for certain public improvements through: (a) the issuance of special tax bonds¹ issued by one or more community facilities districts (CFDs);

¹ The 1982 Mello-Roos Community Facilities Act allows for the formation of CFDs to fund public infrastructure improvements by levying special taxes on taxable property within a CFD. In 2017, the Board of Supervisors approved resolutions forming Community Facilities District No. 2016-1 on Treasure Island, authorizing up to \$5 billion of CFD bonds, and a \$250 million issuance of special tax bonds (Files 16-1122, 16-1123, and 16-1127). Subsequently, up to \$73.76 million in special tax bonds were authorized at the annexation of Improvement Area No. 2 (Files 20-0977, 21-1046, 21-1054, 21-1166) and up to \$731.4 million in special tax bonds were authorized at the annexation of Improvement Area No. 3.

(b) tax increment revenue bonds² issued by the Treasure Island Infrastructure and Revitalization Financing District (IRFD), and Certificates of Participation issued by the City. To date, the Board of Supervisors has approved four issuances of special tax bonds (Files 20-0978, 21-0508, 21-1054, and 23-1166), and the City has issued a total of \$100.6 million on behalf of the CFD across the four issuances. The Board of Supervisors has also approved two issuances of tax increment revenue bonds (Files 22-0294 and 23-1131), and the IRFD has issued a total of \$38.6 million to finance facilities and affordable housing which includes the following:

- Series 2022A Facilities Bonds: \$24,270,000
- Series 2022B Housing Bonds: \$5,120,000
- Series 2023A Facilities Bonds: \$7,615,000
- Series 2023B Housing Bonds: \$1,595,000

As previously mentioned, the Amended and Restated Disposition and Development Agreement (DDA) amended the Financing Plan, to provide \$115 million of project fund proceeds from the issuance of General Fund Certificates of Participation (COPs). In December 2024, the Board of Supervisors approved \$65 million of COPs as the first tranche of Stage 2 Alternative Financing (File 24-1085). According to TIDA, the City issued the first tranche of COPs (which funded \$50 million of the Project) in March 2025. The City anticipates issuing the second tranche of COPs to fund \$50 million of projects in FY 2026-27 and the third tranche to fund \$15 million of projects in FY 2027-28.³

The Controller's Office of Public Finance (OPF) is proposing an additional issuance of up to \$31 million in tax increment revenue bonds to finance the Project (as discussed below).

Infrastructure and Revitalization Financing District

The Treasure Island IRFD includes five project areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D, and E), which represent the Project's initial phases of development. The five project areas included in the IRFD are shown in Appendix A.

The IRFD Financing Plan stipulates how incremental property tax revenue generated by project areas within the IRFD will be used to reimburse eligible project costs, including public facilities (such as roads, sidewalks, parks, and shoreline improvements) and affordable housing. Each project area within the IRFD can have a different start date and extend for 40 years from the start date. Each project area can generate property tax increment and issue debt against the property tax increment at different times for the benefit of the entire development area. Project Area A

² State Infrastructure and Revitalization Financing District (IRFD) law allows for a portion of property tax revenues to be allocated to IRFDs to pay for public improvements. In 2017, the Board of Supervisors approved the formation of the Treasure Island IRFD No. 1, adopted the Infrastructure Financing Plan, and authorized the issuance of up to \$780 million in tax increment bonds to finance eligible project costs (Files 16-1120 and 16-1121). Each bond issuance (of the \$780 million total authorized) is subject to Board of Supervisors' approval of the terms of sale and related documents. In February 2022, the Board of Supervisors approved the addition of territory to the IRFD and amendments to the Infrastructure Financing Plan (File 21-1196).

³ Under the Amended DDA and amended Financing Plan, the first debt service payment for the COPs is not payable until FY 2027-28. The first principal and interest payment are due on April 1, 2027.

began generating tax increment for the IRFD in FY 2019-20, and Project Areas B and E began generating tax increment in FY 2022-23 according to the September 9, 2025 OPF memo to the Board of Supervisors. The City's ability to issue tax increment debt is constrained by the amount of property tax available within the IRFD, which itself is a function of the development timeline.⁴

The City's share of the 1.0 percent property tax rate is approximately 0.646 percent. According to the Infrastructure Financing Plan, approximately 0.566 percent is pledged as "Net Available Increment" to pay for IRFD improvements and debt service and the remaining 0.08 percent is pledged as "Conditional City Increment" that will accrue to the City's General Fund if not required for the repayment of bonds. According to the Infrastructure Financing Plan, 82.5 percent of the net available increment allocated to the IRFD will be used to finance facilities and 17.5 percent will be dedicated to TIDA to finance affordable housing.

Project Status

To date, the Project has completed Stage 1 infrastructure improvements on Yerba Buena Island and Treasure Island, which include approximately 15 acres of new public parks, street network and roadway improvements, utilities, two public art installations, new water storage facilities, and a new ferry terminal. In addition, 974 residential units, which include 677 market rate and 297 affordable units, have been completed. According to TIDA, Stage 2 is underway and includes new street improvements, utilities and infrastructure, development of up to 1,300 market rate and affordable housing units, shoreline infrastructure improvements, and approximately 12 acres of new parks and open space.

DETAILS OF PROPOSED LEGISLATION

File 25-0948: The proposed resolution would authorize the issuance of Treasure Island Tax Increment Revenue Bonds in an amount not to exceed \$31 million and approve related documents and amendments to existing documents, including a preliminary Official Statement, two supplements to the Indentures of Trust, two Bond Purchase Agreements, two Continuing Disclosure Certificates, and a Subordinate Pledge Agreement.

File 25-0946: The proposed ordinance would appropriate a total of \$5,769,288 (consisting of \$5.5 million from the issuance of Treasure Island Infrastructure and Revitalization Financing District Series 2025B Tax Increment Revenue Bonds and \$269,288 accumulated interest from the issuance of Treasure Island Infrastructure and Revitalization Financing District Series 2022B and 2023B Tax Increment Revenue Bonds) to the Mayor's Office of Housing and Community

⁴ According to TIDA, based on tax roll data and recommendations in the Fiscal Consultant report on Assessed Value projections, the proposed bond issuance is currently the highest amount of debt that can be issued from the IRFD. OPF states that the total amount of debt issuance is limited by the available tax increment revenues for IRFD bonds, which is based on the required debt service coverage ratio. Capacity to issue additional bonds is expected to grow in future years as revenues increase due to additional development coming online and expanding the total bonding capacity.

Development (MOHCD) for affordable housing and place the amount on Controller's Reserve until the bonds are issued.

Treasure Island Tax Increment Revenue Bonds Series 2025A and 2025B

The bonds would be sold as separate series for facilities (2025A Facilities Bonds) and housing (2025B Housing Bonds). It is anticipated that both bond series will be issued on a tax-exempt basis. The housing project that is proposed to be financed by the Housing Bonds is located on Treasure Island and will be developed by Mercy Housing California (as further discussed below).

Bond Purchase Agreements

The IRFD intends to issue the proposed bonds in a negotiated sale. The City's Municipal Advisor recommended this approach given that the bonds will be sold as non-rated. The approach is consistent with the City's Debt Policy, which allows for negotiated bond sales when the transaction involves a public/private partnership.

The terms of sale of the bonds are documented in two Bond Purchase Agreements, one for the 2025A Facilities Bonds and one for the 2025B Housing Bonds. The IRFD would first sell the bonds to the California Statewide Communities Development Authority (CSCDA). This is a third-party statewide joint powers authority⁵, of which the City is a member. CSCDA would then sell the bonds to the underwriter. The Bond Purchase Agreements are between the IRFD, the CSCDA, and Stifel, Nicolaus & Company, Incorporated, the underwriter for the proposed bonds. According to the Office of Public Finance, the underwriter was selected from the Controller's Office pool of qualified underwriters, which was established through a competitive process in May 2023.⁶

According to the Office of Public Finance and the City's Municipal Advisor, because of the unique real estate-related risks associated with this financing, including concentration of property ownership on Treasure Island and uncertainties in development timeline, the bonds would not receive an investment grade rating and will be sold as non-rated.

Second Supplements to Indentures of Trust

The proposed 2025A Facilities Bonds would be secured on a parity basis⁷ with the 2022A Facilities Bonds and 2023A Facilities Bonds, and the 2025B Housing Bonds would be secured on a parity basis with the 2022B Housing Bonds and 2023B Housing Bonds. As part of the issuance of the Series 2022AB and Series 2023AB Bonds, the City executed indentures of trust, which establish the terms by which the trustee administers and disburses bond payments. The proposed Second Supplements to the Indentures of Trust will apply to the Series 2025AB Bonds. The net available increment is separately pledged under separate indentures of trust to each series based on the shares determined in the Infrastructure Financing Plan (82.5 percent to the Facilities Bonds and

⁵ A statewide joint powers authority is a public entity created by two or more public agencies to jointly exercise common powers, such as providing low-cost financing for public projects

⁶ OPF states that the underwriter (Stifel, Nicolaus & Company, Incorporated) was the highest ranked proposer in the Development Finance pool.

⁷ Bonds issued on a parity basis have equal seniority to one another and equal rights of payment.

17.5 percent to the Housing Bonds). The pledge of conditional City increment is split between the two series based on the same proportions.

Preliminary Official Statement & Continuing Disclosure Certificates

The Preliminary Official Statement describes the legal structure of the bonds as well as sources of revenue and major risks related to repayment for the benefit of prospective investors. The Preliminary Official Statement will be finalized after it is approved by the Board of Supervisors and Mayor prior to the sale of the bonds. The proposed resolution allows the IRFD to issue annual Continuing Disclosure Certificates, which provide financial information relevant for existing and prospective bond investors.

FISCAL IMPACT

Exhibit 1 below shows the sources and uses of the proposed tax increment revenue bonds. Based on market conditions as of August 2025, the City intends to issue approximately \$25.4 million of Tax Increment Revenue Bonds with estimated proceeds of \$25.1 million after the projected original issue discount.⁸ To accommodate potential increases in bond proceeds due to shifts in market conditions and/or investor demands, the City could issue up to \$31 million in tax increment revenue bonds under the proposed resolution.

Exhibit 1: Estimated Sources and Uses of Proposed 2025 Tax Increment Revenue Bonds

	2025A Facilities Bonds	2025B Housing Bonds	Total
Sources			
Par Amount	\$20,975,000	\$4,440,000	\$25,415,000
Discount	(253,796)	(69,444)	(323,240)
Reserve for Market Uncertainty			5,908,240
Total Sources	\$20,721,204	\$4,370,556	\$31,000,000
Uses			
Project Fund	\$18,627,904	\$3,927,013	\$22,554,917
Debt Service Reserve	1,324,760	280,859	1,605,618
Delivery Expenses	768,540	162,685	931,225
<i>Cost of Issuance</i>	<i>453,915</i>	<i>96,085</i>	<i>550,000</i>
<i>Underwriter's Discount</i>	<i>314,625</i>	<i>66,600</i>	<i>381,225</i>
Reserve for Market Uncertainty			5,908,240
Total Uses	\$20,721,204	\$4,370,556	\$31,000,000

Source: Office of Public Finance and Stifel, Nicolaus & Co, Inc.

⁸ Bond investors demand a discount on the face value of bonds if the coupon rate of the bonds is less than comparable market rate interest rates.

The proposed resolution limits the underwriter's discount to 1.5 percent of the bonds' par value. Based on the values in Exhibit 1 above, the estimated underwriter's discount is 1.5 percent of the bonds' par value. The debt service reserve amounts are based on maximum annual debt service on the proposed and outstanding bonds and will depend on market conditions at the time of sale. Costs of issuance include legal and consultant fees, as well as reimbursement for staff time.

Project Costs Funded by Facilities and Housing Bonds

The proceeds of the 2025A Facilities Bonds⁹ would reimburse expenditures on public improvements for the Project incurred by the developer, including demolition, abatement and geotechnical work¹⁰ on Treasure Island and Yerba Buena Island that have been completed and were required to begin horizontal development. In addition, proceeds would also reimburse the developer for permit fees and predevelopment costs, as well as the completion of public park construction.

The proceeds of the 2025B Housing Bonds are expected to be used by TIDA and MOHCD to finance a grant or forgivable loan for a proposed senior affordable multifamily housing development (Parcel Senior E1.2) by Mercy Housing California¹¹ located at the intersection of Avenue F and California Street on Treasure Island. A five-story building, the proposed senior affordable housing development will have 100 units¹², including six transitional units for households relocating from housing that was previously owned by the Navy on Treasure Island. Construction is planned to begin in October 2026 and be completed by September 2028 according to TIDA staff in consultation with MOHCD. MOHCD anticipates seeking Board approval of the project's loan agreement in September 2026.

Appropriation

The proposed appropriation ordinance would appropriate \$5.5 million of bond proceeds from the Series 2025B Housing Bonds and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Housing Bonds for MOHCD to finance the proposed senior affordable multifamily housing development (Parcel Senior E1.2). OPF states that the \$5.5 million is a not-to-exceed estimate of Series 2025B proceeds, with \$1,572,987 reserved for market uncertainty. Exhibit 2 below shows the estimated sources and uses of the proposed appropriation of \$5,769,288. The appropriation only includes funding for housing. According to TIDA, the facilities bond proceeds do not require appropriation authority.

⁹ According to TIDA, the \$18,627,904 of 2025A Facilities Bond proceeds deposited in the Facilities Project Fund will fund the following: \$1,455,237 to reimburse pre-development costs, \$4,780,719 to reimburse City permit costs, \$5,919,518 to reimburse demolition and abatement costs, and \$6,472,430 to reimburse public park construction costs.

¹⁰ Geotechnical work encompasses specialized ground-improvement activities, including soil densification and stabilization, to improve the structural stability of the island's reclaimed land.

¹¹ Under the development agreement, the first five Authority Housing Developments (of which Parcel Senior E1.2 is one) is required to be developed by One TI (formerly Treasure Island Homeless Development Initiative - TIHDI) Qualified Housing Developers without a competitive solicitation process. Mercy Housing California is a One TI Qualified Housing Developer.

¹² This includes 95 one-bedroom units and five 2-bedroom units

Exhibit 2: Estimated Sources and Uses of Proposed Appropriation

	Total
Sources	
Series 2025B Housing Bonds (estimated)	\$3,927,013
Reserve for Market Uncertainty – Series 2025B Housing Bonds	1,572,987
Series 2022B Housing Bonds Interest Earnings	163,849
Series 2023B Housing Bonds Interest Earnings	105,439
Total Sources	\$5,769,288
Uses	
Parcel Senior Affordable Housing E1.2 – Construction costs	\$5,769,288
Total Uses	\$5,769,288

Source: Office of Public Finance and TIDA

Debt Service

The proposed bonds are anticipated to have a 30-year term and an estimated true interest cost of 5.84 percent based on market conditions as of August 28, 2025. Total debt service is expected to be \$55.1 million (including the anticipated total par amount of \$25.4 million and estimated total interest of \$29.7 million) or approximately \$1.9 million on average, per year. The bonds would be repaid with tax increment revenue collected within the IRFD. The Office of Public Finance expects the bonds will be issued by November or December 2025.

City Not Liable for Bond Repayment

The Bonds are limited obligations of the IRFD and are secured and payable only from the pledged tax increment of the IRFD. The City's General Fund is not liable for the repayment of the bonds.

RECOMMENDATION

Approve the proposed resolution.

[illegible]

SAN FRANCISCO BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

\$ _____
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)

BOND PURCHASE AGREEMENT

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place, Room 338
San Francisco, California 94102

California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, California 94814

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company Incorporated, Inc. (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District**”) and the California Statewide Communities Development Authority (the “**Authority**”). This offer is made subject to acceptance by the District and the Authority by execution of this Purchase Agreement and delivery of the same to the Underwriter on or before 11:59 p.m. (California time) on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District and the Authority at any time prior to such acceptance. Upon the acceptance by the District and the Authority hereof, this Purchase Agreement will be binding upon the District, the Authority and the Underwriter.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the respective meanings set forth for such terms in the Indenture (as such term is defined below) and if not otherwise defined therein, shall have the meanings given to such terms as set forth in the Official Statement (as such term is defined below).

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Agreement, (i) the Authority agrees to purchase from the District, and the District agrees to sell and deliver to the Authority, all (but not less than all) of the \$ _____ principal amount of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the “**Bonds**”) and (ii) the Underwriter agree to purchase from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less

than all) of the Bonds. The Bonds shall be dated their date of delivery and shall have the maturities, bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto. The purchase price for the Bonds shall be \$_____ (calculated as \$_____ (the aggregate principal amount of the Bonds), [plus/less] a [net] original issue [premium/discount] of \$_____ and less an Underwriter's discount in the amount of \$_____).

Section 2. Preliminary Official Statement and Official Statement. The District ratifies, approves and confirms the distribution of the Preliminary Official Statement with respect to the Bonds, dated _____, 2025 (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "**Preliminary Official Statement**"), in connection with the offering and sale of the Bonds by the Underwriter prior to the availability of the Official Statement. The District represents that the Preliminary Official Statement was deemed final as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity date, delivery date, ratings and other terms of the Bonds permitted to be excluded from the Preliminary Official Statement by Rule 15c2-12 (the "**Excluded Information**"). The District shall provide the Underwriter, within seven business days from the date hereof (but in any event at least three business days prior to the Closing Date (as defined herein), whichever occurs first), the Official Statement, dated the date hereof in the form of the Preliminary Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12 and any supplements to such Official Statement as have been approved by the District and the Underwriter (which approval shall not be unreasonably withheld), in sufficient quantities and/or in a designated electronic format (as defined in Municipal Securities Rulemaking Board Rule G-32) to enable the Underwriter to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (the "**MSRB**"). The District authorizes and approves the distribution by the Underwriter of the Official Statement in connection with the offering and sale of the Bonds. The District authorizes the Underwriter to file, and the Underwriter hereby agrees to file at or prior to the Closing Date, the Official Statement with the MSRB, or its designees in accordance with MSRB Rule G-32. The Official Statement, including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing Date is herein referred to as the "**Official Statement**."

Section 3. Description of the Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of and shall be payable as provided in the Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023, and a Second Supplemental Indenture, dated as of December 1, 2025 (as so supplemented, the "**Indenture**"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "**Trustee**"). The Bonds will be issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the "**Law**"), Resolution No. 7-17, adopted by the Board of Supervisors of the City and County of San Francisco (the "**Board of Supervisors**") as legislative body of the District, and signed by the Mayor on February 3, 2017, as supplemented by Resolution No. _____, adopted by the Board of Supervisors as the legislative body of the District on _____, 2025, and signed by the Mayor on _____, 2025 (together, the "**District Resolution**"), approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed \$_____ and the Indenture. The Bonds shall be payable and subject to redemption as provided in the Indenture and as set forth in the Official Statement. The Bonds are legal, valid and binding limited obligations of the District, secured by and payable solely from the Pledged Facilities

Increment and the funds pledged therefore under the Indenture, as defined and described in the Indenture. The Bonds are being issued to fund (i) the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) a deposit to a reserve account for the Bonds and (iii) the costs of issuance of the Bonds, all as further described in the Indenture and the Official Statement.

Section 4. Public Offering and Establishment of Issue Price.

It shall be a condition to the District's obligations to sell and to deliver the Bonds to the Authority and to the Underwriter's obligations to purchase and to accept delivery of the Bonds from the Authority that the entire \$_____ aggregate principal amount of the Bonds shall be executed, issued and delivered by or at the direction of the District and purchased, accepted and paid for by the Underwriter at the Closing. On or prior to the Closing, the Underwriter will provide the District with information regarding the reoffering prices and yields on the Bonds, in such form as the District may reasonably request.

The Underwriter agrees, subject to the terms and conditions hereof, to make a *bona fide* public offering of all the Bonds initially at prices not in excess of the initial public offering prices as set forth in Schedule I hereto. The Underwriter reserves the right to change the public offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering price set forth in Schedule I hereto.

The Underwriter will provide, consistent with the requirements of MSRB, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the underwriting period. The Underwriter further agrees that it will comply with applicable laws and regulations, including without limitation Rule 15c2-12, in connection with the offering and sale of the Bonds.

The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor, CSG Advisors Incorporated (the "**Municipal Advisor**") and any notice or report to be provided to the District may be provided to the Municipal Advisor.

The District will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which they have sold to the public each maturity of Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “**public**” means any person other than an underwriter or a related party,

(ii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “**sale date**” means the date of execution of this Purchase Agreement by all parties.

Section 5. Underwriter’s Representations, Covenants and Agreements.

(a) The representations, covenants and agreements of the Underwriter attached hereto as Exhibit A are incorporated by reference as though fully set forth herein. The Underwriter further represents, covenants and agrees with the District that:

(i) The Underwriter has been duly authorized to enter into this Purchase Agreement and to act hereunder.

(ii) The Underwriter is not in material violation of, or in material breach of or in material default under, any applicable law, regulation, order or agreement to which such Underwriter is a party or by which such Underwriter is bound, which violation or breach would have a material adverse effect on such Underwriter’s ability to execute, deliver and perform this Purchase Agreement.

Section 6. Representations, Warranties and Covenants of the District. The District represents, warrants and covenants with the Authority and the Underwriter that:

(a) The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, including but not limited to the Law, with full right, power and authority to execute, deliver and perform its obligations under: (i) the Indenture; (ii) the Continuing Disclosure Certificate of the

District, dated the Closing Date and substantially in the form attached to the Official Statement as Appendix E-1 (the “**Continuing Disclosure Certificate**”); and (iii) this Purchase Agreement (collectively, the “**District Agreements**”), and to carry out all transactions contemplated by each of the District Agreements, the Bonds and the Official Statement;

(b) By all necessary official action of the District, the District has duly adopted the District Resolution prior to the acceptance hereof; the District Resolution and the resolutions and ordinances listed on Exhibit C (together with the District Resolution, the “**Resolutions and Ordinances**”) are in full force and effect and have not been amended, modified, rescinded or challenged by referendum; the District has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Agreements; and the District has duly authorized and approved the delivery of the Preliminary Official Statement and the execution and delivery of the Official Statement;

(c) The infrastructure financing plan for the District (the “**Infrastructure Financing Plan**”) was approved by the Board of Supervisors, as legislative body of the City and County of San Francisco and the District in compliance with the Law, and is in full force and effect;

(d) The District has complied and will as of the Closing Date be in compliance in all respects with the terms of the District Agreements and the Infrastructure Financing Plan; compliance with the provisions of the District Agreements will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order, consent decree, judgment, decree, loan agreement, note, resolution, indenture, agreement or other instrument to which the District is a party or may be otherwise subject; and the Resolutions and Ordinances were adopted by a majority of the members of the Board of Supervisors, as the legislative body of the City or the District, as applicable, at meetings duly called, noticed and conducted, at which a quorum was present and acting throughout and constitutes all action necessary to be taken by the District for the execution, delivery and issuance of the Bonds and the execution, delivery and due performance of the District Agreements;

(e) at the time of acceptance hereof by the District, and (unless an event occurs of the nature described in Section 6(k)) at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 6(k)), the statements and information contained in the Preliminary Official Statement as of its date, and the Official Statement as of its date (excluding the information under the captions “THE TREASURE ISLAND PROJECT” (other than under the caption “—Negotiations to Revise Project Agreements”), “THE INITIAL PROJECT AREAS” and “UNDERWRITING” and contained in Appendix G—“BOOK-ENTRY SYSTEM”) are true, correct and complete in all material respects and such statements with respect to the Preliminary Official Statement do not, and with respect to the Official Statement will not, omit to state any material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading;

(f) the District is not in violation or breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is

continuing which, with the passage of time or the giving of notice, or both, would constitute a violation or a breach of or a default under any such instrument;

(g) at the date hereof and on the Closing Date, the District will be in compliance in all respects with the material covenants and agreements contained in the District Agreements and no event of default and no event which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(h) other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the District: (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the District or the title of any official of the District to such person's office; (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the assignment by the District of its rights under the Indenture; (iii) in any way contesting or affecting the validity or enforceability of the District Agreements or the Bonds; (iv) contesting in any way the completeness or accuracy of the Official Statement; or (v) contesting the power of the District or its authority with respect to the Bonds or the District Agreements, nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the District Agreements or the authorization, execution, delivery or performance by the District of the Bonds or the District Agreements;

(i) the District will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter which the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, however, that in no event shall the District be required to take any action which would subject it to service of process in any jurisdiction in which it is not now subject;

(j) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the District of its obligations under the District Agreements or the Bonds have been duly obtained or made, and are, and will be on the Closing Date, in full force and effect;

(k) as used in this Purchase Agreement, the term "**End of the Underwriting Period**" for the Bonds shall mean the earlier of: (i) the Closing Date unless the District shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date; or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12, provided, however, that the District may treat as the End of the Underwriting Period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period;

(l) if between the date of delivery of the Official Statement and the date that is 25 days after the End of the Underwriting Period (i) any event shall occur or any fact or condition shall become known to the District that would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were

made, not misleading, the District shall notify the Underwriter thereof; and (ii) if in the reasonable opinion of the District or the Underwriter such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the District will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, which approval shall not be unreasonably withheld;

(m) if the information contained in the Official Statement relating to the District is amended or supplemented pursuant to Section 6(kj), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading;

(n) any certificate signed by any officer of the District and delivered to the Underwriter pursuant to the Indenture or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(o) to the best knowledge of the District, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Official Statement or the District Agreements or the Bonds, or the validity or enforceability of the Bonds;

(p) the District will apply the proceeds from the sale of the Bonds for the purposes specified in the Indenture; and

(q) except as otherwise disclosed in the Preliminary Official Statement, the District is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 and at or prior to the Closing Date, the District shall have duly authorized, executed and delivered the Continuing Disclosure Certificate.

Section 7. Representations, Warranties, Covenants and Agreements of the Authority. The Authority represents, warrants, covenants and agrees with the Underwriter and the District as follows:

(a) the Authority is a public body corporate and politic, organized and existing under the laws of the State of California with full right, power and authority to execute, deliver and perform its obligations under this Purchase Agreement;

(b) the Authority adopted a resolution on _____, 2025 (the “**Authority Resolution**”) at a duly noticed meeting at which a quorum was present and acting throughout, authorizing and approving the execution and delivery of, and the performance by the Authority of its obligations contained in this Purchase Agreement and as of the date hereof, the Authority Resolution is in full force and effect and has not been amended, modified or rescinded; and when executed and delivered, this Purchase Agreement will constitute the legally valid and binding obligation of the Authority enforceable upon the Authority in accordance with its terms, except as enforcement may

be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) as of the time of acceptance hereof and the Closing Date, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been properly served with process or known to be threatened: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; or (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the purchase and sale by the Authority of any of the Bonds, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) and (ii); and

(d) to the best of its knowledge, all authorizations, approvals, licenses, permits, consents, elections and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required on the part of the Authority for the due authorization of or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Authority of, its obligations in connection with this Purchase Agreement have been duly obtained or made and are in full force and effect.

Section 8. Closing. At 8:00 A.M., California time, on _____, 2025, or on such earlier or later date as may be mutually agreed upon by parties hereto (the “**Closing Date**”), the District will deliver or cause to be delivered to the Underwriter the duly executed Bonds through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, and will deliver or cause to be delivered at the offices of Jones Hall, A Professional Law Corporation (“**Bond Counsel**”), in San Francisco, California, or such other place as shall have been mutually agreed upon by the parties, the other documents described herein; and the Underwriter shall pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Agreement to the order of the Trustee in immediately available funds.

The Bonds shall be issued in fully registered form. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Agreement.

Section 9. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds by written notification from the Underwriter to the District if at any time after the date of this Purchase Agreement and prior to the Closing:

(a) any event shall have occurred or any fact or condition shall have become known which, in the reasonable judgment of the Underwriter upon consultation with the District, Bond Counsel and Disclosure Counsel (as defined herein), either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(b) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which in the reasonable opinion of the Underwriter has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Indenture under the Trust Indenture Act of 1939, as amended; or

(c) any of the following occurs and is continuing as of the Closing Date which, in the reasonable judgment of the Underwriter (set forth in a written notice from the Underwriter to the District terminating the obligation of the Underwriter to accept delivery of and make payment for the Bonds), has a material adverse effect on the marketability or market price of the Bonds, at the initial offering prices set forth in the Schedule I attached hereto, or the Underwriter's ability to process and settle transactions:

(i) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof; or

(ii) an amendment to the Constitution of the State of California shall have been passed or legislation shall have been enacted by the California legislature, or a decision shall have been rendered by a court of the State of California, in each case which may have the purpose or effect of subjecting interest on the Bonds to State income tax; or

(iii) (A) The declaration of war by the United States of America, any major new outbreak or escalation of armed hostilities, an act of terrorism or any other major national calamity or crisis, (B) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations; or

(iv) the declaration of a general banking moratorium by any federal, New York or State of California authorities; or

(v) a general suspension of trading or other material restrictions on the New York Stock Exchange or other national securities exchange not in effect as of the date hereof; or

(vi) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the delivery, offering or sale of obligations of the general character of the Bonds, or the delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter; or

(viii) litigation of the type identified in Sections 6(h) or 7(c) hereof; or

(ix) a material disruption in municipal bond market securities settlement, payment or clearance services affecting the Bonds.

Section 10. Closing Conditions. The Underwriter hereby enter into this Purchase Agreement in reliance upon the representations and warranties of the District and the Authority contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the District, the Authority and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Underwriter under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties of the District and the Authority contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the District, the Authority and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the District, the Authority and the Trustee of their respective obligations to be performed hereunder and under the District Agreements, at or prior to the Closing Date, to the issuance, sale and delivery to the Underwriter of the Bonds, and also shall be subject to the following additional conditions:

(a) the Underwriter shall receive, within seven business days after the date hereof, copies of the Official Statement (including all information permitted to have been omitted from the Preliminary Official Statement by the Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested;

(b) on the Closing Date, the representations, warranties, covenants and agreements of the District and the Authority in this Purchase Agreement shall be true, complete and correct on and as of the Closing Date; and the District Agreements shall have been duly authorized, executed and delivered by the District, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the Board of Supervisors as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(c) on the Closing Date, all necessary action of the District relating to the execution and delivery of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented; and

(d) at or prior to the Closing Date, the Underwriter shall have received the following additional documents, in each case satisfactory in form and substance to the Underwriter:

(i) the Resolutions and Ordinances, together with a certificate of the Clerk of the Board of Supervisors, dated as of the Closing Date, to the effect that such resolutions and ordinances are true, correct and complete copies of the Resolutions and Ordinances duly adopted by the Board of Supervisors;

(ii) the District Agreements duly executed and delivered by the parties thereto;

(iii) the Preliminary Official Statement, and the Official Statement duly executed by the District;

(iv) the approving opinion of Bond Counsel, dated the Closing Date and addressed to the District, in substantially the form attached to the Official Statement as Appendix F-1, together with a letter of Bond Counsel, addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(v) the supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, substantially to the effect that: (A) this Purchase Agreement has been duly authorized, executed and delivered by the District and is the valid and binding agreement of the District, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; (B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (C) the statements contained in the Official Statement under the captions "INTRODUCTION—Authority for Issuance," "—The Series 2025AB Bonds," "—Security and Sources of Payment," "—2022 Facilities Reserve Account," "THE SERIES 2025A FACILITIES BONDS," "SECURITY AND SOURCES OF PAYMENT" and "TAX MATTERS" and contained in Appendices C and F-1, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and the final approving opinion of Bond Counsel concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(vi) the opinion of the City Attorney of the City and County of San Francisco, as counsel to the District, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the District is duly organized and validly existing under the Constitution and laws of the State of California; (B) the District Resolution approving and authorizing the execution and delivery of the District Agreements and the Preliminary Official Statement was duly adopted at a meeting of the Board of Supervisors, as the legislative body of the District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and have not been amended or repealed; (C) no material litigation is pending, with service of process having been accomplished or, to the knowledge of the District, threatened, concerning the validity of the Bonds, the corporate existence of the District, or the title of the officers of the District who will execute the Bonds as to their respective offices; (D) the execution and delivery of the District Agreements and the Official Statement, the adoption of the Resolutions and Ordinances, the issuance of the Bonds and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which such

counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or under any existing law, regulation, court order or consent decree to which the District is subject; (E) the Official Statement has been duly authorized, executed and delivered and the Bonds and the District Agreements each have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the District enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; and (F) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the District is required for the valid authorization, execution, delivery and performance by the District of the District Agreements, the valid issuance of the Bonds or the adoption of the District Resolution which has not been obtained;

(vii) an opinion of counsel to the Authority, dated the Closing Date and addressed to the District and the Underwriter satisfactory in form and substance to Bond Counsel, the District and the Underwriter, substantially to the following effect: (A) this Purchase Agreement has been duly authorized, executed and delivered by the Authority and constitutes the valid, legal and binding agreement of the Authority enforceable in accordance with its terms; (B) the Authority is a joint powers authority duly organized and validly existing under the laws of the State of California; (C) the Authority Resolution approving and authorizing the execution and delivery of this Purchase Agreement has been duly adopted and the Authority Resolution is in full force and effect and has not been modified, amended or rescinded; and (D) no action, suit, proceeding, hearing or investigation of which notice has been properly served on the Authority is pending or, to the best of such counsel's knowledge, threatened against the Authority: (1) in any way affecting the existence of the Authority or in any way challenging the respective powers of the several offices or the titles of the officials of the Authority to such offices; or (2) seeking to restrain or enjoin the issue of any of the Bonds;

(viii) A negative assurance letter of Disclosure Counsel addressed to the Underwriter, to the effect that, based upon the information made available to Disclosure Counsel in the course of Disclosure Counsel's participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, no facts have come to Disclosure Counsel's attention that lead Disclosure Counsel to believe that the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) the opinion of Underwriter's Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance and acceptable to the Underwriter;

(x) the opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the Trustee has been duly incorporated as a national banking association, duly organized and validly existing and in good standing under the laws of the United States of America having the legal authority to exercise trust powers in the State of

California and having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee, enforceable against it in accordance with its terms; (D) the Bonds have been validly authenticated, registered and delivered by the Trustee; (E) no authorization, approval, consent or other order of the State of California or any other federal or State of California governmental authority or agency having jurisdiction over the Trustee, or, to such counsel's knowledge after reasonable investigation, any other person or corporation, is required for the valid authorization, execution, delivery and performance by the Trustee of the Indenture; and (F) the execution and delivery of the Indenture, and compliance by the Trustee with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreements or other instrument to which the Trustee is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(xi) a certificate dated the Closing Date, signed by a duly authorized official of the District, in form and substance satisfactory to the Underwriter, to the effect that: (A) the representations and warranties of the District contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the District has complied with the requirements of the District Agreements required to be complied with on and as of the Closing Date with respect to the Bonds; and (C) no event affecting the District has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements therein not misleading in any respect;

(xii) a certificate of the Authority, dated the Closing Date, signed on behalf of the Authority by a duly authorized officer of the Authority to the effect that: (A) the representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; and (B) the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date;

(xiii) a certificate, signed by a duly authorized official of the Trustee, dated the Closing Date, satisfactory in form and substance to the Underwriter, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to execute and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) the Bonds have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the part of the Trustee contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation or warranty is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (E) the Trustee has not been served with any action, suit, proceeding, inquiry or

investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against it, affecting its existence, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter;

(xiv) a certificate of Keyser Marston Associates, Inc. (the “**Fiscal Consultant**”) to the effect that the report of the Fiscal Consultant (the “**Fiscal Consultant Report**”) contained in the Official Statement and the information set forth under the captions “THE INITIAL PROJECT AREAS” and “TAX INCREMENT REVENUE AND DEBT SERVICE” in the Official Statement do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, consenting to the use of the Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement and stating that to the best of the Fiscal Consultant’s knowledge, nothing has to come the Fiscal Consultant’s attention between the date of the Fiscal Consultant Report and the Closing Date which would materially alter any of the conclusions set forth in the Fiscal Consultant Report;

(xv) the Report of Proposed Debt Issuance Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(i) and 53583 of the Government Code of the State of California;

(xvi) the Blanket Letter of Representations of the District to DTC, relating to the book-entry only system for the Bonds;

(xvii) A judgment of the Superior Court of the County of San Francisco in a judicial validation action related to the District, the Initial Project Areas and the Bonds (Case No. CGC-17-557496;

(xviii) the Infrastructure Financing Plan;

(xix) a Letter of Representations of Treasure Island Series 1, LLC, a Delaware limited liability company (“**TI Series 1**”), dated the date of the Preliminary Official Statement, substantially in the form attached hereto as Exhibit D;

(xx) a Closing Certificate of TI Series 1, dated the Closing Date, substantially in the form attached hereto as Exhibit E;

(xxi) a letter or letters from counsel to TI Series 1, dated the Closing Date and addressed to the Underwriter and the District, in form and substance acceptable to the Underwriter and the District, regarding negative assurance with respect to the information under the captions “THE TREASURE ISLAND PROJECT” and “THE INITIAL PROJECT AREAS” of the Preliminary Official Statement and the Official Statement;

(xxii) a certificate of the City, dated the Closing Date, to the effect that the proceeds of the Bonds shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan;

(xxiii) evidence satisfactory to the Underwriter that the final maturity date of the Bonds is not later than 30 years from the date of issuance of the Bonds, to the extent required by applicable law;

(xxiv) a certificate of the City, dated the Closing Date, pursuant to Sections 3.05 and 7.01(c) of the Indenture regarding the issuance of the Bonds as Facilities Bonds, Parity Facilities Debt and 2022 Related Facilities Bonds (as such terms are defined in the Indenture); and

(xxv) such additional legal opinions, certificates, instruments or evidences thereof and other documents as Underwriter's Counsel or Bond Counsel may reasonably request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Indenture with the terms of the Bonds, all as summarized in the Official Statement.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement will be deemed to be in compliance with the provisions hereof if and only if they are in form and substance satisfactory to the Underwriter.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date by written notice to the District and neither the Underwriter, the Authority nor the District shall have any further obligations hereunder, except the respective obligations of the parties set forth in Section 11.

Section 11. Expenses.

(a) Except for those expenses assigned to the Underwriter pursuant to Section 11(b) hereof, the Underwriter shall be under no obligation to pay, and the District shall pay, any expenses incident to the performance of the Authority's and the District's obligations under this Purchase Agreement and the fulfillment of the conditions imposed hereunder, including but not limited to: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the fees and disbursements of the Municipal Advisor; (iii) the fees and disbursements of any counsel, auditors, engineers, consultants or others retained by the District in connection with the transactions contemplated herein; (iv) the costs of preparing and printing the Bonds; (v) the costs of the printing of the Preliminary Official Statement and the Official Statement (and any amendments or supplements thereto); and (vi) any fees charged by investment rating agencies for any rating of the Bonds.

(b) The Underwriter shall pay all expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the costs of printing the Blue Sky memorandum used by the Underwriter; (iii) all out of pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including the fees of the CUSIP Service Bureau for the assignment of CUSIP numbers; and (iv) all other

expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including the fees and disbursements of Underwriter's Counsel.

Section 12. Compliance Government Code Section 6589. In order to comply with Government Code Section 6589, this Purchase Agreement identifies the maximum rate of interest, costs of issuance and required debt service reserve amount in Schedule I. The Indenture contains the procedure to be used in the case of a default with respect to the Bonds, and is incorporated by this reference in this Purchase Agreement.

Section 13. Notices. Any notice or other communication to be given to the District or the Authority under this Purchase Agreement may be given by delivering the same in writing at the District's or the Authority's respective addresses set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Underwriter: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 36th Floor, San Francisco, California 94104, Attention: Eileen Gallagher, Managing Director.

Section 14. Parties in Interest. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and warranties of the parties hereto contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter or the District; or (b) delivery of and payment for the Bonds. The agreements contained in Section 11 herein shall survive any termination of this Purchase Agreement.

Section 15. Severability. In the event that any provision of this Purchase Agreement shall be held or deemed to be invalid, inoperative or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Governing Law; Venue. This Purchase Agreement shall be governed and interpreted exclusively by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed in the State of California. Any and all disputes or legal actions or proceedings arising out of this Purchase Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction for matters arising in the City and County of San Francisco, California. By execution of and delivery of this Purchase Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

Section 17. Execution in Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

Section 18. Entire Agreement. This Purchase Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Purchase Agreement) that relate to the offering of the Bonds, represents the entire agreement between the District, the Authority and the Underwriter with respect to the preparation of the Official Statement, the conduct of the offering and the purchase and sale of the Bonds. In the event of a dispute between the parties under this Purchase Agreement, the losing party in such dispute shall pay all reasonable costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees.

Section 19. Fiduciary Duty. The District acknowledges that in connection with the offering of the Bonds: (a) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the District, the Authority and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter are and have been acting solely as principals and are not acting as Municipal Advisors (as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended); (c) the Underwriter have not assumed an advisory or fiduciary responsibility in favor of the District or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter have provided other services or is currently providing other services to the District or the Authority on other matters); (d) the District and the Authority have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate; and (e) the Underwriter may have interests that differ from those of the District and the Authority. The District and the Authority waive to the full extent permitted by applicable law any claims that they may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of the Bonds.

Section 20. **Effectiveness.** This Purchase Agreement shall be effective as of the date set forth above upon the acceptance hereof by authorized officers of the District and the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Representative

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)

By: _____
Authorized Officer

APPROVED AS TO FORM:

David Chiu
City Attorney

By _____
Mark D. Blake, Deputy City Attorney

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____
Authorized Officer

SCHEDULE I

\$ _____
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10%</u> <u>Test</u> <u>Met</u>	<u>10%</u> <u>Test</u> <u>Not</u> <u>Met</u>	<u>Hold</u> <u>the</u> <u>Offering</u> <u>Price</u> <u>Rule</u> <u>Used</u>

^T Indicates Term Bond.

Optional Redemption. The Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium, without premium.

Mandatory Sinking Fund Redemption. The Bonds that are Term Bonds and maturing September 1, 20__, September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__, September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Facilities Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

SOURCES AND USES OF FUNDS

EXHIBIT A

UNDERWRITER'S REPRESENTATIONS, COVENANTS AND AGREEMENTS AND CITY CONTRACTING REQUIREMENTS

Section 1. Underwriter's Representations, Covenants and Agreements. Each Underwriter, on its own behalf and not on behalf of any other Underwriter, represents and covenants and agrees with the District that:

(a) It shall comply with the San Francisco Business Tax Resolution and shall, if not otherwise exempt from such resolution, provide to the City a Business Tax Registration Certificate on or prior to the date hereof.

(b) It shall comply with Chapter 12B of the San Francisco Administrative Code, entitled "Nondiscrimination in Contracts," which is incorporated herein by this reference.

(c) It represents and warrants to the City that the Underwriter have been duly authorized to enter into this Purchase Agreement and to act hereunder by and on behalf of it.

Section 2. City Contracting Requirement. Additionally, each Underwriter represents and covenants and agrees, as applicable that:

(a) ***Underwriter Shall Not Discriminate.*** In the performance of this Purchase Agreement, the Underwriter agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, weight, height, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or associated with members of such protected classes, or in retaliation for opposition to discrimination against such classes against any employee of, any City and/or City employee working with, or applicant for employment with such Underwriter in any of such Underwriter's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by such Underwriter.

(b) ***Subcontracts.*** The Underwriter shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Section 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from purchasing) and shall require all subcontractors to comply with such provisions. The Underwriter's failure to comply with the obligations in this subsection shall constitute a material breach of this Purchase Agreement.

(c) ***Non-Discrimination in Benefits.*** The Underwriter does not as of the date of this Purchase Agreement and will not during the term of this Purchase Agreement, in any of its operations in San Francisco, California, or on real property owned by San Francisco, California, or where the work is being performed for the City and/or City elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or

between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) ***HRC Form.*** The Underwriter shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form HRC 12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) ***Incorporation of Administrative Code Provisions by Reference.*** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Exhibit A by reference and made a part of this Purchase Agreement as though fully set forth herein. The Underwriter shall comply fully with and be bound by all of the provisions that apply to this Purchase Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Underwriter understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Purchase Agreement may be assessed against such Underwriter and/or deducted from any payments due such Underwriter; provided, however that such damages shall not be set off against the payment of rental or other contract related to the Bonds, certificates of participation or other debt obligation of the City or the City.

(f) ***Drug-Free Workplace Policy.*** The Underwriter acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City or District premises. The Underwriter agrees that any violation of this prohibition by such Underwriter, its employees, agents or assigns will be deemed a material breach of this Purchase Agreement.

(g) ***Compliance With Americans with Disabilities Act.*** Without limiting any other provisions of this Purchase Agreement the Underwriter shall provide the services specified in this Purchase Agreement in a manner that complies with the Americans with Disabilities Act (“ADA”) Title 24, and any and all other applicable federal, state and local disability rights legislation. The Underwriter agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Purchase Agreement and further agrees that any violation of this prohibition on the part of such Underwriter, its employees, agents or assigns shall constitute a material breach of this Purchase Agreement.

(h) ***Sunshine Ordinance.*** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(i) ***Prohibition on Political Activity With City Funds.*** In accordance with San Francisco Administrative Code Chapter 12.G, an Underwriter may not participate in, support or attempt to influence any political campaign for a candidate or for a ballot measure in the performance of the services provided under this Purchase Agreement. The Underwriter agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. If the Underwriter violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Agreement, and (ii) prohibit such Underwriter from bidding on or receiving any new City and/or City contract for a period of two years.

(j) ***MacBride Principles—Northern Ireland.*** The City and the District urge companies doing business in Northern Ireland to move towards resolving employment inequities, and encourage such companies to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and the District urge San Francisco companies to do business with corporations that abide by the MacBride Principles.

(k) ***Tropical Hardwood and Virgin Redwood Ban.*** The City and the District urge companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product or any virgin redwood or virgin redwood product.

(l) ***Repeal of Administrative Code Provisions.*** To the extent that the City repeals any provision of the Administrative Code incorporated, set forth or referenced in this Exhibit A, other than pursuant to a restatement or amendment of any such provision, such provision, as incorporated, set forth or referenced herein, shall no longer apply to this Purchase Agreement or the Underwriter.

(m) ***Limitations on Contributions.*** Through execution of this Purchase Agreement, the Underwriter acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (i) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves; (ii) a candidate for the office held by such individual; or (iii) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Underwriter acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Underwriter further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of such Underwriter's board of directors; such Underwriter's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20% in such Underwriter; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Underwriter. Additionally, the Underwriter acknowledges that such Underwriter must

inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

(n) ***Requiring Minimum Compensation for Covered Employees.*** The Underwriter agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (“MCO”), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Purchase Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Underwriter’s obligations under the MCO is set forth in this Exhibit A. The Underwriter is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Exhibit A. Capitalized terms used in this Exhibit A and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, the Underwriter agrees to all of the following:

(i) The MCO requires the Underwriter to pay such Underwriter’s employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and such Underwriter is obligated to keep informed of the then current requirements. Any subcontract entered into by an Underwriter shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Exhibit A. It is the Underwriter’s obligation to ensure that any subcontractors of any tier under this Purchase Agreement comply with the requirements of the MCO. If any subcontractor under this Purchase Agreement fails to comply, the City may pursue any of the remedies set forth in this Exhibit A against such Underwriter. Nothing in this Exhibit A shall be deemed to grant any Underwriter the right to subcontract.

(ii) No Underwriter shall take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(iii) The Underwriter shall maintain employee and payroll records as required by the MCO. If such Underwriter fails to do so, it shall be presumed that such Underwriter paid no more than the minimum wage required under State law.

(iv) The City is authorized to inspect the Underwriter’s job sites and conduct interviews with employees and conduct audits of such Underwriter.

(v) The Underwriter’s commitment to provide the Minimum Compensation is a material element of the City’s consideration for this Purchase Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if such Underwriter fails to comply with these requirements. The Underwriter agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the

loss that the City and the public will incur for such Underwriter's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vi) The Underwriter understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Purchase Agreement for violating the MCO, such Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, such Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(vii) The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(viii) If an Underwriter is exempt from the MCO when this Purchase Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but such Underwriter later enters into an agreement or agreements that cause such Underwriter to exceed that amount in a fiscal year, such Underwriter shall thereafter be required to comply with the MCO under this Purchase Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between such Underwriter and this department to exceed \$25,000 in the fiscal year.

(o) ***Requiring Health Benefits for Covered Employees.*** The Underwriter agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Purchase Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Exhibit A and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(i) For each Covered Employee, the Underwriter shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If such Underwriter chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(ii) Notwithstanding the above, if an Underwriter is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) An Underwriter's failure to comply with the HCAO shall constitute a material breach of this Purchase Agreement. The City shall notify such Underwriter if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Purchase Agreement for violating the HCAO, such Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, such Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City or the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5 (f) (1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the City.

(iv) Any subcontract entered into by an Underwriter shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Exhibit A. Such Underwriter shall notify City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. The Underwriter shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Exhibit A against the applicable Underwriter based on the subcontractor's failure to comply, provided that the City or the City has first provided such Underwriter with notice and an opportunity to obtain a cure of the violation.

(v) No Underwriter shall discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City or the City with regard to such Underwriter's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(vi) The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(vii) The Underwriter shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the applicable contract.

(viii) The Underwriter shall keep itself informed of the current requirements of the HCAO.

(ix) The Underwriter shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

(x) The Underwriter shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

(xi) The Underwriter shall allow the City to inspect such Underwriter's job sites and have access to such Underwriter's employees in order to monitor and determine compliance with HCAO.

(xii) The City may conduct random audits of the Underwriter to ascertain its compliance with HCAO. The Underwriter agrees to cooperate with the City when it conducts such audits.

(xiii) If an Underwriter is exempt from the HCAO when this Purchase Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but such Underwriter later enters into an agreement or agreements that cause such Underwriter's aggregate amount of all agreements with the City or the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between such Underwriter and the District or the City to be equal to or greater than \$75,000 in the fiscal year.

(p) ***Prohibition on Political Activity With City or City Funds.*** In accordance with San Francisco Administrative Code Chapter 12.G, no Underwriter may participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Purchase Agreement. The Underwriter agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. If the Underwriter violates the provisions of this Exhibit A, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Agreement, and (ii) prohibit such Underwriter from bidding on or receiving any new City contract for a period of two years. The Controller will not consider an Underwriter's use of profit as a violation of this Exhibit A.

(q) ***Protection of Private Information.*** The Underwriter has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Underwriter agrees that any failure of such Underwriter to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of this Purchase Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Purchase Agreement, bring a false claim action against such Underwriter pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar such Underwriter.

(r) ***Conflicts of Interest.*** Through its execution of this Purchase Agreement, the Underwriter acknowledges that it is familiar with the provisions of Section 15.103 of the City Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Purchase Agreement.

As to Exhibit A of this Purchase Agreement:

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Eileen Gallagher, Managing Director

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”) of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**Issuer**”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this _____ day
of _____, 2025.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____

Name: _____

By: _____

Name: _____

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES

(Attached)

EXHIBIT C

RESOLUTIONS AND ORDINANCES

1. Resolution No. 512-16 adopted by the Board of Supervisors on December 6, 2016
2. Resolution No. 4-17 adopted by the Board of Supervisors on January 24, 2017
3. Resolution No. 6-17 adopted by the Board of Supervisors on January 24, 2017
4. Resolution No. 7-17 adopted by the Board of Supervisors on January 24, 2017
5. Ordinance No. 21-17 adopted by the Board of Supervisors on January 31, 2017
6. Resolution No. 568-21 adopted by the Board of Supervisors on December 14, 2021
7. Resolution No. 44-22 adopted by the Board of Supervisors on February 8, 2022
8. Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022

EXHIBIT D

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

LETTER OF REPRESENTATIONS OF TREASURE ISLAND SERIES 1, LLC

_____, 2025

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Purchase Agreement**”). This Letter of Representations of Treasure Island Series 1, LLC (the “**Letter of Representations**”) is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Treasure Island Series 1, LLC, a Delaware limited liability company (the “**Developer**”), the phase developer of the property within the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District**”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California and has all requisite right, power and authority to execute and deliver this Letter of Representations.

2. As set forth in the Preliminary Official Statement, the Developer is the master developer of certain property within the District (herein the “**Property**”). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. As of the date thereof, to the Actual Knowledge of the Undersigned, the Preliminary Official Statement, solely with respect to information set forth under the captions “THE TREASURE ISLAND PROJECT” and “THE INITIAL PROJECT AREAS” (but excluding any information cited as coming from a source other than the Developer and information regarding appraised or assessed values, market value ratios and annual special tax ratios), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. If between the date hereof and the Closing Date any event shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 hereof (and subject to the limitations and exclusions contained in Paragraph 3), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the District and the Underwriter and if in the opinion of counsel to the District or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the District and to the Underwriter.

5. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached to the Purchase Agreement as Exhibit E.

6. As used in this Letter of Representations, the term “**Actual Knowledge of the Undersigned**” means the actual (as opposed to constructive) knowledge that the undersigned currently has or has obtained through (i) interviews (including those conducted by electronic mail) with such current officers and responsible employees of the Developer as the undersigned has reasonably determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations including the chief financial officer of the Developer or, if the Developer does not have a chief financial officer, the person who performs the functions usually associated with such officer (unless the undersigned is the chief financial officer or such person), and (ii) reviews of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to execute this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer’s current business and operations. The undersigned has not contacted any individuals who are no longer employed by, or associated with, the Developer.

7. As used in this Letter of Representations, the term “**Affiliate**” of the Developer means (a) a Person directly or indirectly owning, controlling or holding with power to vote, 5% or more of the outstanding voting securities of the Developer; (b) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the Developer; and (c) any Person directly or indirectly controlling, controlled by, or under common control with the Developer, in each such case, about whom information, including financial information or operating data, concerning such Person could be material to potential investors in their investment decision regarding the Bonds (i.e. information regarding such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the

Preliminary Official Statement). For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**,” or “**under common control with**”) means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person. Notwithstanding the foregoing, for purposes of this Letter of Representations, none of the following entities shall be considered Affiliates of the Developer: (i) TI Lot 8, LLC; (ii) TI Lot 10, LLC; (iii) TI Lots 3-4, LLC; (iv) B1 Treasure Island 048 Holdings LLC; and (v) C23 Treasure Island 048 Holdings LLC. For purposes of the definition, the term “**Person**” means any natural person, corporation, partnership, firm, or association, whether acting in an individual fiduciary or other capacity.

8. On behalf of the Developer, the undersigned has reviewed the contents of this Letter of Representations and has met with counsel to the Developer for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT E

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

CLOSING CERTIFICATE OF TREASURE ISLAND SERIES 1, LLC

_____, 2025

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the “**Bonds**”) and to the Bond Purchase Agreement, dated _____, 2025 (the “**Purchase Agreement**”), by and among Stifel, Nicolaus & Company, Incorporated, the California Statewide Communities Development Authority and the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District**”). This Closing Certificate of Treasure Island Series 1, LLC (the “**Closing Certificate**”) is delivered pursuant to the Purchase Agreement by Treasure Island Series 1, LLC, a Delaware limited liability company (the “**Developer**”), the phase developer of the property within the District. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Letter of Representations of Treasure Island Series 1, LLC, dated _____, 2025, delivered by the Developer (the “**Letter of Representations**”), or the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds. Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3) which should be disclosed in the Official Statement in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriter Period**” as defined in the Purchase Agreement to mean the Closing Date unless otherwise notified in writing by the Underwriter, if any event shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the District, to amend or supplement the Official Statement in order to make the information described in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3) set forth in the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the District and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

§ _____
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

BOND PURCHASE AGREEMENT

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place, Room 338
San Francisco, California 94102

California Statewide Communities Development Authority
1100 K Street, Suite 101
Sacramento, California 94814

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company Incorporated, Inc. (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District**”) and the California Statewide Communities Development Authority (the “**Authority**”). This offer is made subject to acceptance by the District and the Authority by execution of this Purchase Agreement and delivery of the same to the Underwriter on or before 11:59 p.m. (California time) on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the District and the Authority at any time prior to such acceptance. Upon the acceptance by the District and the Authority hereof, this Purchase Agreement will be binding upon the District, the Authority and the Underwriter.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the respective meanings set forth for such terms in the Indenture (as such term is defined below) and if not otherwise defined therein, shall have the meanings given to such terms as set forth in the Official Statement (as such term is defined below).

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Agreement, (i) the Authority agrees to purchase from the District, and the District agrees to sell and deliver to the Authority, all (but not less than all) of the \$ _____ principal amount of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the “**Bonds**”) and (ii) the Underwriter agree to purchase

from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the Bonds. The Bonds shall be dated their date of delivery and shall have the maturities, bear interest at the rates per annum and have the yields all as set forth on Schedule I attached hereto. The purchase price for the Bonds shall be \$_____ (calculated as \$_____ (the aggregate principal amount of the Bonds), [plus/less] a [net] original issue [premium/discount] of \$_____ and less an Underwriter's discount in the amount of \$_____).

Section 2. Preliminary Official Statement and Official Statement. The District ratifies, approves and confirms the distribution of the Preliminary Official Statement with respect to the Bonds, dated _____, 2025 (together with the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "**Preliminary Official Statement**"), in connection with the offering and sale of the Bonds by the Underwriter prior to the availability of the Official Statement. The District represents that the Preliminary Official Statement was deemed final as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**"), except for the omission of offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity date, delivery date, ratings and other terms of the Bonds permitted to be excluded from the Preliminary Official Statement by Rule 15c2-12 (the "**Excluded Information**"). The District shall provide the Underwriter, within seven business days from the date hereof (but in any event at least three business days prior to the Closing Date (as defined herein), whichever occurs first), the Official Statement, dated the date hereof in the form of the Preliminary Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12 and any supplements to such Official Statement as have been approved by the District and the Underwriter (which approval shall not be unreasonably withheld), in sufficient quantities and/or in a designated electronic format (as defined in Municipal Securities Rulemaking Board Rule G-32) to enable the Underwriter to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board (the "**MSRB**"). The District authorizes and approves the distribution by the Underwriter of the Official Statement in connection with the offering and sale of the Bonds. The District authorizes the Underwriter to file, and the Underwriter hereby agrees to file at or prior to the Closing Date, the Official Statement with the MSRB, or its designees in accordance with MSRB Rule G-32. The Official Statement, including the appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto on or prior to the Closing Date is herein referred to as the "**Official Statement**."

Section 3. Description of the Bonds. The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of and shall be payable as provided in the Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023, and a Second Supplemental Indenture, dated as of December 1, 2025 (as so supplemented, the "**Indenture**"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "**Trustee**"). The Bonds will be issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the "**Law**"), Resolution No. 7-17, adopted by the Board of Supervisors of the City and County of San Francisco (the "**Board of Supervisors**") as legislative body of the District, and signed by the Mayor on February 3, 2017, as supplemented by Resolution No. _____, adopted by the Board of Supervisors as the legislative body of the District on _____, 2025, and signed by the Mayor on _____, 2025 (together, the "**District Resolution**"), approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed \$_____ and the Indenture. The Bonds shall be payable and subject to redemption as provided in the Indenture and as set forth in the Official Statement. The Bonds are legal, valid and

binding limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefore under the Indenture, as defined and described in the Indenture. The Bonds are being issued to fund (i) the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) a deposit to a reserve account for the Bonds and (iii) the costs of issuance of the Bonds, all as further described in the Indenture and the Official Statement.

Section 4. Public Offering and Establishment of Issue Price.

It shall be a condition to the District's obligations to sell and to deliver the Bonds to the Authority and to the Underwriter's obligations to purchase and to accept delivery of the Bonds from the Authority that the entire \$_____ aggregate principal amount of the Bonds shall be executed, issued and delivered by or at the direction of the District and purchased, accepted and paid for by the Underwriter at the Closing. On or prior to the Closing, the Underwriter will provide the District with information regarding the reoffering prices and yields on the Bonds, in such form as the District may reasonably request.

The Underwriter agrees, subject to the terms and conditions hereof, to make a *bona fide* public offering of all the Bonds initially at prices not in excess of the initial public offering prices as set forth in Schedule I hereto. The Underwriter reserves the right to change the public offering prices as they deem necessary in connection with the marketing of the Bonds. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering price set forth in Schedule I hereto.

The Underwriter will provide, consistent with the requirements of MSRB, for the delivery of a copy of the Official Statement to each customer who purchases a Bond during the underwriting period. The Underwriter further agrees that it will comply with applicable laws and regulations, including without limitation Rule 15c2-12, in connection with the offering and sale of the Bonds.

The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor, CSG Advisors Incorporated (the "**Municipal Advisor**") and any notice or report to be provided to the District may be provided to the Municipal Advisor.

The District will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which they have sold to the public each maturity of Bonds. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

The District acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “**public**” means any person other than an underwriter or a related party,

(ii) “**underwriter**” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “**sale date**” means the date of execution of this Purchase Agreement by all parties.

Section 5. Underwriter’s Representations, Covenants and Agreements.

(a) The representations, covenants and agreements of the Underwriter attached hereto as Exhibit A are incorporated by reference as though fully set forth herein. The Underwriter further represents, covenants and agrees with the District that:

(i) The Underwriter has been duly authorized to enter into this Purchase Agreement and to act hereunder.

(ii) The Underwriter is not in material violation of, or in material breach of or in material default under, any applicable law, regulation, order or agreement to which such Underwriter is a party or by which such Underwriter is bound, which violation or breach would have a material adverse effect on such Underwriter’s ability to execute, deliver and perform this Purchase Agreement.

Section 6. Representations, Warranties and Covenants of the District. The District represents, warrants and covenants with the Authority and the Underwriter that:

(a) The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, including but not limited to the Law, with full right, power and authority to execute, deliver and perform its obligations under: (i) the Indenture; (ii) the Continuing Disclosure Certificate of the

District, dated the Closing Date and substantially in the form attached to the Official Statement as Appendix E-2 (the “**Continuing Disclosure Certificate**”); and (iii) this Purchase Agreement (collectively, the “**District Agreements**”), and to carry out all transactions contemplated by each of the District Agreements, the Bonds and the Official Statement;

(b) By all necessary official action of the District, the District has duly adopted the District Resolution prior to the acceptance hereof; the District Resolution and the resolutions and ordinances listed on Exhibit C (together with the District Resolution, the “**Resolutions and Ordinances**”) are in full force and effect and have not been amended, modified, rescinded or challenged by referendum; the District has duly authorized and approved the execution and delivery of, and the performance by the District of its obligations contained in, the District Agreements; and the District has duly authorized and approved the delivery of the Preliminary Official Statement and the execution and delivery of the Official Statement;

(c) The infrastructure financing plan for the District (the “**Infrastructure Financing Plan**”) was approved by the Board of Supervisors, as legislative body of the City and County of San Francisco and the District in compliance with the Law, and is in full force and effect;

(d) The District has complied and will as of the Closing Date be in compliance in all respects with the terms of the District Agreements and the Infrastructure Financing Plan; compliance with the provisions of the District Agreements will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order, consent decree, judgment, decree, loan agreement, note, resolution, indenture, agreement or other instrument to which the District is a party or may be otherwise subject; and the Resolutions and Ordinances were adopted by a majority of the members of the Board of Supervisors, as the legislative body of the City or the District, as applicable, at meetings duly called, noticed and conducted, at which a quorum was present and acting throughout and constitutes all action necessary to be taken by the District for the execution, delivery and issuance of the Bonds and the execution, delivery and due performance of the District Agreements;

(e) at the time of acceptance hereof by the District, and (unless an event occurs of the nature described in Section 6(k)) at all times during the period from the date of this Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Section 6(k)), the statements and information contained in the Preliminary Official Statement as of its date, and the Official Statement as of its date (excluding the information under the captions “THE TREASURE ISLAND PROJECT” (other than under the caption “—Negotiations to Revise Project Agreements”), “THE INITIAL PROJECT AREAS” and “UNDERWRITING” and contained in Appendix G—“BOOK-ENTRY SYSTEM”) are true, correct and complete in all material respects and such statements with respect to the Preliminary Official Statement do not, and with respect to the Official Statement will not, omit to state any material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading;

(f) the District is not in violation or breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is

continuing which, with the passage of time or the giving of notice, or both, would constitute a violation or a breach of or a default under any such instrument;

(g) at the date hereof and on the Closing Date, the District will be in compliance in all respects with the material covenants and agreements contained in the District Agreements and no event of default and no event which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(h) other than as set forth in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or by or before any court, governmental agency, public board or body, pending or threatened against the District: (i) wherein an unfavorable decision, ruling or finding would adversely affect the existence of the District or the title of any official of the District to such person's office; (ii) seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or the assignment by the District of its rights under the Indenture; (iii) in any way contesting or affecting the validity or enforceability of the District Agreements or the Bonds; (iv) contesting in any way the completeness or accuracy of the Official Statement; or (v) contesting the power of the District or its authority with respect to the Bonds or the District Agreements, nor is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the District Agreements or the authorization, execution, delivery or performance by the District of the Bonds or the District Agreements;

(i) the District will furnish such information, execute such instruments and take such other action not inconsistent with law in cooperation with the Underwriter which the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, however, that in no event shall the District be required to take any action which would subject it to service of process in any jurisdiction in which it is not now subject;

(j) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the District of its obligations under the District Agreements or the Bonds have been duly obtained or made, and are, and will be on the Closing Date, in full force and effect;

(k) as used in this Purchase Agreement, the term "**End of the Underwriting Period**" for the Bonds shall mean the earlier of: (i) the Closing Date unless the District shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date; or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12, provided, however, that the District may treat as the End of the Underwriting Period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period;

(l) if between the date of delivery of the Official Statement and the date that is 25 days after the End of the Underwriting Period (i) any event shall occur or any fact or condition shall become known to the District that would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were

made, not misleading, the District shall notify the Underwriter thereof; and (ii) if in the reasonable opinion of the District or the Underwriter such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the District will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter, which approval shall not be unreasonably withheld;

(m) if the information contained in the Official Statement relating to the District is amended or supplemented pursuant to Section 6(kj), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading;

(n) any certificate signed by any officer of the District and delivered to the Underwriter pursuant to the Indenture or this Purchase Agreement or any document contemplated thereby shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(o) to the best knowledge of the District, there is no public vote or referendum pending or proposed, the results of which could materially adversely affect the transactions contemplated by the Official Statement or the District Agreements or the Bonds, or the validity or enforceability of the Bonds;

(p) the District will apply the proceeds from the sale of the Bonds for the purposes specified in the Indenture; and

(q) except as otherwise disclosed in the Preliminary Official Statement, the District is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to Rule 15c2-12 and at or prior to the Closing Date, the District shall have duly authorized, executed and delivered the Continuing Disclosure Certificate.

Section 7. Representations, Warranties, Covenants and Agreements of the Authority. The Authority represents, warrants, covenants and agrees with the Underwriter and the District as follows:

(a) the Authority is a public body corporate and politic, organized and existing under the laws of the State of California with full right, power and authority to execute, deliver and perform its obligations under this Purchase Agreement;

(b) the Authority adopted a resolution on _____, 2025 (the “**Authority Resolution**”) at a duly noticed meeting at which a quorum was present and acting throughout, authorizing and approving the execution and delivery of, and the performance by the Authority of its obligations contained in this Purchase Agreement and as of the date hereof, the Authority Resolution is in full force and effect and has not been amended, modified or rescinded; and when executed and delivered, this Purchase Agreement will constitute the legally valid and binding obligation of the Authority enforceable upon the Authority in accordance with its terms, except as enforcement may

be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) as of the time of acceptance hereof and the Closing Date, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending with respect to which the Authority has been properly served with process or known to be threatened: (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; or (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the purchase and sale by the Authority of any of the Bonds, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) and (ii); and

(d) to the best of its knowledge, all authorizations, approvals, licenses, permits, consents, elections and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required on the part of the Authority for the due authorization of or which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Authority of, its obligations in connection with this Purchase Agreement have been duly obtained or made and are in full force and effect.

Section 8. Closing. At 8:00 A.M., California time, on _____, 2025, or on such earlier or later date as may be mutually agreed upon by parties hereto (the “**Closing Date**”), the District will deliver or cause to be delivered to the Underwriter the duly executed Bonds through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, and will deliver or cause to be delivered at the offices of Jones Hall, A Professional Law Corporation (“**Bond Counsel**”), in San Francisco, California, or such other place as shall have been mutually agreed upon by the parties, the other documents described herein; and the Underwriter shall pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Agreement to the order of the Trustee in immediately available funds.

The Bonds shall be issued in fully registered form. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Agreement.

Section 9. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds by written notification from the Underwriter to the District if at any time after the date of this Purchase Agreement and prior to the Closing:

(a) any event shall have occurred or any fact or condition shall have become known which, in the reasonable judgment of the Underwriter upon consultation with the District, Bond Counsel and Disclosure Counsel (as defined herein), either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(b) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which in the reasonable opinion of the Underwriter has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requires the qualification of the Indenture under the Trust Indenture Act of 1939, as amended; or

(c) any of the following occurs and is continuing as of the Closing Date which, in the reasonable judgment of the Underwriter (set forth in a written notice from the Underwriter to the District terminating the obligation of the Underwriter to accept delivery of and make payment for the Bonds), has a material adverse effect on the marketability or market price of the Bonds, at the initial offering prices set forth in the Schedule I attached hereto, or the Underwriter's ability to process and settle transactions:

(i) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof; or

(ii) an amendment to the Constitution of the State of California shall have been passed or legislation shall have been enacted by the California legislature, or a decision shall have been rendered by a court of the State of California, in each case which may have the purpose or effect of subjecting interest on the Bonds to State income tax; or

(iii) (A) The declaration of war by the United States of America, any major new outbreak or escalation of armed hostilities, an act of terrorism or any other major national calamity or crisis, (B) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations; or

(iv) the declaration of a general banking moratorium by any federal, New York or State of California authorities; or

(v) a general suspension of trading or other material restrictions on the New York Stock Exchange or other national securities exchange not in effect as of the date hereof; or

(vi) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the delivery, offering or sale of obligations of the general character of the Bonds, or the delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, Underwriter; or

(viii) litigation of the type identified in Sections 6(h) or 7(c) hereof; or

(ix) a material disruption in municipal bond market securities settlement, payment or clearance services affecting the Bonds.

Section 10. Closing Conditions. The Underwriter hereby enter into this Purchase Agreement in reliance upon the representations and warranties of the District and the Authority contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the District, the Authority and the Trustee of their respective obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the obligations of the Underwriter under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties of the District and the Authority contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the District, the Authority and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the District, the Authority and the Trustee of their respective obligations to be performed hereunder and under the District Agreements, at or prior to the Closing Date, to the issuance, sale and delivery to the Underwriter of the Bonds, and also shall be subject to the following additional conditions:

(a) the Underwriter shall receive, within seven business days after the date hereof, copies of the Official Statement (including all information permitted to have been omitted from the Preliminary Official Statement by the Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested;

(b) on the Closing Date, the representations, warranties, covenants and agreements of the District and the Authority in this Purchase Agreement shall be true, complete and correct on and as of the Closing Date; and the District Agreements shall have been duly authorized, executed and delivered by the District, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the Board of Supervisors as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(c) on the Closing Date, all necessary action of the District relating to the execution and delivery of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented; and

(d) at or prior to the Closing Date, the Underwriter shall have received the following additional documents, in each case satisfactory in form and substance to the Underwriter:

(i) the Resolutions and Ordinances, together with a certificate of the Clerk of the Board of Supervisors, dated as of the Closing Date, to the effect that such resolutions and ordinances are true, correct and complete copies of the Resolutions and Ordinances duly adopted by the Board of Supervisors;

(ii) the District Agreements duly executed and delivered by the parties thereto;

(iii) the Preliminary Official Statement, and the Official Statement duly executed by the District;

(iv) the approving opinion of Bond Counsel, dated the Closing Date and addressed to the District, in substantially the form attached to the Official Statement as Appendix F-2, together with a letter of Bond Counsel, addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(v) the supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, substantially to the effect that: (A) this Purchase Agreement has been duly authorized, executed and delivered by the District and is the valid and binding agreement of the District, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought; (B) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (C) the statements contained in the Official Statement under the captions "INTRODUCTION—Authority for Issuance," "—The Series 2025AB Bonds," "—Security and Sources of Payment," "—2022 Housing Reserve Account," "THE SERIES 2025B HOUSING BONDS," "SECURITY AND SOURCES OF PAYMENT" and "TAX MATTERS" and contained in Appendices C and F-2, insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture and the final approving opinion of Bond Counsel concerning certain federal tax matters relating to the Bonds, are accurate in all material respects;

(vi) the opinion of the City Attorney of the City and County of San Francisco, as counsel to the District, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the District is duly organized and validly existing under the Constitution and laws of the State of California; (B) the District Resolution approving and authorizing the execution and delivery of the District Agreements and the Preliminary Official Statement was duly adopted at a meeting of the Board of Supervisors, as the legislative body of the District, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and are in full force and effect and have not been amended or repealed; (C) no material litigation is pending, with service of process having been accomplished or, to the knowledge of the District, threatened, concerning the validity of the Bonds, the corporate existence of the District, or the title of the officers of the District who will execute the Bonds as to their respective offices; (D) the execution and delivery of the District Agreements and the Official Statement, the adoption of the Resolutions and Ordinances, the issuance of the Bonds and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which such

counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or under any existing law, regulation, court order or consent decree to which the District is subject; (E) the Official Statement has been duly authorized, executed and delivered and the Bonds and the District Agreements each have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the District enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought; and (F) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the District is required for the valid authorization, execution, delivery and performance by the District of the District Agreements, the valid issuance of the Bonds or the adoption of the District Resolution which has not been obtained;

(vii) an opinion of counsel to the Authority, dated the Closing Date and addressed to the District and the Underwriter satisfactory in form and substance to Bond Counsel, the District and the Underwriter, substantially to the following effect: (A) this Purchase Agreement has been duly authorized, executed and delivered by the Authority and constitutes the valid, legal and binding agreement of the Authority enforceable in accordance with its terms; (B) the Authority is a joint powers authority duly organized and validly existing under the laws of the State of California; (C) the Authority Resolution approving and authorizing the execution and delivery of this Purchase Agreement has been duly adopted and the Authority Resolution is in full force and effect and has not been modified, amended or rescinded; and (D) no action, suit, proceeding, hearing or investigation of which notice has been properly served on the Authority is pending or, to the best of such counsel's knowledge, threatened against the Authority: (1) in any way affecting the existence of the Authority or in any way challenging the respective powers of the several offices or the titles of the officials of the Authority to such offices; or (2) seeking to restrain or enjoin the issue of any of the Bonds;

(viii) A negative assurance letter of Disclosure Counsel addressed to the Underwriter, to the effect that, based upon the information made available to Disclosure Counsel in the course of Disclosure Counsel's participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, no facts have come to Disclosure Counsel's attention that lead Disclosure Counsel to believe that the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and as of the Closing Date (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(ix) the opinion of Underwriter's Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance and acceptable to the Underwriter;

(x) the opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriter, to the effect that: (A) the Trustee has been duly incorporated as a national banking association, duly organized and validly existing and in good standing under the laws of the United States of America having the legal authority to exercise trust powers in the State of

California and having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee, enforceable against it in accordance with its terms; (D) the Bonds have been validly authenticated, registered and delivered by the Trustee; (E) no authorization, approval, consent or other order of the State of California or any other federal or State of California governmental authority or agency having jurisdiction over the Trustee, or, to such counsel's knowledge after reasonable investigation, any other person or corporation, is required for the valid authorization, execution, delivery and performance by the Trustee of the Indenture; and (F) the execution and delivery of the Indenture, and compliance by the Trustee with the provisions thereof under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreements or other instrument to which the Trustee is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(xi) a certificate dated the Closing Date, signed by a duly authorized official of the District, in form and substance satisfactory to the Underwriter, to the effect that: (A) the representations and warranties of the District contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (B) the District has complied with the requirements of the District Agreements required to be complied with on and as of the Closing Date with respect to the Bonds; and (C) no event affecting the District has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements therein not misleading in any respect;

(xii) a certificate of the Authority, dated the Closing Date, signed on behalf of the Authority by a duly authorized officer of the Authority to the effect that: (A) the representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; and (B) the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the Closing Date;

(xiii) a certificate, signed by a duly authorized official of the Trustee, dated the Closing Date, satisfactory in form and substance to the Underwriter, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to execute and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) the Bonds have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the part of the Trustee contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation or warranty is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and (E) the Trustee has not been served with any action, suit, proceeding, inquiry or

investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against it, affecting its existence, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter;

(xiv) a certificate of Keyser Marston Associates, Inc. (the “**Fiscal Consultant**”) to the effect that the report of the Fiscal Consultant (the “**Fiscal Consultant Report**”) contained in the Official Statement and the information set forth under the captions “THE INITIAL PROJECT AREAS” and “TAX INCREMENT REVENUE AND DEBT SERVICE” in the Official Statement do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, consenting to the use of the Fiscal Consultant Report in the Preliminary Official Statement and the Official Statement and stating that to the best of the Fiscal Consultant’s knowledge, nothing has to come the Fiscal Consultant’s attention between the date of the Fiscal Consultant Report and the Closing Date which would materially alter any of the conclusions set forth in the Fiscal Consultant Report;

(xv) the Report of Proposed Debt Issuance Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(i) and 53583 of the Government Code of the State of California;

(xvi) the Blanket Letter of Representations of the District to DTC, relating to the book-entry only system for the Bonds;

(xvii) A judgment of the Superior Court of the County of San Francisco in a judicial validation action related to the District, the Initial Project Areas and the Bonds (Case No. CGC-17-557496;

(xviii) the Infrastructure Financing Plan;

(xix) a Letter of Representations of Treasure Island Series 1, LLC, a Delaware limited liability company (“**TI Series 1**”), dated the date of the Preliminary Official Statement, substantially in the form attached hereto as Exhibit D;

(xx) a Closing Certificate of TI Series 1, dated the Closing Date, substantially in the form attached hereto as Exhibit E;

(xxi) a letter or letters from counsel to TI Series 1, dated the Closing Date and addressed to the Underwriter and the District, in form and substance acceptable to the Underwriter and the District, regarding negative assurance with respect to the information under the captions “THE TREASURE ISLAND PROJECT” and “THE INITIAL PROJECT AREAS” of the Preliminary Official Statement and the Official Statement;

(xxii) a certificate of the City, dated the Closing Date, to the effect that the proceeds of the Bonds shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan;

(xxiii) evidence satisfactory to the Underwriter that the final maturity date of the Bonds is not later than 30 years from the date of issuance of the Bonds, to the extent required by applicable law;

(xxiv) a certificate of the City, dated the Closing Date, pursuant to Sections 3.05 and 7.01(c) of the Indenture regarding the issuance of the Bonds as Housing Bonds, Parity Housing Debt and 2022 Related Housing Bonds (as such terms are defined in the Indenture); and

(xxv) such additional legal opinions, certificates, instruments or evidences thereof and other documents as Underwriter's Counsel or Bond Counsel may reasonably request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Indenture with the terms of the Bonds, all as summarized in the Official Statement.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement will be deemed to be in compliance with the provisions hereof if and only if they are in form and substance satisfactory to the Underwriter.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date by written notice to the District and neither the Underwriter, the Authority nor the District shall have any further obligations hereunder, except the respective obligations of the parties set forth in Section 11.

Section 11. Expenses.

(a) Except for those expenses assigned to the Underwriter pursuant to Section 11(b) hereof, the Underwriter shall be under no obligation to pay, and the District shall pay, any expenses incident to the performance of the Authority's and the District's obligations under this Purchase Agreement and the fulfillment of the conditions imposed hereunder, including but not limited to: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the fees and disbursements of the Municipal Advisor; (iii) the fees and disbursements of any counsel, auditors, engineers, consultants or others retained by the District in connection with the transactions contemplated herein; (iv) the costs of preparing and printing the Bonds; (v) the costs of the printing of the Preliminary Official Statement and the Official Statement (and any amendments or supplements thereto); and (vi) any fees charged by investment rating agencies for any rating of the Bonds.

(b) The Underwriter shall pay all expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including but not limited to: (i) all advertising expenses in connection with the offering of the Bonds; (ii) the costs of printing the Blue Sky memorandum used by the Underwriter; (iii) all out of pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including the fees of the CUSIP Service Bureau for the assignment of CUSIP numbers; and (iv) all other

expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, including the fees and disbursements of Underwriter's Counsel.

Section 12. Compliance Government Code Section 6589. In order to comply with Government Code Section 6589, this Purchase Agreement identifies the maximum rate of interest, costs of issuance and required debt service reserve amount in Schedule I. The Indenture contains the procedure to be used in the case of a default with respect to the Bonds, and is incorporated by this reference in this Purchase Agreement.

Section 13. Notices. Any notice or other communication to be given to the District or the Authority under this Purchase Agreement may be given by delivering the same in writing at the District's or the Authority's respective addresses set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Underwriter: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 36th Floor, San Francisco, California 94104, Attention: Eileen Gallagher, Managing Director.

Section 14. Parties in Interest. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and warranties of the parties hereto contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (a) any investigations made by or on behalf of the Underwriter or the District; or (b) delivery of and payment for the Bonds. The agreements contained in Section 11 herein shall survive any termination of this Purchase Agreement.

Section 15. Severability. In the event that any provision of this Purchase Agreement shall be held or deemed to be invalid, inoperative or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Governing Law; Venue. This Purchase Agreement shall be governed and interpreted exclusively by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed in the State of California. Any and all disputes or legal actions or proceedings arising out of this Purchase Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction for matters arising in the City and County of San Francisco, California. By execution of and delivery of this Purchase Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

Section 17. Execution in Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

Section 18. Entire Agreement. This Purchase Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Purchase Agreement) that relate to the offering of the Bonds, represents the entire agreement between the District, the Authority and the Underwriter with respect to the preparation of the Official Statement, the conduct of the offering and the purchase and sale of the Bonds. In the event of a dispute between the parties under this Purchase Agreement, the losing party in such dispute shall pay all reasonable costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees.

Section 19. Fiduciary Duty. The District acknowledges that in connection with the offering of the Bonds: (a) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the District, the Authority and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter are and have been acting solely as principals and are not acting as Municipal Advisors (as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended); (c) the Underwriter have not assumed an advisory or fiduciary responsibility in favor of the District or the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter have provided other services or is currently providing other services to the District or the Authority on other matters); (d) the District and the Authority have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate; and (e) the Underwriter may have interests that differ from those of the District and the Authority. The District and the Authority waive to the full extent permitted by applicable law any claims that they may have against the Underwriter arising from an alleged breach of fiduciary duty in connection with the offering of the Bonds.

Section 20. **Effectiveness.** This Purchase Agreement shall be effective as of the date set forth above upon the acceptance hereof by authorized officers of the District and the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Representative

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)

By: _____
Authorized Officer

APPROVED AS TO FORM:

David Chiu
City Attorney

By _____
Mark D. Blake, Deputy City Attorney

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY

By: _____
Authorized Officer

SCHEDULE I

\$ _____
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10%</u> <u>Test</u> <u>Met</u>	<u>10%</u> <u>Test</u> <u>Not</u> <u>Met</u>	<u>Hold</u> <u>the</u> <u>Offering</u> <u>Price</u> <u>Rule</u> <u>Used</u>

^T Indicates Term Bond.

Optional Redemption. The Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium, without premium.

Mandatory Sinking Fund Redemption. The Bonds that are Term Bonds and maturing September 1, 20__, September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__, September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Facilities Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption

SOURCES AND USES OF FUNDS

EXHIBIT A

UNDERWRITER'S REPRESENTATIONS, COVENANTS AND AGREEMENTS AND CITY CONTRACTING REQUIREMENTS

Section 1. Underwriter's Representations, Covenants and Agreements. Each Underwriter, on its own behalf and not on behalf of any other Underwriter, represents and covenants and agrees with the District that:

(a) It shall comply with the San Francisco Business Tax Resolution and shall, if not otherwise exempt from such resolution, provide to the City a Business Tax Registration Certificate on or prior to the date hereof.

(b) It shall comply with Chapter 12B of the San Francisco Administrative Code, entitled "Nondiscrimination in Contracts," which is incorporated herein by this reference.

(c) It represents and warrants to the City that the Underwriter have been duly authorized to enter into this Purchase Agreement and to act hereunder by and on behalf of it.

Section 2. City Contracting Requirement. Additionally, each Underwriter represents and covenants and agrees, as applicable that:

(a) ***Underwriter Shall Not Discriminate.*** In the performance of this Purchase Agreement, the Underwriter agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, weight, height, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or associated with members of such protected classes, or in retaliation for opposition to discrimination against such classes against any employee of, any City and/or City employee working with, or applicant for employment with such Underwriter in any of such Underwriter's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by such Underwriter.

(b) ***Subcontracts.*** The Underwriter shall incorporate by reference in all subcontracts made in fulfillment of its obligations hereunder the provisions of Section 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from purchasing) and shall require all subcontractors to comply with such provisions. The Underwriter's failure to comply with the obligations in this subsection shall constitute a material breach of this Purchase Agreement.

(c) ***Non-Discrimination in Benefits.*** The Underwriter does not as of the date of this Purchase Agreement and will not during the term of this Purchase Agreement, in any of its operations in San Francisco, California, or on real property owned by San Francisco, California, or where the work is being performed for the City and/or City elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or

between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) ***HRC Form.*** The Underwriter shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form HRC 12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) ***Incorporation of Administrative Code Provisions by Reference.*** The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Exhibit A by reference and made a part of this Purchase Agreement as though fully set forth herein. The Underwriter shall comply fully with and be bound by all of the provisions that apply to this Purchase Agreement under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Underwriter understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Purchase Agreement may be assessed against such Underwriter and/or deducted from any payments due such Underwriter; provided, however that such damages shall not be set off against the payment of rental or other contract related to the Bonds, certificates of participation or other debt obligation of the City or the City.

(f) ***Drug-Free Workplace Policy.*** The Underwriter acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City or District premises. The Underwriter agrees that any violation of this prohibition by such Underwriter, its employees, agents or assigns will be deemed a material breach of this Purchase Agreement.

(g) ***Compliance With Americans with Disabilities Act.*** Without limiting any other provisions of this Purchase Agreement the Underwriter shall provide the services specified in this Purchase Agreement in a manner that complies with the Americans with Disabilities Act (“ADA”) Title 24, and any and all other applicable federal, state and local disability rights legislation. The Underwriter agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Purchase Agreement and further agrees that any violation of this prohibition on the part of such Underwriter, its employees, agents or assigns shall constitute a material breach of this Purchase Agreement.

(h) ***Sunshine Ordinance.*** In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors’ bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization’s net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

(i) ***Prohibition on Political Activity With City Funds.*** In accordance with San Francisco Administrative Code Chapter 12.G, an Underwriter may not participate in, support or attempt to influence any political campaign for a candidate or for a ballot measure in the performance of the services provided under this Purchase Agreement. The Underwriter agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. If the Underwriter violates the provisions of this section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Agreement, and (ii) prohibit such Underwriter from bidding on or receiving any new City and/or City contract for a period of two years.

(j) ***MacBride Principles—Northern Ireland.*** The City and the District urge companies doing business in Northern Ireland to move towards resolving employment inequities, and encourage such companies to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and the District urge San Francisco companies to do business with corporations that abide by the MacBride Principles.

(k) ***Tropical Hardwood and Virgin Redwood Ban.*** The City and the District urge companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood product or any virgin redwood or virgin redwood product.

(l) ***Repeal of Administrative Code Provisions.*** To the extent that the City repeals any provision of the Administrative Code incorporated, set forth or referenced in this Exhibit A, other than pursuant to a restatement or amendment of any such provision, such provision, as incorporated, set forth or referenced herein, shall no longer apply to this Purchase Agreement or the Underwriter.

(m) ***Limitations on Contributions.*** Through execution of this Purchase Agreement, the Underwriter acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (i) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves; (ii) a candidate for the office held by such individual; or (iii) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. The Underwriter acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of \$50,000 or more. The Underwriter further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of such Underwriter's board of directors; such Underwriter's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20% in such Underwriter; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by such Underwriter. Additionally, the Underwriter acknowledges that such Underwriter must

inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

(n) ***Requiring Minimum Compensation for Covered Employees.*** The Underwriter agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (“MCO”), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Purchase Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of the Underwriter’s obligations under the MCO is set forth in this Exhibit A. The Underwriter is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Exhibit A. Capitalized terms used in this Exhibit A and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12P. Consistent with the requirements of the MCO, the Underwriter agrees to all of the following:

(i) The MCO requires the Underwriter to pay such Underwriter’s employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and such Underwriter is obligated to keep informed of the then current requirements. Any subcontract entered into by an Underwriter shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Exhibit A. It is the Underwriter’s obligation to ensure that any subcontractors of any tier under this Purchase Agreement comply with the requirements of the MCO. If any subcontractor under this Purchase Agreement fails to comply, the City may pursue any of the remedies set forth in this Exhibit A against such Underwriter. Nothing in this Exhibit A shall be deemed to grant any Underwriter the right to subcontract.

(ii) No Underwriter shall take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(iii) The Underwriter shall maintain employee and payroll records as required by the MCO. If such Underwriter fails to do so, it shall be presumed that such Underwriter paid no more than the minimum wage required under State law.

(iv) The City is authorized to inspect the Underwriter’s job sites and conduct interviews with employees and conduct audits of such Underwriter.

(v) The Underwriter’s commitment to provide the Minimum Compensation is a material element of the City’s consideration for this Purchase Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if such Underwriter fails to comply with these requirements. The Underwriter agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the

loss that the City and the public will incur for such Underwriter's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(vi) The Underwriter understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Purchase Agreement for violating the MCO, such Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, such Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(vii) The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(viii) If an Underwriter is exempt from the MCO when this Purchase Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than \$25,000, but such Underwriter later enters into an agreement or agreements that cause such Underwriter to exceed that amount in a fiscal year, such Underwriter shall thereafter be required to comply with the MCO under this Purchase Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between such Underwriter and this department to exceed \$25,000 in the fiscal year.

(o) ***Requiring Health Benefits for Covered Employees.*** The Underwriter agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance ("HCAO"), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Purchase Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Exhibit A and not defined in this Purchase Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(i) For each Covered Employee, the Underwriter shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If such Underwriter chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(ii) Notwithstanding the above, if an Underwriter is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (i) above.

(iii) An Underwriter's failure to comply with the HCAO shall constitute a material breach of this Purchase Agreement. The City shall notify such Underwriter if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Purchase Agreement for violating the HCAO, such Underwriter fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, such Underwriter fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City or the City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5 (f) (1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the City.

(iv) Any subcontract entered into by an Underwriter shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Exhibit A. Such Underwriter shall notify City's Office of Contract Administration when it enters into such a subcontract and shall certify to the Office of Contract Administration that it has notified the subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on subcontractor through the subcontract. The Underwriter shall be responsible for its subcontractors' compliance with this Chapter. If a subcontractor fails to comply, the City may pursue the remedies set forth in this Exhibit A against the applicable Underwriter based on the subcontractor's failure to comply, provided that the City or the City has first provided such Underwriter with notice and an opportunity to obtain a cure of the violation.

(v) No Underwriter shall discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City or the City with regard to such Underwriter's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(vi) The Underwriter represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(vii) The Underwriter shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the applicable contract.

(viii) The Underwriter shall keep itself informed of the current requirements of the HCAO.

(ix) The Underwriter shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on subcontractors and subtenants, as applicable.

(x) The Underwriter shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from the City to do so and being provided at least ten business days to respond.

(xi) The Underwriter shall allow the City to inspect such Underwriter's job sites and have access to such Underwriter's employees in order to monitor and determine compliance with HCAO.

(xii) The City may conduct random audits of the Underwriter to ascertain its compliance with HCAO. The Underwriter agrees to cooperate with the City when it conducts such audits.

(xiii) If an Underwriter is exempt from the HCAO when this Purchase Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but such Underwriter later enters into an agreement or agreements that cause such Underwriter's aggregate amount of all agreements with the City or the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between such Underwriter and the District or the City to be equal to or greater than \$75,000 in the fiscal year.

(p) ***Prohibition on Political Activity With City or City Funds.*** In accordance with San Francisco Administrative Code Chapter 12.G, no Underwriter may participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Purchase Agreement. The Underwriter agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. If the Underwriter violates the provisions of this Exhibit A, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Purchase Agreement, and (ii) prohibit such Underwriter from bidding on or receiving any new City contract for a period of two years. The Controller will not consider an Underwriter's use of profit as a violation of this Exhibit A.

(q) ***Protection of Private Information.*** The Underwriter has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. The Underwriter agrees that any failure of such Underwriter to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of this Purchase Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate this Purchase Agreement, bring a false claim action against such Underwriter pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar such Underwriter.

(r) ***Conflicts of Interest.*** Through its execution of this Purchase Agreement, the Underwriter acknowledges that it is familiar with the provisions of Section 15.103 of the City Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Purchase Agreement.

As to Exhibit A of this Purchase Agreement:

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Eileen Gallagher, Managing Director

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “**Bonds**”) of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**Issuer**”).

1. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the

Issuer from time to time relating to the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate on this _____ day of _____, 2025.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

By:_____

Name:_____

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES

(Attached)

EXHIBIT C

RESOLUTIONS AND ORDINANCES

1. Resolution No. 512-16 adopted by the Board of Supervisors on December 6, 2016
2. Resolution No. 4-17 adopted by the Board of Supervisors on January 24, 2017
3. Resolution No. 6-17 adopted by the Board of Supervisors on January 24, 2017
4. Resolution No. 7-17 adopted by the Board of Supervisors on January 24, 2017
5. Ordinance No. 21-17 adopted by the Board of Supervisors on January 31, 2017
6. Resolution No. 568-21 adopted by the Board of Supervisors on December 14, 2021
7. Resolution No. 44-22 adopted by the Board of Supervisors on February 8, 2022
8. Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022

EXHIBIT D

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

LETTER OF REPRESENTATIONS OF TREASURE ISLAND SERIES 1, LLC

_____, 2025

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Purchase Agreement**”). This Letter of Representations of Treasure Island Series 1, LLC (the “**Letter of Representations**”) is delivered pursuant to the Purchase Agreement. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Treasure Island Series 1, LLC, a Delaware limited liability company (the “**Developer**”), the phase developer of the property within the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District**”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is a limited liability company validly existing and in good standing as a limited liability company under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California and has all requisite right, power and authority to execute and deliver this Letter of Representations.

2. As set forth in the Preliminary Official Statement, the Developer is the master developer of certain property within the District (herein the “**Property**”). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property.

3. As of the date thereof, to the Actual Knowledge of the Undersigned, the Preliminary Official Statement, solely with respect to information set forth under the captions “THE TREASURE ISLAND PROJECT” and “THE INITIAL PROJECT AREAS” (but excluding any information cited as coming from a source other than the Developer and information regarding appraised or assessed values, market value ratios and annual special tax ratios), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. If between the date hereof and the Closing Date any event shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 3 hereof (and subject to the limitations and exclusions contained in Paragraph 3), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the District and the Underwriter and if in the opinion of counsel to the District or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance reasonably satisfactory to counsel to the District and to the Underwriter.

5. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached to the Purchase Agreement as Exhibit E.

6. As used in this Letter of Representations, the term “**Actual Knowledge of the Undersigned**” means the actual (as opposed to constructive) knowledge that the undersigned currently has or has obtained through (i) interviews (including those conducted by electronic mail) with such current officers and responsible employees of the Developer as the undersigned has reasonably determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations including the chief financial officer of the Developer or, if the Developer does not have a chief financial officer, the person who performs the functions usually associated with such officer (unless the undersigned is the chief financial officer or such person), and (ii) reviews of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to execute this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer’s current business and operations. The undersigned has not contacted any individuals who are no longer employed by, or associated with, the Developer.

7. As used in this Letter of Representations, the term “**Affiliate**” of the Developer means (a) a Person directly or indirectly owning, controlling or holding with power to vote, 5% or more of the outstanding voting securities of the Developer; (b) any Person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the Developer; and (c) any Person directly or indirectly controlling, controlled by, or under common control with the Developer, in each such case, about whom information, including financial information or operating data, concerning such Person could be material to potential investors in their investment decision regarding the Bonds (i.e. information regarding such Person’s assets or funds that would materially affect the Developer’s ability to develop the Property as described in the

Preliminary Official Statement). For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**,” or “**under common control with**”) means the power to exercise a controlling influence over the management or policies of a Person, unless such power is solely the result of an official position with such Person. Notwithstanding the foregoing, for purposes of this Letter of Representations, none of the following entities shall be considered Affiliates of the Developer: (i) TI Lot 8, LLC; (ii) TI Lot 10, LLC; (iii) TI Lots 3-4, LLC; (iv) B1 Treasure Island 048 Holdings LLC; and (v) C23 Treasure Island 048 Holdings LLC. For purposes of the definition, the term “**Person**” means any natural person, corporation, partnership, firm, or association, whether acting in an individual fiduciary or other capacity.

8. On behalf of the Developer, the undersigned has reviewed the contents of this Letter of Representations and has met with counsel to the Developer for the purpose of discussing the meaning of its contents.

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of Developer and he or she will have no personal liability arising from or relating to this Letter of Representations.

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

EXHIBIT E

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

CLOSING CERTIFICATE OF TREASURE ISLAND SERIES 1, LLC

_____, 2025

City and County of San Francisco
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the “**Bonds**”) and to the Bond Purchase Agreement, dated _____, 2025 (the “**Purchase Agreement**”), by and among Stifel, Nicolaus & Company, Incorporated, the California Statewide Communities Development Authority and the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “**District** “). This Closing Certificate of Treasure Island Series 1, LLC (the “**Closing Certificate**”) is delivered pursuant to the Purchase Agreement by Treasure Island Series 1, LLC, a Delaware limited liability company (the “**Developer**”), the phase developer of the property within the District. Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Letter of Representations of Treasure Island Series 1, LLC, dated _____, 2025, delivered by the Developer (the “**Letter of Representations**”), or the Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds. Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3) which should be disclosed in the Official Statement in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriter Period**” as defined in the Purchase Agreement to mean the Closing Date unless otherwise notified in writing by the Underwriter, if any event shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the District, to amend or supplement the Official Statement in order to make the information described in Paragraph 3 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 3) set forth in the Official Statement not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the District and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance reasonably satisfactory to the Underwriter and Disclosure Counsel which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of Developer and he or she will have no personal liability arising from or relating to this Closing Certificate.

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

By: _____

Name: _____

Title: _____

SECOND SUPPLEMENTAL INDENTURE

Dated as of December 1, 2025

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee**

Relating to

**\$[Principal Amount]
City and County of San Francisco Infrastructure and Revitalization
 Financing District No. 1 (Treasure Island)
Tax Increment Revenue Bonds, Series 2025A
 (Facilities Increment)**

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APPENDIX A FORM OF SERIES 2025A FACILITIES BOND

SECOND SUPPLEMENTAL INDENTURE OF TRUST

This Second Supplemental Indenture (this "Second Supplement"), dated as of December 1, 2025, is by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, in order to provide necessary funds to finance authorized purposes of the IRFD, the IRFD previously issued its \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the "Series 2022A Facilities Bonds"), pursuant to an Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and the Trustee (the "Original Indenture");

WHEREAS, the Original Indenture permits the issuance of Parity Facilities Debt as Facilities Bonds (as defined in the Original Indenture) payable from Pledged Facilities Increment (as defined in the Original Indenture) on a parity with the Series 2022A Facilities Bonds, subject to certain terms and conditions set forth in the Original Indenture;

WHEREAS, the Original Indenture further permits the issuance of Parity Facilities Debt as 2022 Related Facilities Bonds (as defined in the Original Indenture) if the related Supplemental Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Facilities Bonds;

WHEREAS, on December 21, 2023, the IRFD issued its \$7,615,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the "Series 2023A Facilities Bonds"), pursuant to the Original Indenture, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023, by and between the IRFD and the Trustee (the "First Supplement");

WHEREAS the Series 2023A Facilities Bonds were issued as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture; and

WHEREAS, in order to provide additional necessary funds to finance authorized purposes of the IRFD, the IRFD proposes to issue its \$[Principal Amount] aggregate principal amount of its City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the "Series 2025A Facilities Bonds");

WHEREAS, the IRFD has determined that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, the Series 2025A Facilities Bonds, and, consequently, the Series 2025A Facilities Bonds are being issued as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture and, to that end, this Second Supplement is entered into pursuant to and in accordance with the provisions of and conditions applicable to the issuance of the Series 2025A Facilities Bonds as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds under the Original Indenture, and for the purposes of supplementing and amending the Original Indenture with respect thereto; and

WHEREAS, the IRFD has certified that all acts and proceedings required by law necessary to make the Series 2025A Facilities Bonds, when executed by the IRFD, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the IRFD, and to constitute this Second Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Second Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE XIV

ADDITIONAL DEFINITIONS RELATING TO THE SERIES 2025A FACILITIES BONDS

Section 14.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 14.01 shall, for all purposes of the Indenture, have the respective meanings specified in this Section 14.01. All terms defined in Section 1.02 and not otherwise defined in this Section 14.01 shall, when used in this Second Supplement, have the respective meanings given to such terms in Section 1.02.

"Closing Date" means, with respect to the Series 2025A Facilities Bonds, the date on which the Series 2025A Facilities Bonds are delivered to the original purchasers thereof.

"Continuing Disclosure Certificate" means, with respect to the Series 2025A Facilities Bonds, that certain Continuing Disclosure Certificate relating to the Series 2025A Facilities Bonds executed by the IRFD and dated the date of issuance and delivery of the Series 2025A Facilities Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Second Supplement" means this Second Supplemental Indenture, dated as of December 1, 2025, by and between the IRFD and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"Interest Payment Date" means, with respect to the Series 2025A Facilities Bonds, each March 1 and September 1, commencing March 1, 2026, for so long as any of the Series 2025A Facilities Bonds remain Outstanding hereunder.

"Original Indenture" means the Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and Zions Bancorporation, National Association, as trustee.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Resolution" means the Original Resolution of Issuance, as supplemented, including by Resolution No. _____, adopted by the Board of Supervisors on _____, 2025, and signed by the Mayor on _____, 2025.

"Series 2025A Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 16.02.

"Series 2025A Facilities Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment), issued in the initial aggregate principal amount of \$[Principal Amount].

"Series 2025A Project Account" means the Account by that name established and held by the Trustee within the Facilities Project Fund pursuant to Section 16.03.

ARTICLE XV

AUTHORIZATION OF SERIES 2025A FACILITIES BONDS

Section 15.01. Authorization of Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds have been authorized to be issued by the IRFD pursuant to the Resolution. The Series 2025A Facilities Bonds are being issued as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds.

The Series 2025A Facilities Bonds shall be issued in the aggregate principal amount of _____ Dollars (\$[Principal Amount]), under and subject to the terms of this Indenture, the Resolution and the Law, for the purpose of providing funds to finance authorized purposes of the IRFD.

The Indenture, including this Second Supplement, constitutes a continuing agreement with the Owners of all of the Series 2025A Facilities Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all Series 2025A Facilities Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The Series 2025A Facilities Bonds shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment)".

Section 15.02. Terms of Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds shall be dated as of the Closing Date. The Series 2025A Facilities Bonds shall be issued in fully registered form without coupons in denominations of \$100,000 or any multiple of \$5,000 in excess thereof. The Series 2025A Facilities Bonds shall be issued in Book-Entry Form as provided in Section 2.12 of the Indenture.

The Series 2025A Facilities Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2025A Facilities Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate

(T) Term Bond

Each Series 2025A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025A Facilities Bond, interest thereon is in default, such Series 2025A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2025A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2025A Facilities Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 15.03. Redemption. The Series 2025A Facilities Bonds shall be subject to redemption as provided in this Section 15.03.

(a) Optional Redemption – Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds maturing on or before September 1, 2033 are not subject to optional redemption prior to their respective stated maturities. The Series 2025A Facilities Bonds maturing on and after September 1, ____, are subject to redemption, at the option of the IRFD on any date on or after September 1, ____, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds that are Term Facilities Bonds and maturing September 1, ____, September 1, ____ and September 1, ____ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Facilities Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Facilities Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee).

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

(c) Redemption Procedures. Except as provided in this Section 15.03 to the contrary, the provisions of Section 2.03 shall apply to the redemption of the Series 2025A Facilities Bonds.

Section 15.04. Form and Execution of Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2025A Facilities Bonds shall be executed as provided in Section 2.05 of this Indenture.

Section 15.05. Additional Transfer Restrictions Applicable to the Series 2025A Facilities Bonds. No transfer, sale or other disposition of any Series 2025A Facilities Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2025A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2025A Facilities Bond. Each transferee of a Series 2025A Facilities Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2025A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2025A Facilities Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2025A Facilities Bonds are payable from Pledged Facilities Increment and such other funds described in the Indenture, (iii) the Series 2025A Facilities Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2025A Facilities Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2025A Facilities Bonds shall deposit the Series 2025A Facilities Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2025A Facilities Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2025A Facilities Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2025A Facilities Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 15.05. In the event that a holder of the Series 2025A A Facilities Bonds makes an assignment of its beneficial ownership interest in the Series 2025A Facilities Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025A Facilities Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2025A Facilities Bond registered in the name of DTC or the Nominee shall be deemed to comply with this Indenture so long as each Beneficial Owner of such Series 2025A Facilities Bond is a Qualified Purchaser.

ARTICLE XVI

APPLICATION OF PROCEEDS OF SERIES 2025A FACILITIES BONDS; CREATION OF FUNDS AND ACCOUNTS

Section 16.01. Application of Proceeds of Sale of Series 2025A Facilities Bonds.

On the Closing Date, the proceeds of sale of the Series 2025A Facilities Bonds (being \$_____, representing the par amount of the Series 2025A Facilities Bonds (\$[Principal Amount])), plus net original issue premium of \$_____, less an underwriter's discount of \$_____, shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Series 2025A Costs of Issuance Fund.

(ii) The Trustee shall deposit the amount of \$_____ in the Series 2025A Project Account of the Facilities Project Fund.

(iii) The Trustee shall deposit \$_____, being the remaining amount of proceeds of the Series 2025A Facilities Bonds, in the 2022 Facilities Reserve Account.

Section 16.02. Series 2025A Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2025A Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2025A Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2025A Facilities Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Series 2025A Facilities Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2025A Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2025A Project Account of the Facilities Project Fund. At such time, the Series 2025A Costs of Issuance Fund shall be closed.

Section 16.03. Series 2025A Project Account of the Facilities Project Fund.

(a) There is hereby established a separate account within the Facilities Project Fund to be known as the "Series 2025A Project Account", which shall be held by the Trustee in trust for the benefit of the IRFD. The moneys in the Series 2025A Project Account shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Series 2025A Project Account shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Series 2025A Project Account shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Series 2025A Project Account upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B to the Indenture. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the Director of the Office of Public Finance of the City or her or his designee. Pursuant to a Written Certificate of the IRFD, the IRFD may direct the Trustee in writing to close the Series 2025A Project Account and dispose of any remaining funds in the Series 2025A Project Account.

(c) Moneys in the Series 2025A Project Account shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Series 2025A Project Account.

ARTICLE XVII

MISCELLANEOUS

Section 17.01. Security for Series 2025A Facilities Bonds. The Series 2025A Facilities Bonds shall be Facilities Bonds, Parity Facilities Debt and 2022 Related Facilities Bonds within the meaning of such terms in Section 1.02 of the Indenture and shall be secured in the manner and to the extent set forth in Section 4.01 of the Indenture.

Section 17.02. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or Beneficial Owner of the Facilities Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 17.03. Tax Covenants.

(a) Private Activity Bond Limitation. The IRFD will assure that the proceeds of the Series 2025A Facilities Bonds are not so used as to cause the Series 2025A Facilities Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2025A Facilities Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2025A Facilities Bonds.

(d) No Arbitrage. The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2025A Facilities Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2025A Facilities Bonds would have caused the Series 2025A Facilities Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2025A Facilities Bonds from the gross income of the Owners of the Series 2025A Facilities Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2025A Facilities Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2025A Facilities Bonds for at least 3 years after the Series 2025A Facilities Bonds mature or are redeemed (whichever is earlier); however,

if the Series 2025A Facilities Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2025A Facilities Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2025A Facilities Bonds. The covenants of this Section will survive payment in full or defeasance of the Facilities Bonds.

Section 17.04. Amendment of Original Indenture. The Original Indenture is hereby amended as follows:

(a) Definitions. The following definitions in the Original Indenture are hereby amended:

“DDA Financing Plan” means the Amended and Restated Financing Plan (Treasure Island/Yerba Buena Island) attached to the Amended and Restated Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated August 1, 2024, by and between Treasure Island Development Authority and Treasure Island Community Development, LLC.”

(b) Section 7.01. Section 7.01(d) is hereby amended and restated as follows to add clause (ii) thereto:

“(d) (i) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Facilities Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, in the opinion of Bond Counsel and (ii) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Facilities Bonds.”

Section 17.05. Benefits Limited to Parties. Nothing in this Second Supplement, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the Owners of the Bonds, any right, remedy, claim under or by reason of this Second Supplement. Any covenants, stipulations, promises or agreements in this Second Supplement contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 17.06. Effect of this Second Supplement. Except as in this Second Supplement expressly provided or except to the extent inconsistent with any provision of this Second Supplement, the Series 2025A Facilities Bonds shall be deemed to be Facilities Bonds under and within the meaning thereof as set forth in Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the Series 2025A Facilities Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Second Supplement.

Section 17.07. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2025A Facilities Bonds and the rights and benefits provided in the Indenture.

Section 17.08. Execution in Counterparts. This Second Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17.09. Governing Law. This Second Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

APPENDIX A

FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15.05 OF THE INDENTURE OF TRUST. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 15.05. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO**

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2025A
(Facilities Increment)**

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Facilities Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the

interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on this Bond (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Bond is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment)" (the "Series 2025A Facilities Bonds") in the aggregate principal amount of \$[Principal Amount]. The issuance of the Series 2025A Facilities Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022, as supplemented, including by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Indenture of Trust is authorized under, the Series 2025A Facilities Bonds are issued under and both are to be construed in accordance with, the laws of the State of California. The Series 2025A Facilities Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented, including by Resolution No. _____, adopted by the Board of Supervisors of the City and County of San Francisco on _____, and signed by the Mayor on ____ 2025, under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized facilities.

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Facilities Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Facilities Increment, except to the extent that provision for payment has been made by the IRFD, as may be permitted by law. The Series 2025A Facilities Bonds are Facilities Bonds and 2022 Related Facilities Bonds as defined in the Indenture, and are secured by and payable on a parity basis as set forth in the Indenture of Trust with the outstanding (i) \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment), (ii) \$7,615,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment and (iii) certain Parity Facilities Debt that may be issued in the future.

The Series 2025A Facilities Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Series 2025A Facilities Bonds, and the Series 2025A Facilities Bonds shall be

payable exclusively from the Pledged Facilities Increment and the specified funds held under the Indenture of Trust. The Series 2025A Facilities Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Series 2025A Facilities Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to their respective stated maturities. The Series 2025A Facilities Bonds maturing on and after September 1, _____, are subject to redemption, at the option of the IRFD on any date on or after September 1, _____, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The following Series 2025A Facilities Bonds are Term Facilities Bonds that are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

Term Facilities Bonds maturing September 1, _____

September 1

Principal Amount

Provided, however, if some but not all of the Term Facilities Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future sinking fund payments relating to such maturity shall be reduced by the aggregate principal amount of Term Facilities Bonds of such maturity so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 as determined by the IRFD, notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee.

Notice of redemption with respect to the Series 2025A Facilities Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Series 2025A Facilities Bonds for redemption or (ii) with respect to an Owner of a Series 2025A Facilities Bond after any Series 2025A Facilities Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Series 2025A Facilities Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Series 2025A Facilities Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Series 2025A Facilities Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

SECOND SUPPLEMENTAL INDENTURE

Dated as of December 1, 2025

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee**

Relating to

**\$(Principal Amount)
City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island)
Tax Increment Revenue Bonds, Series 2025B
(Housing Increment)**

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APPENDIX A FORM OF SERIES 2025B HOUSING BOND

SECOND SUPPLEMENTAL INDENTURE OF TRUST

This Second Supplemental Indenture (this "Second Supplement"), dated as of December 1, 2025, is by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, in order to provide necessary funds to finance authorized purposes of the IRFD, the IRFD previously issued its \$5,120,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the "Series 2022B Housing Bonds"), pursuant to an Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and the Trustee (the "Original Indenture");

WHEREAS, the Original Indenture permits the issuance of Parity Housing Debt as Housing Bonds (as defined in the Original Indenture) payable from Pledged Housing Increment (as defined in the Original Indenture) on a parity with the Series 2022B Housing Bonds, subject to certain terms and conditions set forth in the Original Indenture;

WHEREAS, the Original Indenture further permits the issuance of Parity Housing Debt as 2022 Related Housing Bonds (as defined in the Original Indenture) if the related Supplemental Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Housing Bonds;

WHEREAS, on December 21, 2023, the IRFD issued its \$1,595,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the "Series 2023B Housing Bonds"), pursuant to the Original Indenture, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023, by and between the IRFD and the Trustee (the "First Supplement");

WHEREAS the Series 2023B Housing Bonds were issued as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture; and

WHEREAS, in order to provide additional necessary funds to finance authorized purposes of the IRFD, the IRFD proposes to issue its \$[Principal Amount] aggregate principal amount of its City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the "Series 2025B Housing Bonds");

WHEREAS, the IRFD has determined that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, the Series 2025B Housing Bonds, and, consequently, the Series 2025B Housing Bonds are being issued as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture and, to that end, this Second Supplement is entered into pursuant to and in accordance with the provisions of and conditions applicable to the issuance of the Series 2025B Housing Bonds as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds under the Original Indenture, and for the purposes of supplementing and amending the Original Indenture with respect thereto; and

WHEREAS, the IRFD has certified that all acts and proceedings required by law necessary to make the Series 2025B Housing Bonds, when executed by the IRFD, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the IRFD, and to constitute this Second Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Second Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE XIV

ADDITIONAL DEFINITIONS RELATING TO THE SERIES 2025B HOUSING BONDS

Section 14.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 14.01 shall, for all purposes of the Indenture, have the respective meanings specified in this Section 14.01. All terms defined in Section 1.02 and not otherwise defined in this Section 14.01 shall, when used in this Second Supplement, have the respective meanings given to such terms in Section 1.02.

"Closing Date" means, with respect to the Series 2025B Housing Bonds, the date on which the Series 2025B Housing Bonds are delivered to the original purchasers thereof.

"Continuing Disclosure Certificate" means, with respect to the Series 2025B Housing Bonds, that certain Continuing Disclosure Certificate relating to the Series 2025B Housing Bonds executed by the IRFD and dated the date of issuance and delivery of the Series 2025B Housing Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Second Supplement" means this Second Supplemental Indenture, dated as of December 1, 2025, by and between the IRFD and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"Interest Payment Date" means, with respect to the Series 2025B Housing Bonds, each March 1 and September 1, commencing March 1, 2026, for so long as any of the Series 2025B Housing Bonds remain Outstanding hereunder.

"Original Indenture" means the Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and Zions Bancorporation, National Association, as trustee.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Resolution" means the Original Resolution of Issuance, as supplemented, including by Resolution No. _____, adopted by the Board of Supervisors on _____, 2025, and signed by the Mayor on _____, 2025.

"Series 2025B Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 16.02.

"Series 2025B Housing Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment), issued in the initial aggregate principal amount of \$[Principal Amount].

"Series 2025B Project Account" means the Account by that name established and held by the Trustee within the Housing Project Fund pursuant to Section 16.03.

ARTICLE XV

AUTHORIZATION OF SERIES 2025B HOUSING BONDS

Section 15.01. Authorization of Series 2025B Housing Bonds. The Series 2025B Housing Bonds have been authorized to be issued by the IRFD pursuant to the Resolution. The Series 2025B Housing Bonds are being issued as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds.

The Series 2025B Housing Bonds shall be issued in the aggregate principal amount of _____ Dollars (\$[Principal Amount]), under and subject to the terms of this Indenture, the Resolution and the Law, for the purpose of providing funds to finance authorized purposes of the IRFD.

The Indenture, including this Second Supplement, constitutes a continuing agreement with the Owners of all of the Series 2025B Housing Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all Series 2025B Housing Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The Series 2025B Housing Bonds shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment)".

Section 15.02. Terms of Series 2025B Housing Bonds. The Series 2025B Housing Bonds shall be dated as of the Closing Date. The Series 2025B Housing Bonds shall be issued in fully registered form without coupons in denominations of \$100,000 or any denomination of \$5,000 in excess thereof. The Series 2025B Housing Bonds shall be issued in Book-Entry Form as provided in Section 2.12 of the Indenture.

The Series 2025B Housing Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2025B Housing Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate

(T) Term Bond

Each Series 2025B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025B Housing Bond, interest thereon is in default, such Series 2025B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2025B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2025B Housing Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 15.03. Redemption. The Series 2025B Housing Bonds shall be subject to redemption as provided in this Section 15.03.

(a) Optional Redemption – Series 2025B Housing Bonds. The Series 2025B Housing Bonds are subject to redemption, at the option of the IRFD on any date on or after September 1, _____, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2025B Housing Bonds. The Series 2025B Housing Bonds shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Housing Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Housing Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee).

September 1

Principal Amount

(c) Redemption Procedures. Except as provided in this Section 15.03 to the contrary, the provisions of Section 2.03 shall apply to the redemption of the Series 2025B Housing Bonds.

Section 15.04. Form and Execution of Series 2025B Housing Bonds. The Series 2025B Housing Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2025B Housing Bonds shall be executed as provided in Section 2.05 of the Indenture.

Section 15.05. Additional Transfer Restrictions Applicable to the Series 2025B Housing Bonds. No transfer, sale or other disposition of any Series 2025B Housing Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2025B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2025B Housing Bond. Each transferee

of a Series 2025B Housing Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2025B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2025B Housing Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2025B Housing Bonds are payable from Pledged Housing Increment and such other funds described in the Indenture, (iii) the Series 2025B Housing Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2025B Housing Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2025B Housing Bonds shall deposit the Series 2025B Housing Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2025B Housing Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2025B Housing Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2025B Housing Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 15.05. In the event that a holder of the Series 2025B Housing Bonds makes an assignment of its beneficial ownership interest in the Series 2025B Housing Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025B Housing Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2025B Housing Bond registered in the name of DTC or the Nominee shall be deemed to comply with this Indenture so long as each Beneficial Owner of such Series 2025B Housing Bond is a Qualified Purchaser.

ARTICLE XVI

APPLICATION OF PROCEEDS OF SERIES 2025B HOUSING BONDS; CREATION OF FUNDS AND ACCOUNTS

Section 16.01. Application of Proceeds of Sale of Series 2025B Housing Bonds.

On the Closing Date, the proceeds of sale of the Series 2025B Housing Bonds (being \$_____, representing the par amount of the Series 2025B Housing Bonds (\$[Principal Amount])), less original issue discount of \$_____, less an underwriter's discount of \$_____, shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of \$_____ in the Series 2025B Costs of Issuance Fund.

(ii) The Trustee shall deposit the amount of \$_____ in the Series 2025B Project Account of the Housing Project Fund.

(iii) The Trustee shall deposit \$_____, being the remaining amount of proceeds of the Series 2025B Housing Bonds, in the 2022 Housing Reserve Account.

Section 16.02. Series 2025B Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2025B Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2025B Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2025B Housing Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Series 2025B Housing Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2025B Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2025B Project Account of the Housing Project Fund. At such time, the Series 2025B Costs of Issuance Fund shall be closed.

Section 16.03. Series 2025B Project Account of the Housing Project Fund.

(a) There is hereby established a separate account within the Housing Project Fund to be known as the "Series 2025B Project Account", which shall be held by the Trustee in trust for the benefit of the IRFD. The moneys in the Series 2025B Project Account shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Series 2025B Project Account shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Series 2025B Project Account shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Series 2025B Project Account upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B to the Indenture. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the Director of the Office of Public Finance of the City or her or his designee. Pursuant to a Written Certificate of the IRFD, the IRFD may direct the Trustee in writing to close the Series 2025B Project Account and dispose of any remaining funds in the Series 2025B Project Account.

(c) Moneys in the Series 2025B Project Account shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Series 2025B Project Account.

ARTICLE XVII

MISCELLANEOUS

Section 17.01. Security for Series 2025B Housing Bonds. The Series 2025B Housing Bonds shall be Housing Bonds, Parity Housing Debt and 2022 Related Housing Bonds within the meaning of such terms in Section 1.02 of the Indenture and shall be secured in the manner and to the extent set forth in Section 4.01 of the Indenture.

Section 17.02. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or Beneficial Owner of the Housing Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 17.03. Tax Covenants.

(a) Private Activity Bond Limitation. The IRFD will assure that the proceeds of the Series 2025B Housing Bonds are not so used as to cause the Series 2025B Housing Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2025B Housing Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2025B Housing Bonds.

(d) No Arbitrage. The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2025B Housing Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2025B Housing Bonds would have caused the Series 2025B Housing Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2025B Housing Bonds from the gross income of the Owners of the Series 2025B Housing Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2025B Housing Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2025B Housing Bonds for at least 3 years after the Series 2025B Housing Bonds mature or are redeemed (whichever is earlier); however,

if the Series 2025B Housing Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2025B Housing Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2025B Housing Bonds (collectively, the “2023 Tax Certificate”). The covenants of this Section will survive payment in full or defeasance of the Housing Bonds.

(h) Financed Costs. The IRFD will take all actions necessary to assure that the proceeds of the Series 2025B Housing Bonds pay for costs and expenses of the project described in the 2023 Tax Certificate (the “2023 Project”) that are properly chargeable to the 2023 Project’s capital account and that the portions of the 2023 Project financed by the Series 2025B Housing Bonds will have an expected average useful life of at least 25 years.

Section 17.04. Covenant to Record Restrictive Covenant. In order to comply with Section 53369.3(c) and the Infrastructure Financing Plan, the IRFD hereby covenants that, on or before commencement of construction of the 2023 Project, it will cause a declaration of restrictions and affordable housing covenants to be recorded in the real property records of the City that contains the following covenant:

“100% of the units financed by the [Series 2025B Housing Bonds] will be restricted to occupancy by persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined by Section 50053 of the Health and Safety Code.”

Section 17.05. Amendment of Original Indenture. The Original Indenture is hereby amended as follows:

(a) Definitions. The following definitions in the Original Indenture are hereby amended:

“DDA Financing Plan” means the Amended and Restated Financing Plan (Treasure Island/Yerba Buena Island) attached to the Amended and Restated Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated August 1, 2024, by and between Treasure Island Development Authority and Treasure Island Community Development, LLC.”

(b) Section 7.01. Section 7.01(d) is hereby amended and restated as follows to add clause (ii) thereto:

“(d) (i) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Housing Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, in the opinion of Bond Counsel and (ii) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Housing Bonds.”

Section 17.06. Benefits Limited to Parties. Nothing in this Second Supplement, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the

Owners of the Bonds, any right, remedy, claim under or by reason of this Second Supplement. Any covenants, stipulations, promises or agreements in this Second Supplement contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 17.07. Effect of this Second Supplement. Except as in this Second Supplement expressly provided or except to the extent inconsistent with any provision of this Second Supplement, the Series 2025B Housing Bonds shall be deemed to be Housing Bonds under and within the meaning thereof as set forth in Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the Series 2025B Housing Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Second Supplement.

Section 17.08. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2025B Housing Bonds and the rights and benefits provided in the Indenture.

Section 17.09. Execution in Counterparts. This Second Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 17.10. Governing Law. This Second Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

APPENDIX A

FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15.05 OF THE INDENTURE OF TRUST. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 15.05. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO**

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2025B
(Housing Increment)**

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Housing Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the

interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on this Bond (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Bond is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment)" (the "Series 2025B Housing Bonds") in the aggregate principal amount of \$[Principal Amount] The issuance of the Series 2025B Housing Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022, as supplemented, including by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Indenture of Trust is authorized under, the Series 2025B Housing Bonds are issued under and both are to be construed in accordance with, the laws of the State of California. The Series 2025B Housing Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented by Resolution No. _____, adopted by the Board of Supervisors of the City and County of San Francisco on _____, 2025, and signed by the Mayor on _____ 2025, under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized housing projects.

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Housing Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Housing Increment, except to the extent that provision for payment has been made by the IRFD, as may be permitted by law. The Series 2025B Housing Bonds are Housing Bonds and 2022 Related Housing Bonds as defined in the Indenture, and are secured by and payable on a parity basis as set forth in the Indenture of Trust with (i) the outstanding \$5,120,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment), (ii) \$1,595,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) and (iii) certain Parity Housing Debt that may be issued in the future.

The Series 2025B Housing Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Series 2025B Housing Bonds, and the Series 2025B Housing Bonds shall be

payable exclusively from the Pledged Housing Increment and the specified funds held under the Indenture of Trust. The Series 2025B Housing Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Series 2025B Housing Bonds are subject to redemption, at the option of the IRFD on any date on or after September 1, _____, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The following Series 2025B Housing Bonds are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

September 1

Principal Amount

Provided, however, if some but not all of the Term Housing Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future sinking fund payments relating to such maturity shall be reduced by the aggregate principal amount of Term Housing Bonds of such maturity so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 as determined by the IRFD, notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee.

Notice of redemption with respect to the Series 2025B Housing Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Series 2025B Housing Bonds for redemption or (ii) with respect to an Owner of a Series 2025B Housing Bond after any Series 2025B Housing Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Series 2025B Housing Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Series 2025B Housing Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Series 2025B Housing Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

PRELIMINARY OFFICIAL STATEMENT DATED [____], 2025**NEW ISSUE - BOOK-ENTRY ONLY****NO RATING**

In the opinion of Jones Hall LLP, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2025AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2025AB Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)**

**\$(SERIES A PAR)*
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

**\$(SERIES B PAR)*
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "District") is issuing Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the "Series 2025A Facilities Bonds") pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the "Law") and an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Facilities Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee") and Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the "Series 2025B Housing Bonds" and together with the Series 2025A Facilities Bonds, the "Series 2025AB Bonds") pursuant to an Indenture of Trust, dated as of September 1, 2022 (the "Housing Indenture"), as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Housing Indenture"), each by and between the District and the Trustee. As explained more fully in this Official Statement, the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2025AB Bonds are similar, this Official Statement describes both series of the Series 2025AB Bonds.

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds, all as further described herein. The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds, all as further described herein. See "THE FINANCING PLAN" herein.

The Series 2025AB Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the respective inside front cover pages hereof. Interest on the Series 2025AB Bonds shall be payable on each March 1 and September 1, commencing March 1, 2026 (each an "Interest Payment Date") to the Owner thereof as of the Record Date (as defined herein) immediately preceding each such Interest Payment Date. The Series 2025AB Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2025AB Bonds. Individual purchases of the Series 2025AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2025AB Bonds will be payable by DTC through the DTC participants. See "THE SERIES 2025A FACILITIES BONDS - Book-Entry System" and "THE SERIES 2025B HOUSING BONDS - Book-Entry System" herein. Purchasers of the Series 2025AB Bonds will not receive physical delivery of the 2025AB Bonds purchased by them.

The Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2025A FACILITIES BONDS" and "THE SERIES 2025B HOUSING BONDS" herein.

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series

* Preliminary, subject to change.

2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

The District has previously issued under the Facilities Indenture its Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the “Series 2022A Facilities Bonds”) and its Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the “Series 2023A Facilities Bonds”) and, together with the Series 2022A Facilities Bonds, the “Existing Facilities Bonds”). The Series 2025A Facilities Bonds will be secured by and payable from Pledged Facilities Increment on a parity with the Existing Facilities Bonds. The Facilities Indenture authorizes the District to issue additional bonds on a parity basis with the Existing Facilities Bonds and the Series 2025A Facilities Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” herein. The District has previously issued under the Housing Indenture its Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the “Series 2022B Housing Bonds”) and its Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the “Series 2023B Housing Bonds”) and, together with the Series 2022B Housing Bonds, the “Existing Housing Bonds”). The Series 2025B Housing Bonds will be secured by and payable from Pledged Housing Increment on a parity with the Existing Housing Bonds. The Housing Indenture authorizes the District to issue additional bonds on a parity basis with the Existing Housing Bonds and the Series 2025B Housing Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt” herein.

The Series 2025AB Bonds are not rated. [Investment in the Series 2025AB Bonds involves certain risks and the Series 2025AB Bonds are not suitable investments for all types of investors. Accordingly, the Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which are defined in the Indenture as Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner (defined in the Facilities Indenture and the Housing Indenture as any person for which a DTC participant acquires an interest in the Series 2025AB Bonds) cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner of the Series 2025AB Bonds is a Qualified Purchaser. See “TRANSFER RESTRICTIONS” herein.]

The Series 2025AB Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by the City Attorney of the City and County of San Francisco, and by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by their counsel Stradling Yocca Carlson & Rauth LLP, Newport Beach, California. It is anticipated that the Series 2025AB Bonds will be available for delivery through the book-entry facilities of DTC on or about _____, 2025.

STIFEL

Dated: _____, 2025

MATURITY SCHEDULES

\$(SERIES A PAR)*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)

(Base CUSIP[†] 79773N)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> [†]
	\$	%	%		

\$ _____ % Term Series 2025A Facilities Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

\$ _____ % Term Series 2025A Facilities Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and County of San Francisco (the “City”) and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025A Facilities Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025A Facilities Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025A Facilities Bonds.

§[SERIES B PAR]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)

(Base CUSIP[†] 79773N)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
	\$	%	%		

\$ _____ % Term Series 2025B Housing Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

\$ _____ % Term Series 2025B Housing Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025B Housing Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025B Housing Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025B Housing Bonds.

**CITY AND COUNTY OF SAN FRANCISCO
MAYOR**

Daniel Lurie

BOARD OF SUPERVISORS⁽¹⁾

Rafael Mandelman, *Board President, District 8*

Connie Chan, *District 1*
Stephen Sherrill, *District 2*
Danny Sauter, *District 3*
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Bilal Mahmood, *District 5*

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Jackie Fielder, *District 9*
Shamann Walton, *District 10*
Chyanne Chen, *District 11*

CITY ATTORNEY

David Chiu

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Carmen Chu, *City Administrator*
Greg Wagner, *Controller*
Anna Van Degna, *Director, Controller's Office of Public Finance*
Bob Beck, *Treasure Island Director, Treasure Island Development Authority*

PROFESSIONAL SERVICES

Bond Counsel
Jones Hall LLP
San Francisco, California

Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Fiscal Consultant
Keyser Marston Associates, Inc.
Berkeley, California

Municipal Advisor
CSG Advisors Incorporated
San Francisco, California

Trustee
Zions Bancorporation, National Association
Los Angeles, California

⁽¹⁾ Under the Law, Board of Supervisors serves as the legislative body of the District.

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NOTICE TO INVESTORS

The information set forth herein has been obtained from the District and other sources believed to be reliable. This Official Statement is not to be construed as a contract with the purchasers of the Series 2025AB Bonds, the complete terms and conditions being set forth in the Facilities Indenture and the Housing Indenture (as described herein). Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. No dealer, broker, salesperson or any other person has been authorized by the District, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or any sale of the Series 2025AB Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the Series 2025AB Bonds made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

[The Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which is defined in the Facilities Indenture and the Housing Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner of the Series 2025AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2025AB Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Facilities Indenture and the Housing Indenture, respectively. Each entity that is or that becomes a Beneficial Owner of a Series 2025AB Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the transfer restrictions under the Facilities Indenture and the Housing Indenture, respectively. In the event that a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See “TRANSFER RESTRICTIONS” herein.]

The Underwriter has provided the following two paragraphs for inclusion in this Official Statement.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025AB BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2025AB BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (“EMMA”) website.

The City maintains a website with information pertaining to the District. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2025AB Bonds.

FORWARD LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.



Project Area A:



Photo from November 18, 2023.

Project Area B/E (Treasure Island):



Photo from November 7, 2023.

[Updated photos to come.]

The above map shows the location of the Treasure Island Project. The above photos include Project Area A and Project Areas B and E, respectively, as of the dates indicated, and include other areas and structures not within any Project Area. The Series 2025AB Bonds will be secured by revenues derived from a portion of ad valorem taxes levied in the Project Areas located on certain portions of Yerba Buena Island and Treasure Island. No mortgage or deed of trust on property secures the Series 2025AB Bonds. No ad valorem taxes levied on any portion of Yerba Buena Island and Treasure Island outside of the Project Areas are pledged to the repayment of the Series 2025AB Bonds, nor shall any other property or resources of the

District be available to pay debt service on the Series 2025AB Bonds. See “SECURITY AND SOURCES OF PAYMENT” herein.

OFFICIAL STATEMENT

CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

\$[SERIES A PAR]*
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)

\$[SERIES B PAR]*
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover pages and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) of its Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the “Series 2025A Facilities Bonds”) and Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the “Series 2025B Housing Bonds” and together with the Series 2025A Facilities Bonds, the “Series 2025AB Bonds”).

The Series 2025A Facilities Bonds will be secured primarily by Pledged Facilities Increment, and the Series 2025B Housing Bonds will be secured primarily by Pledged Housing Increment. Pledged Facilities Increment and Pledged Housing Increment are derived from revenue produced by the application of the 1% ad valorem tax rate within the District’s project areas. See “SECURITY AND SOURCES OF PAYMENT” herein.

As explained more fully in this Official Statement, the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2025AB Bonds are similar, this Official Statement describes both series of the Series 2025AB Bonds.

Authority for Issuance

The Series 2025AB Bonds will be issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025, and signed by the Mayor on [], 2025, approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed \$[] (the “2025 Bond Resolution,” and collectively with the Original Resolution of Issuance, as supplemented, the “Resolution”).

* Preliminary, subject to change.

The Series 2025A Facilities Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Facilities Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The Series 2025B Housing Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022 (the “Housing Indenture”), as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Housing Indenture”), each by and between the District and the Trustee, as trustee.

Use of Proceeds

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds.

The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds. See “THE FINANCING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2025AB Bonds

The Series 2025A Facilities Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”), shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the first inside front cover hereof.

The Series 2025B Housing Bonds will be issued in Authorized Denominations, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the second inside front cover hereof.

Interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds shall be payable on each March 1 and September 1, commencing March 1, 2026 (each an “Interest Payment Date”) to the Owner thereof as of the Record Date (as defined herein) immediately preceding each such Interest Payment Date, by check or draft mailed on such Interest Payment Date or by wire transfer to an account in the United States of America made upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of a series of Series 2025AB Bonds delivered to the Trustee prior to the applicable Record Date.

The Series 2025AB Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Series 2025AB Bonds. Individual purchases of the Series 2025AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2025AB Bonds will be payable by DTC through the DTC participants. Purchasers of the Series 2025AB Bonds will not receive physical delivery of the Series 2025AB Bonds purchased by them. See “THE SERIES 2025A FACILITIES BONDS - Book-Entry System” and “THE SERIES 2025B HOUSING BONDS - Book-Entry System” herein.

Security and Sources of Payment

The Series 2025A Facilities Bonds, the Existing Facilities Bonds (defined below) and any Parity Facilities Debt (defined herein) issued in the future will be secured primarily by Pledged Facilities

Increment. The Series 2025B Housing Bonds, the Existing Housing Bonds (defined below) and any Parity Housing Debt (defined herein) issued in the future will be secured primarily by Pledged Housing Increment.

“Pledged Facilities Increment” and “Pledged Housing Increment” are separate designated portions of the basic 1% of assessed value property tax levy in the Project Areas under Article XIII A of the California Constitution. See “SECURITY AND SOURCES OF PAYMENT” herein.

The Existing Facilities Bonds, the Series 2025A Facilities Bonds and all 2022 Related Facilities Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See “2022 Facilities Reserve Account” below. The Existing Housing Bonds, Series 2025B Housing Bonds and all 2022 Related Housing Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See “2022 Housing Reserve Account” below.

See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2025AB Bonds.

Parity Bonds and Additional Parity Debt

The District has previously issued under the Facilities Indenture its Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the “Series 2022A Facilities Bonds”) and its Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the “Series 2023A Facilities Bonds” and, together with the Series 2022A Facilities Bonds, the “Existing Facilities Bonds”). The Series 2025A Facilities Bonds will be secured by and payable from Pledged Facilities Increment on a parity with the Existing Facilities Bonds. Subject to the conditions set forth in the Facilities Indenture, the District may issue additional Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Facilities Increment in such principal amount as shall be determined by the District. “Parity Facilities Debt” means any additional bonds (including any Facilities Bonds), loans, advances or indebtedness issued or incurred by the District on a parity with the Existing Facilities Bonds and the Series 2025A Facilities Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” herein.

The District has previously issued under the Housing Indenture its Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the “Series 2022B Housing Bonds”) and its Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the “Series 2023B Housing Bonds” and, together with the Series 2022B Housing Bonds, the “Existing Housing Bonds”). The Series 2025B Housing Bonds will be secured by and payable from Pledged Housing Increment on a parity with the Existing Housing Bonds. Subject to the conditions set forth in the Housing Indenture, the District may issue additional Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Housing Increment in such principal amount as shall be determined by the District. “Parity Housing Debt” means any additional bonds (including any Housing Bonds), loans, advances or indebtedness issued or incurred by the District on a parity with the Existing Housing Bonds and the Series 2025B Housing Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt” herein.

2022 Facilities Reserve Account

The District has established the 2022 Facilities Reserve Account, which will serve as additional security for the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds pursuant to the Facilities Indenture. The Facilities Indenture requires the 2022 Facilities

Reserve Account to be funded at the 2022 Facilities Reserve Requirement (defined below). On the date of issuance of the Series 2025A Facilities Bonds, proceeds of the Series 2025A Facilities Bonds will be deposited into the 2022 Facilities Reserve Account so that the amount in the 2022 Facilities Reserve Account is equal to the 2022 Facilities Reserve Requirement.

The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds will be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. The moneys in the 2022 Facilities Reserve Account (except as otherwise provided in the Facilities Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds that might be issued in the future as provided in the Facilities Indenture and in the Law until all of the Series 2025A Facilities Bonds, the Existing Facilities Bonds and all other 2022 Related Facilities Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Facilities Indenture. See “SECURITY AND SOURCES OF PAYMENT – 2022 Facilities Reserve Account” herein.

2022 Housing Reserve Account

The District has established the 2022 Housing Reserve Account, which will serve as additional security for the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds pursuant to the Housing Indenture. The Housing Indenture requires the 2022 Housing Reserve Account to be funded at the 2022 Housing Reserve Requirement (defined below). On the date of issuance of the Series 2025B Housing Bonds, proceeds of the Series 2025B Housing Bonds will be deposited into the 2022 Housing Reserve Account so that the amount in the 2022 Housing Reserve Account is equal to the 2022 Housing Reserve Requirement.

The Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds will be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. The moneys in the 2022 Housing Reserve Account (except as otherwise provided in the Housing Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds that might be issued in the future as provided in the Housing Indenture and in the Law until all of the Series 2025B Housing Bonds, the Existing Housing Bonds and all other 2022 Related Housing Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Housing Indenture. See “SECURITY AND SOURCES OF PAYMENT – 2022 Housing Reserve Account” herein.

Limited Obligations

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture.

The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political

subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

Treasure Island Project

The Treasure Island Project entails the development of portions of the naturally-formed Yerba Buena Island (“Yerba Buena Island”) and the artificially created Treasure Island (“Treasure Island”), both located in the middle of the San Francisco Bay between downtown San Francisco and the City of Oakland. Yerba Buena Island and Treasure Island are connected by a causeway, and are accessible by ferry service (between the San Francisco Ferry Building and a terminal on Treasure Island) and Interstate Highway 80 via the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island).

The Treasure Island Project consists of approximately 461 acres entitled for the development of up to 8,000 residential units, up to approximately 140,000 square feet of new commercial and retail space, adaptive reuse of three historic buildings with up to 311,000 square feet of commercial/flex space, up to 500 hotel rooms, up to approximately 100,000 square feet of office space, over 290 acres of open space, 22 miles of walking/biking paths, playing fields, a marina, and a ferry terminal.

The Treasure Island Project is expected to be carried out by, or at the direction of, Treasure Island Community Development, LLC, a California limited liability company (“TICD”), the master developer for the Treasure Island Project.

The District and the Initial Project Areas

The District was formed by the City pursuant to the Law. The Law was enacted by the State of California (the “State”) Legislature to provide an alternative method of financing certain purposes, including public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation, including on former military bases. Generally, the legislative body of a city that forms an infrastructure and revitalization financing district acts as the governing legislative body of such district. The Board of Supervisors serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election (which has already occurred) and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary to form the District and the initial project areas within it, approve an infrastructure financing plan for the District (as amended from time to time, the “Infrastructure Financing Plan”), and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto. Such proceedings were validated by the California Superior Court.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E (collectively, the “Initial Project Areas”). A wholly-owned subsidiary of TICD, Treasure Island Series 1, LLC, a Delaware limited liability company (“TI Series 1”), is currently developing the property in the Initial Project Areas and has sold portions of the

property to related entities undertaking vertical construction. See “THE TREASURE ISLAND PROJECT – Developer Entities” herein.

The property in the Initial Project Areas includes about 33 acres, some of which are located on Yerba Buena Island and some of which are located on Treasure Island. Planned development within the boundaries of the Initial Project Areas includes 1,755 residential units (some of which have been completed) and two hotels; the infrastructure and utilities necessary for these projects to receive certificates of occupancy have been completed.

Within the Initial Project Areas, as of July 1, 2025, there are four residential developments that have been completed:

The Bristol. The first project completed, in June 2022, was the 124-unit residential condominium development on Yerba Buena Island known as “The Bristol.” As of July 1, 2025, 77 units in The Bristol (including 65 market rate and 12 below market rate units) have closed escrow, including 12 units sold to an investor in the Treasure Island Project.

The Residences. Immediately adjacent to The Bristol is the first phase of a project known as “The Residences.” As of July 1, 2025, 31 units of the 53 planned townhomes and flats were completed, and 6 units in The Residences have closed escrow, including four units sold to an investor in the Treasure Island Project.

Isle House. “Isle House” (formerly, “Tidal House”) is a 250-unit high-rise rental development (which includes 24 below market rate affordable units) at Sub-Block C2.4. It was completed in [September] 2024. As of July 2025, the property is 50% leased.

Hawkins. “Hawkins,” a 178-unit mid-rise rental development (which includes 9 below market rate affordable units) at Sub-Block C2.2, is the most recent building to receive its certificate of occupancy. It was completed in January 2025. As of July 1, 2025, Hawkins is approximately 16% leased, with 26 market rate leases and 2 below market rate leases.

As of July 1, 2025, one residential building remains under construction. This project, known as “490 Avenue of the Palms” (formerly, “Portico”), is a mid-rise condominium building comprised of 141 market rate and 7 below market rate affordable units. Completion of the building is estimated for October 2025. Sale of units in 490 Avenue of the Palms are currently expected to begin in [_____].

One other planned development in the Initial Project Areas, Sub-Block B1, has a site permit but has not yet begun vertical construction, executed guaranteed maximum price construction contracts or received construction financing and is currently on hold. In addition, permitted grading and shoring activities for a portion of Sub-Block 3Y were constructed, though no site or building permit has yet been issued for that Sub-Block and further construction on that parcel is currently on hold. The remaining planned developments are vacant land in earlier stages of development.

For additional information regarding the Treasure Island Project and the Initial Project Areas, see “THE INITIAL PROJECT AREAS” herein.

[A resolution of intention to initiate the process of adding additional territory to the District was adopted by the Board of Supervisors and signed by the Mayor on [_____]. The proposed additional territory encompasses ____ acres and ____ planned residential units and will be outside the Initial Project Areas. Completion of the process of annexing additional territory is currently expected in spring 2026.] Although the City, the District and TICD anticipate that this proposed additional territory and other additional

territory will annex into the District, no assurance is given regarding addition of project areas in the District or addition of territory to the District.

No Rating; Early Stage of Development[; Transfer Restrictions]

The Series 2025AB Bonds are not rated. See “NO RATING” herein. The determination by the District not to obtain a rating does not, directly or indirectly, express any view by the District of the credit quality of the Series 2025AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2025AB Bonds in the secondary market. See “RISK FACTORS – Limited Secondary Market” herein.

The Pledged Facilities Increment and Pledged Housing Increment projected in the Fiscal Consultant Report are currently generated from properties with concentrated ownership, a substantial portion of which are under construction or vacant properties planned for residential development for which site permits have not yet been received. Assessed values attributable to construction in progress or vacant land may be subject to more volatility than assessed values of completed buildings. See “THE INITIAL PROJECT AREAS,” “TAX INCREMENT REVENUE AND DEBT SERVICE” and “RISK FACTORS – Real Estate Investment Risks” herein. Neither the District nor the Underwriter make any assurance that development of the property will be completed or that the plans or projections detailed herein will actually occur.

[The Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which is defined in the Facilities Indenture and the Housing Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner (defined in the Facilities Indenture and the Housing Indenture as any person for which a DTC participant acquires an interest in the Series 2025AB Bonds) of the Series 2025AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2025AB Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Facilities Indenture and the Housing Indenture, respectively. Each entity that is or that becomes a Beneficial Owner of a Series 2025AB Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the transfer restrictions under the Facilities Indenture and the Housing Indenture, respectively. In the event that a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See “TRANSFER RESTRICTIONS” herein.]

Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board (“MSRB”) certain annual financial information and operating data and notice of certain enumerated events. The District’s covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12 (“Rule 15c2-12”). See the caption “CONTINUING DISCLOSURE,” Appendix E-1 for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District in respect of the Series 2025A Facilities Bonds and

Appendix E-2 for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District in respect of the Series 2025B Housing Bonds.

Further Information

Brief descriptions of the Series 2025AB Bonds, the applicable security for the Series 2025AB Bonds, risk factors, the District, the Initial Project Areas, the City and other information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the Series 2025AB Bonds, the Facilities Indenture, the Housing Indenture, resolutions and other documents are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Series 2025AB Bonds, the Facilities Indenture, the Housing Indenture, such resolutions and other documents. All such descriptions are further qualified in their entirety by reference to laws and to principles of equity relating to or affecting generally the enforcement of creditors' rights. For definitions of certain capitalized terms used herein and not otherwise defined, and a description of certain terms relating to the Series 2025AB Bonds, see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" attached hereto.

THE FINANCING PLAN

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds. Among other things, the proceeds of the 2025A Facilities Bonds are expected to be used to reimburse TICD for certain geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. The proceeds of the 2025A Facilities Bonds are also expected to be used to reimburse TICD for certain predevelopment costs, permit fees and subsidy payments paid to TIDA pursuant to the Housing Plan and the construction of public parks that have been completed by TICD. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds. Proceeds of the Series 2025B Housing Bonds are excepted to be used to finance a grant or a forgivable loan for a portion of an affordable housing project described below. The Law allows the District to finance for-sale and rental housing and requires at least 20% of the financed units to be set aside to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost or at an affordable rent, as defined in the Law. The Infrastructure Financing Plan requires 100% of the Net Available Housing Increment to be used to finance the costs of increasing, improving and preserving the City's supply of housing for persons and families of very low-, low-, or moderate-income pursuant to the Housing Plan of the Disposition and Development Agreement between the Treasure Island Development Authority ("TIDA") and TICD, dated as of June 28, 2011 (as amended from time to time, the "DDA"). Consistent with the Law and the Infrastructure Financing Plan, proceeds of the Series 2025B Housing Bonds will only finance affordable housing and/or housing that will become restricted with an affordability covenant. It is anticipated that proceeds of the Series 2025B Housing Bonds will be used by TIDA and the Mayor's Office of Housing and Community Development ("MOHCD") to finance a grant or forgivable loan for development of a 100-unit senior affordable multifamily housing project. The planned housing project will be a five-story building with 95 1-bedroom units and five 2-bedroom units. The proposed housing development includes approximately six transitional units for legacy

households relocating from formerly Navy-owned housing on Treasure Island. Construction is scheduled to begin in late 2025 and is expected to be completed in mid-2028. The project sponsor is Mercy Housing California. The housing project will not be subject to property taxes.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2025AB Bonds is set forth below:

<u>Sources of Funds</u>	Series 2025A Facilities Bonds	Series 2025B Housing Bonds	<u>Total</u>
Principal Amount	\$	\$	\$
Net Premium/(Discount)			
Total Sources	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Uses of Funds</u>			
Deposit to Facilities Project Fund	\$	\$ -	\$
Deposit to Housing Project Fund	-		
Deposit to 2022 Facilities Reserve Account		-	
Deposit to 2022 Housing Reserve Account	-		
Costs of Issuance ⁽¹⁾			
Total Uses	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Includes Underwriter's discount, fees and expenses for Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Fiscal Consultant, the Trustee and its counsel, costs of printing the Official Statement, and other costs of issuance of the Series 2025AB Bonds.

THE SERIES 2025A FACILITIES BONDS

Description of the Series 2025A Facilities Bonds

The Series 2025A Facilities Bonds will be issued as fully registered bonds, in Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the first inside cover page hereof. The Series 2025A Facilities Bonds will be issued in fully registered form, without coupons. The Series 2025A Facilities Bonds will mature on September 1 in the principal amounts and years as shown on the first inside cover page hereof.

The Series 2025A Facilities Bonds will bear interest at the rates set forth on the first inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2025A Facilities Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2025A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025A Facilities Bond, interest thereon is in default, such Series 2025A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount

of Series 2025A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day. The principal of the Series 2025A Facilities Bonds and any premium on the Series 2025A Facilities Bonds are payable in lawful money of the United States of America upon surrender of the Series 2025A Facilities Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2025A Facilities Bonds redeemed or purchased pursuant to the Facilities Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2025A Facilities Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2025A Facilities Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2025A Facilities Bonds that are Term Facilities Bonds and maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Facilities Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Provided however, that if some but not all of such Term Series 2025A Facilities Bonds of a maturity have been redeemed at the option of the District as described in “- *Optional Redemption*” above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2025A Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2025A Facilities Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2025A Facilities Bonds to be redeemed, shall state the individual number of each Series 2025A Facilities Bond to be redeemed or shall state that all Series 2025A Facilities Bonds between two stated numbers (both inclusive) or all of the Series 2025A Facilities Bonds Outstanding are to be redeemed, and shall require that such Series 2025A Facilities Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2025A Facilities Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2025A Facilities Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Facilities Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2025A Facilities Bonds for Redemption. Subject to the Facilities Indenture provisions described above under the captions “- *Optional Redemption*” and “- *Mandatory Sinking Fund*”

Redemption,” whenever any Series 2025A Facilities Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2025A Facilities Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2025A Facilities Bonds, the Trustee shall assign to each Series 2025A Facilities Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Series 2025A Facilities Bond. The Series 2025A Facilities Bonds to be redeemed shall be the Series 2025A Facilities Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2025A Facilities Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Purchase of Series 2025A Facilities Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2025A Facilities Bonds, amounts on deposit in the Net Available Facilities Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2025A Facilities Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2025A Facilities Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2025A Facilities Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE SERIES 2025B HOUSING BONDS

Description of the Series 2025B Housing Bonds

The Series 2025B Housing Bonds will be issued as fully registered bonds, Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the second inside cover page hereof. The Series 2025B Housing Bonds will be issued in fully registered form, without coupons. The Series 2025B Housing Bonds will mature on September 1 in the principal amounts and years as shown on the second inside cover page hereof.

The Series 2025B Housing Bonds will bear interest at the rates set forth on the second inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2025B Housing Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2025B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025B Housing Bond, interest thereon is in default, such Series 2025B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2025B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day. The principal of the Series 2025B Housing Bonds and any premium on the Series 2025B Housing Bonds are payable in lawful money of the United States of America upon surrender of the Series 2025B Housing Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2025B Housing Bonds redeemed or purchased pursuant to the Housing Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2025B Housing Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2025B Housing Bonds maturing on or after September 1, 20__ are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2025B Housing Bonds that are Term Housing Bonds and maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Housing Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Provided however, that if some but not all of such Term Series 2025B Housing Bonds of a maturity have been redeemed at the option of the District as described in “- *Optional Redemption*” above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2025B Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2025B Housing Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2025B Housing Bonds to be redeemed, shall state the individual number of each Series 2025B Housing Bond to be redeemed or shall state that all Series 2025B Housing Bonds between two stated numbers (both inclusive) or all of the Series 2025B Housing Bonds Outstanding are to be redeemed, and shall require that such Series 2025B Housing Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2025B Housing Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2025B Housing Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Housing Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2025B Housing Bonds for Redemption. Subject to the Housing Indenture provisions described above under the captions “ – Optional Redemption” and “ – Mandatory Sinking Fund

Redemption,” whenever any Series 2025B Housing Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2025B Housing Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2025B Housing Bonds, the Trustee shall assign to each Series 2025B Housing Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Series 2025B Housing Bond. The Series 2025B Housing Bonds to be redeemed shall be the Series 2025B Housing Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2025B Housing Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Purchase of Series 2025B Housing Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2025B Housing Bonds, amounts on deposit in the Net Available Housing Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2025B Housing Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2025B Housing Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2025B Housing Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE TRUSTEE

Zions Bancorporation, National Association has been appointed as the Trustee for all of the Facilities Bonds under the Facilities Indenture and as the Trustee for all of the Housing Bonds under the Housing Indenture. For a further description of the rights and obligations of the Trustee pursuant to the Facilities Indenture and the Housing Indenture, respectively, see APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” and APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” hereto. The role of Zions Bancorporation, National Association, as trustee for the Facilities Bonds under the Facilities Indenture is separate from its role as trustee for the Housing Bonds under the Housing Indenture.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2025AB Bonds. The Series 2025AB Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee), and will be available to ultimate purchasers (referred to herein as “Beneficial Owners”) in Authorized Denominations, under the book-entry system maintained by DTC. Beneficial Owners of Series 2025AB Bonds will not receive physical certificates representing their interest in the Series 2025AB Bonds. So long as the Series 2025AB Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the Beneficial Owners of the Series 2025AB Bonds. Payments of the principal of, premium, if any, and interest on the Series 2025AB Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Series 2025AB Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants. See APPENDIX G – “BOOK-ENTRY SYSTEM” attached hereto.

SECURITY AND SOURCES OF PAYMENT

General

The Existing Facilities Bonds, the Series 2025A Facilities Bonds and any Parity Facilities Debt will be secured primarily by Pledged Facilities Increment. The Existing Housing Bonds, the Series 2025B Housing Bonds and any Parity Housing Debt will be secured primarily by Pledged Housing Increment.

Pledged Facilities Increment and Pledged Housing Increment are separate designated portions of the basic 1% of assessed value property tax levy in the Project Areas under Article XIII A of the California Constitution.

The Pledged Facilities Increment will represent 53.285270% of incremental property taxes (with Base Year assessed value for every Project Area being \$0) under the 1% levy in the Project Areas for which the Commencement Year (defined below based on Trigger Amounts (as defined in the Infrastructure Financing Plan) of taxes generated) has occurred (less certain administrative costs). The Pledged Housing Increment will represent 11.302936% of incremental property taxes under the 1% levy in the Project Areas for which the Commencement Year has occurred (less certain administrative costs).

The Initial Project Areas are Project Areas A, B, C, D and E. The Commencement Year has occurred for Project Area A, B and E. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached, therefore Project Area C and Project Area D will not receive tax increment until the thresholds for commencement of tax increment are exceeded. See Table 3 under the caption “TAX INCREMENT REVENUE AND DEBT SERVICE – Commencement Year and Time Limits for Each Project Area” and APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto.

The table and summary below describes the designated components of the Pledged Facilities Increment and the Pledged Housing Increment. Additional security for Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, are also described in the summary below.

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Percentage Allocation of 1% Property Tax Increment to District

	Combined Total	Pledged Housing Increment (17.5% share)	Pledged Facilities Increment (82.5% share)
<u>Allocated to District</u>			
(1) Net Available Increment	56.588206%	9.902936%	46.685270%
(2) Conditional City Increment ⁽¹⁾	<u>8.000000%</u>	<u>1.400000%</u>	<u>6.600000%</u>
Pledged Increment [(1) + (2), less cost of allocating taxes] ⁽²⁾	64.588206%	11.302936%	53.285270%
<u>Not Allocated to District</u>			
Other 1% Taxing Agencies	<u>35.411794%</u>		
Total Tax Increment	100.000000%		

⁽¹⁾ Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service. See “SECURITY AND SOURCES OF PAYMENT” herein.

⁽²⁾ The administrative cost of allocating taxes to the District is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in this table. Such administrative costs may vary over time.

Gross Tax Increment, Net Available Increment and Conditional City Increment

Relevant Definitions. The following defined terms are used in this Official Statement to describe the Pledged Facilities Increment pledged to the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any Parity Facilities Debt, and to describe the Pledged Housing Increment pledged to the Series 2025B Housing Bonds, the Existing Housing Bonds and any Parity Housing Debt. These terms are defined in the Facilities Indenture, the Housing Indenture or the Infrastructure Financing Plan.

“Gross Tax Increment” means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value (assessed value of Project Area property for a fiscal year less such assessed value in the Base Year (Fiscal Year 2016-17)) of property within the Project Area. Gross Tax Increment does not include any property tax in-lieu of vehicle license fee revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code. *Because the Base Year assessed value for every Project Area has been and will remain \$0, Gross Tax Increment will effectively include all of the 1% ad valorem tax rate in the Project Areas for which the Commencement Year has occurred (subject to deduction for certain administrative costs).*

“Project Area” means, collectively, each project area established from time to time for the District pursuant to the Law. Currently, the Initial Project Areas are the only Project Areas.

“Commencement Year” means the fiscal year in which tax increment revenues generated in a Project Area will begin to be allocated to the District. The Commencement Year will be calculated separately for each Project Area. Under the Infrastructure Financing Plan, the Commencement Year for a Project Area is the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the Project Area and received by the City. The Trigger Amounts for the five Initial Project areas are identified in Table 3 herein. The District will stop receiving tax increment from Project Areas 40 years following their Commencement Year.

“Net Available Increment” means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan. To the extent the City’s administrative costs incurred in connection with the division of taxes under the Law are not deducted from Gross Tax Increment, the District will first set aside from Net Available Increment such amounts for payment to the City.

“Conditional City Increment” means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

“Plan Limit” means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the District pursuant to the Infrastructure Financing Plan and the Law. Under the Infrastructure Financing Plan, the total nominal number of tax increment dollars to be allocated to the District from the Initial Project Areas over the life of the District shall not exceed \$1.53 billion of Net Available Increment and \$216 million of Conditional City Increment. The combined total of Net Available Increment and Conditional City Increment allocated to the Initial Projects Areas of the District shall not exceed \$1.75 billion. If territory is annexed to the District in the future, a separate Plan Limit will be established for such territory as part of the annexation process.

Allocation of Net Available Increment to the District. Under the Law, an infrastructure financing plan may contain a provision that property taxes, if any, levied upon taxable property in the area included within the infrastructure revitalization financing district (or a project area, as applicable) each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted to create the district, shall be divided (excluding any property taxes approved by the voters to pay general obligation bonds), as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district (or a project area, as applicable) as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity which has agreed to allocate taxes to the district in excess of the amount specified in paragraph (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district (or a project area, as applicable) exceeds the total assessed value of the taxable property in the district (or a project area, as applicable) as shown by the last equalized assessment roll referred to in paragraph (a), all of the taxes levied and collected upon the taxable property in the district (or a project area, as applicable) shall be paid to the respective affected taxing entities.

Under the Infrastructure Financing Plan, Net Available Tax Increment generated in each Project Area will be allocated to the District as described in the Infrastructure Financing Plan, commencing with the applicable Commencement Year. The Commencement Year for each Initial Project Area is identified in the current Infrastructure Financing Plan and is based on achieving a target amount of taxes generated. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto. The Commencement Year for Project Area A was Fiscal Year 2019-20 and for Project Areas B and E was Fiscal Year 2022-23. The Commencement Year for the Project Areas C and D has not yet occurred. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto.

For future Project Areas, the Commencement Year will be determined at the time of the related territory’s annexation to the District. The Commencement Year for each future Project Area is expected to be identified in a supplement to the Infrastructure Financing Plan. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto.

Infrastructure Financing Plan Allocation of Tax Increment. The Infrastructure Financing Plan provides that the annual allocation of tax revenues to the District by the City, as the sole affected taxing entity allocating tax revenues to the District, is contingent upon the District’s use of such increment to pay for authorized District purposes, including to pay debt service on bonds issued to accomplish such purposes. In the Facilities Indenture, the District covenants to use the proceeds of the Facilities Bonds so as to ensure that the Pledged Facilities Increment may be used under the Law for the purposes set forth in the Facilities Indenture. Upon issuance of the Series 2025A Facilities Bonds, and as a condition to issuance of Parity Facilities Debt, the District and the City are required to certify that proceeds of the Series 2025A Facilities Bonds or the Parity Facilities Debt, as applicable, shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

In the Housing Indenture, the District covenants to use the proceeds of the Housing Bonds so as to ensure that the Pledged Housing Increment may be used under the Law for the purposes set forth in the Housing Indenture. Upon issuance of the Series 2025B Housing Bonds, and as a condition to issuance of Parity Housing Debt, the District and the City are required to certify that proceeds of the Series 2025B Housing Bonds or the Parity Housing Debt, as applicable, shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

Net Available Increment Special Fund. As required by the Law, the District has established a special fund to be held by or on behalf of the District as a separate restricted account, to be known as the “Net Available Increment Special Fund.” The District has established the following accounts within the Net Available Increment Special Fund to be held by or on behalf of the District as separate restricted accounts: the “Net Available Housing Increment Special Account” and the “Net Available Facilities Increment Special Account.”

Amounts deposited to and held by the District in the Net Available Increment Special Fund and the accounts therein shall be at all times separately accounted for by the District from all other funds or accounts. The Net Available Facilities Increment shall be used and applied solely as set forth in the Facilities Indenture (see “Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” below) and the Net Available Housing Increment shall be used and applied solely as set forth in the Housing Indenture (see “Security for the Series 2025B Housing Bonds and Parity Housing Debt” below).

The District has executed a Special Fund Administration Agreement dated as of September 1, 2022 (the “Special Fund Administration Agreement”) by and among the City, the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the “CFD”), TIDA, the District and Zions Bancorporation, National Association, as special fund trustee (“Special Fund Trustee”). The purpose of the Special Fund Administration Agreement is to provide for the administration and disposition of various funds related to the Treasure Island Project. Under the Special Fund Administration Agreement, the Special Fund Trustee holds the Net Available Increment Special Fund, the Net Available Housing Increment Special Account, the Net Available Facilities Increment Special Account and the Conditional City Increment Special Fund (defined below), and those funds and accounts are administered as required by the Facilities Indenture and the Housing Indenture.

Security for the Series 2025A Facilities Bonds and Parity Facilities Debt

The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other Parity Facilities Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Facilities Increment (including the Net Available Facilities Increment in the Net Available Facilities Increment Special Account) and the Conditional City Facilities Increment (including the Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account) (subject to compensation, costs and indemnity payable under the Facilities Indenture to the Trustee, its officers, directors, agents or employees). The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other Parity Facilities Debt issued as Facilities Bonds are also secured by certain funds and accounts under the Facilities Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for administrative costs incurred by the City in connection with the division of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receipt of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District’s receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Facilities Increment. “Net Available Facilities Increment” means 82.5% of the Net Available Increment (which Net Available Facilities Increment is equivalent to 46.685270% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Net Available Increment received in any Bond Year in the Net Available Facilities Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein

pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Facilities Increment Special Account in its discretion.

The Net Available Facilities Increment received in any Bond Year and deposited into the Net Available Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund, the 2022 Facilities Reserve Account, any other reserve account held by the Trustee for Facilities Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

All Net Available Facilities Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Facilities Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Facilities Increment to pay debt service on the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other Parity Facilities Debt, payment of Subordinate Facilities Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Conditional City Facilities Increment. “Conditional City Facilities Increment” means 82.5% of the Conditional City Increment (which Conditional City Facilities Increment is equivalent to 6.6% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Conditional City Increment received in any Bond Year in the Conditional City Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Facilities Increment Special Account in its discretion.

The Conditional City Facilities Increment received in any Bond Year and deposited into the Conditional City Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amount of Net Available Facilities Increment on deposit in the Net Available Facilities Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than additional Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Facilities Increment shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt following payment of the principal or redemption price of and interest on the Facilities Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Facilities Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Facilities Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Facilities Increment to the City. The District is not required to apply such released City Conditional Facilities Increment to replenish debt service reserve accounts under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Facilities Debt Service Fund. The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any additional Facilities Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Facilities Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “- Facilities Debt Service Fund” below.

2022 Facilities Reserve Account. The Series 2025A Bonds, the Existing Facilities Bond and all other 2025A Related Facilities Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See “- 2022 Facilities Reserve Account” below.

“2022 Related Facilities Bonds” means any series of Parity Facilities Bonds for which (i) the proceeds are deposited into the 2022 Facilities Reserve Account so that the balance therein is equal to the 2022 Facilities Reserve Requirement following issuance of such Parity Facilities Bonds and (ii) the related Supplemental Facilities Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Facilities Bonds.

Limited Security. Amounts in the Facilities Project Fund (and the accounts therein) under the Facilities Indenture and the 2025A Costs of Issuance Fund are not pledged to the repayment of the Facilities Bonds.

Except for the Pledged Facilities Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account, until released from the pledge, security interest and lien under the Housing Indenture, as described below) are pledged to, or

otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Bonds.

Plan Limit Covenant. Under the Facilities Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limit, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or (ii) claim all Net Available Facilities Increment not needed to pay all of the current or any past due debt service on Facilities Bonds or any Parity Facilities Debt through the scheduled maturity date(s) for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or to redeem Facilities Bonds and any Parity Facilities Debt that does not constitute Facilities Bonds.

2022 Facilities Reserve Account

The Trustee established under the Facilities Indenture a 2022 Facilities Reserve Account. The 2022 Facilities Reserve Account was established for the benefit of the Series 2022A Facilities Bonds and any other 2022 Related Facilities Bonds. The Series 2023A Facilities Bonds are, and the Series 2025A Facilities Bonds will be, 2022 Related Facilities Bonds secured by the 2022 Facilities Reserve Account on the same basis as the Series 2022A Facilities Bonds. Under the Facilities Indenture, the 2022 Facilities Reserve Account is to be funded at the 2022 Facilities Reserve Requirement.

“2022 Facilities Reserve Requirement” means the amount, as of any date of calculation, equal to the least of (a) Maximum Annual Debt Service on the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other 2022 Related Facilities Bonds, (b) 125% of average Annual Debt Service on the Series 2025A Facilities Bonds, Existing Facilities Bonds and any other 2022 Related Facilities Bonds and (c) 10% of the original principal of the Series 2025A Facilities Bonds, Existing Facilities Bonds and any other 2022 Related Facilities Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds was less than 98% or more than 102% of the original principal amount of

the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Facilities Indenture exceed the amount on deposit in the 2022 Facilities Reserve Account on the date of issuance of the Series 2025A Facilities Bonds or the most recently issued series of 2022 Related Facilities Bonds except in connection with any increase associated with the issuance of 2022 Related Facilities Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Facilities Reserve Account in connection with the issuance of a series of 2022 Related Facilities Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2025A Facilities Bonds, the 2022 Facilities Reserve Requirement will be satisfied as reflected in the table below:

Prior balance in the 2022 Facilities Reserve Account	\$
Additional deposit from Series 2025A Facilities Bonds proceeds	<u> </u>
2022 Facilities Reserve Requirement	\$

All money in the 2022 Facilities Reserve Account shall be used and withdrawn by the Trustee for the purpose of (i) making transfers to the Interest Account and the Principal Account in the Facilities Debt Service Fund in such order of priority to pay principal of and interest on the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Facilities Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any future 2022 Related Facilities Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” attached hereto.

Parity Facilities Debt

The Series 2025A Facilities Bonds will be an additional series of Facilities Bonds issued under the Facilities Indenture. In addition to the Series 2025A Facilities Bonds, the District has issued the Series 2022A Facilities Bonds and the Series 2023A Facilities Bonds and may issue additional Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Facilities Increment in such principal amount as shall be determined by the District. The District may issue Parity Facilities Debt, subject to the conditions set forth in the Facilities Indenture. If development proceeds as planned, the District anticipates issuing Parity Facilities Debt periodically during the construction period in amounts then permitted by the conditions set forth in the Facilities Indenture.

Any Parity Facilities Debt, to the extent provided in the Facilities Indenture, shall be secured by a lien on the Pledged Facilities Increment on a parity with any Facilities Bonds issued under the Facilities Indenture. The District may issue and deliver any such Parity Facilities Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Facilities Debt:

(a) Except as provided in the Facilities Indenture as described in paragraph (i) below, no event of default under the Facilities Indenture, under any Parity Facilities Debt Instrument or under any Subordinate Facilities Debt Instrument (as defined in the Facilities Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Facilities Debt, and the District shall otherwise be in compliance with all covenants set forth in the Facilities Indenture.

(b) Except as provided in the Facilities Indenture as described in paragraph (i) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Facilities Revenues, the Pledged Facilities Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Facilities Debt then proposed to be issued or incurred.

“Additional Facilities Revenues” means, as of the date of calculation, the amount of Net Available Facilities Increment and Conditional City Facilities Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed

valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture, the Supplemental Facilities Indenture providing for the issuance of such Facilities Bonds shall provide for (i) a deposit to the 2022 Facilities Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Facilities Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Facilities Bonds (and such other series of Facilities Bonds identified by the District) in an amount defined in such Supplemental Facilities Indenture, as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account and that the Owners of the Facilities Bonds covered by the 2022 Facilities Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Facilities Reserve Account or another reserve account as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account or any other reserve account. The Supplemental Facilities Indenture may provide that the District may satisfy the 2022 Facilities Reserve Requirement for a series of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture by the deposit into the reserve account established pursuant to such Supplemental Facilities Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Facilities Indenture.

Nothing in the Facilities Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Facilities Debt that is not issued as additional Facilities Bonds under the Indenture.

(d) Principal with respect to such Parity Facilities Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Facilities Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Facilities Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Facilities Debt.

(g) The proceeds of the Parity Facilities Debt shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (i) below, the District shall deliver to the Trustee (i) a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity Facilities Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Facilities Debt set forth in paragraph (g) above has been satisfied.

(i) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Facilities Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2025A Facilities Bonds or any other outstanding Parity Facilities Debt, provided that debt service payable in each year with respect to the proposed Parity Facilities Debt is less than the debt service otherwise payable in each year with respect to the Series 2025A Facilities Bonds or Parity Facilities Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Facilities Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Facilities Increment; or (b) secured by a pledge of or lien upon the Pledged Facilities Increment which is expressly subordinate to the pledge of and lien upon the Net Available Facilities Increment and the Conditional City Facilities Increment under the Facilities Indenture for the security of the Facilities Bonds. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA’s promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. As of July 2025, \$27.5 million of the purchase price remained to be paid. According to the Subordinate Pledge Agreement, the District’s pledge to pay the purchase price is subordinate to any bonds issued by the District.

Security for the Series 2025B Housing Bonds and Parity Housing Debt

The Series 2025B Housing Bonds, the Series 2022B Housing Bonds and any future Parity Housing Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Housing Increment (including the Net Available Housing Increment in the Net Available Housing Increment Special Account) and the Conditional City Housing Increment (including the Conditional City Housing Increment in the Conditional City Housing Increment Special Account) (subject to compensation, costs and indemnity payable under the Housing Indenture to the Trustee, its officers, directors, agents or employees). The Series 2025B Housing Bonds, the Existing Housing Bonds and any future Parity Housing Debt issued as Housing Bonds are also secured by certain funds and accounts under the Housing Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for allocation to the District of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receive of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District’s receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Housing Increment. “Net Available Housing Increment” means 17.5% of the Net Available Increment (which Net Available Housing Increment is equivalent to 9.902936% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Net Available Increment received in any Bond Year in the Net Available Housing Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein pursuant to an

opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Housing Increment Special Account in its discretion.

The Net Available Housing Increment received in any Bond Year and deposited into the Net Available Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund, the 2022 Housing Reserve Account, any other reserve account held by the Trustee for Housing Bonds that are not 2022 Related Housing Bonds and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

All Net Available Housing Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Housing Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Housing Increment to pay debt service on the Series 2025B Housing Bonds, the Existing Housing Bonds or any other Parity Housing Debt, payment of Subordinate Housing Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Conditional City Housing Increment. “Conditional City Housing Increment” means 17.5% of the Conditional City Increment (which Conditional City Housing Increment is equivalent to 1.4% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Conditional City Increment received in any Bond Year in the Conditional City Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Housing Increment Special Account in its discretion.

The Conditional City Housing Increment received in any Bond Year and deposited into the Conditional City Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amount of Net Available Housing Increment on deposit in the Net Available Housing Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than additional Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Housing Increment shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Housing Increment in the Conditional City Housing Increment Special Account shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt following payment of the principal or redemption price of and interest on the Housing Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Housing Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Housing Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Housing Increment in the Conditional City Housing Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Housing Increment to the City. The District is not required to apply such released City Conditional Housing Increment to replenish debt service reserve accounts under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Housing Debt Service Fund. The Series 2025B Housing Bonds, the Existing Housing Bonds and any additional Housing Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Housing Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “Housing Debt Service Fund” below.

2022 Housing Reserve Account. The Series 2025B Bonds, the Existing Housing Bonds and all 2022 Related Housing Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See “2022 Housing Reserve Account” below.

“2022 Related Housing Bonds” means any series of Parity Housing Bonds for which (i) the proceeds are deposited into the 2022 Housing Reserve Account so that the balance therein is equal to the 2022 Housing Reserve Requirement following issuance of such Parity Housing Bonds and (ii) the related Supplemental Housing Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Housing Bonds.

Limited Security. Amounts in the Housing Project Fund (and the accounts therein) under the Housing Indenture and the 2025B Costs of Issuance Fund are not pledged to the repayment of the Housing Bonds.

Except for the Pledged Housing Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Housing Bonds.

Plan Limit Covenant. Under the Housing Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Housing Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Housing Bonds and any outstanding Parity Housing Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limits, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay all of the debt service on the Housing Bonds and any Parity Housing Debt through the scheduled maturity date(s), or (ii) claim all Net Available Housing Increment not needed to pay current or any past due debt service on Housing Bonds or any Parity Housing Debt for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Housing Bonds and any Parity Housing Debt, or to redeem Housing Bonds and any Parity Housing Debt that does not constitute Housing Bonds.

2022 Housing Reserve Account

The Trustee established under the Housing Indenture a 2022 Housing Reserve Account. The 2022 Housing Reserve Account was established for the benefit of the Series 2022B Housing Bonds and any other 2022 Related Housing Bonds. The Series 2023B Housing Bonds are, and the Series 2025B Housing Bonds will be, 2022 Related Housing Bonds secured by the 2022 Housing Reserve Account along with the Series 2022B Housing Bonds. Under the Housing Indenture, the 2022 Housing Reserve Account is to be funded at the 2022 Housing Reserve Requirement.

“2022 Housing Reserve Requirement” means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the Series 2025B Housing Bonds, the Existing Housing Bonds and any other 2022 Related Housing Bonds, (b) 125% of average Annual Debt Service on the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds and (c) 10% of the original principal of the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds was less than 98% or more than 102% of the original principal amount of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Housing Indenture exceed the amount on deposit in the 2022 Housing Reserve Account on the date of issuance of the Series 2025B Housing Bonds or the most recently issued series of 2022 Related Housing Bonds except in connection with any increase associated with the issuance of 2022 Related Housing Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Housing Reserve Account in connection with the issuance of a series of 2022 Related Housing Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2025B Housing Bonds, the 2022 Housing Reserve Requirement will be satisfied as reflected in the table below:

Prior balance in the 2022 Housing Reserve Account	\$
Additional deposit from Series 2025B Housing Bonds proceeds	_____
Total Deposited to the 2022 Housing Reserve Account	\$

All money in the 2022 Housing Reserve Account shall be used and withdrawn by the Trustee for the purpose of (i) making transfers to the Interest Account and the Principal Account in the Housing Debt Service Fund in such order of priority to pay principal of and interest on the Series 2025B Housing Bonds, the Existing Housing Bonds and any other 2022 Related Housing Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Housing Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2025B Housing Bonds, the Existing Housing Bonds or any other 2022 Related Housing Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” attached hereto.

Parity Housing Debt

The Series 2025B Housing Bonds will be an additional series of Housing Bonds issued under the Housing Indenture. In addition to the Series 2025B Housing Bonds, the District has issued the Existing Housing Bonds and may issue additional Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Housing Increment in such principal amount as shall be determined by the District. The District may issue Parity Housing Debt, subject to the conditions set forth in the Housing Indenture. If development proceeds as planned, the District anticipates issuing Parity Housing Debt periodically during the construction period in amounts then permitted by the conditions set forth in the Housing Indenture.

Any Parity Housing Debt, to the extent provided in the Housing Indenture, shall be secured by a lien on the Pledged Housing Increment a parity with any Housing Bonds issued under the Housing Indenture. The District may issue and deliver any such Parity Housing Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Housing Debt:

(a) Except as provided in the Housing Indenture as described in paragraph (h) below, no event of default under the Housing Indenture, under any Parity Housing Debt Instrument or under any Subordinate Housing Debt Instrument (as defined in the Housing Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Housing Debt, and the District shall otherwise be in compliance with all covenants set forth in the Housing Indenture.

(b) Except as provided in the Housing Indenture as described in paragraph (h) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Housing Revenues, the Pledged Housing Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Housing Debt then proposed to be issued or incurred.

“Additional Housing Revenues” means, as of the date of calculation, the amount of Net Available Housing Increment and Conditional City Housing Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture, the Supplemental Housing Indenture providing for the issuance of such Housing Bonds shall provide for (i) a deposit to the 2022 Housing Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Housing Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Housing Bonds (and such other series of Housing Bonds identified by the District) in an amount defined in such Supplemental Housing Indenture, as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account and that the Owners of the Housing Bonds covered by the 2022 Housing Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Housing Reserve Account or another reserve account as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account or any other reserve account. The Supplemental Housing Indenture may provide that the District may satisfy the 2022 Housing Reserve Requirement for a series of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture by the deposit into the reserve account established pursuant to such Supplemental Housing Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Housing Indenture.

Nothing in the Housing Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Housing Debt that is not issued as additional Housing Bonds under the Indenture.

(d) Principal with respect to such Parity Housing Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Housing Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Housing Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Housing Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Housing Debt shall not exceed the maximum amount of Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Housing Debt.

(g) The proceeds of the Parity Housing Debt shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (h) below, the District shall deliver to the Trustee a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity Housing Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Housing Debt set forth in paragraph (g) has been satisfied.

(h) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Housing Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2025B Housing Bonds or any other outstanding Parity Housing Debt, provided that debt service payable in each year with respect to the proposed Parity Housing Debt is less than the debt service otherwise payable in each year with respect to the Series 2025B Housing Bonds or Parity Housing Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Housing Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Housing Increment; or (b) secured by a pledge of or lien upon the Pledged Housing Increment which is expressly subordinate to the pledge of and lien upon the Net Available Housing Increment and the Conditional City Housing Increment under the Housing Indenture for the security of the Housing Bonds. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA’s promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. As of July 2025, \$27.5 million of the purchase price remained to be paid. According to the Subordinate Pledge Agreement, the District’s pledge to pay the purchase price is subordinate to any bonds issued by the District.

Limited Obligations

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City, the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

FORMATION OF THE DISTRICT AND THE INITIAL PROJECT AREAS

The District was formed by the City pursuant to the Law. The Law was enacted by the State of California (the “State”) Legislature to establish a long-term permanent program that provides local governments with tools and resources for among other things, public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation.

The Board of Supervisors, as the legislative body that formed an infrastructure and revitalization financing district, serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary under the Law to form the District and the Initial Project Areas, approve the “Infrastructure Financing Plan for the District, and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan.

The District formation proceedings also established a process for the annexation of property to the District in the future, as described in “Future Annexation of Property to the District” below.

Initial Formation Proceedings. The proceedings undertaken by the Board of Supervisors to establish the District include the following:

(i) Resolution No. 512-16 adopted by the Board of Supervisors on December 6, 2016, pursuant to which the City (as the only taxing entity allocating tax increment revenue to the District under the Infrastructure Financing Plan) approved the Infrastructure Financing Plan and acknowledged that future project areas may be designated in the District and that territory on Yerba Buena Island and Treasure Island may be annexed to the District in the future;

(ii) Resolution No. 6-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City declared the results of a special election at which the qualified landowner electors, among other things, (A) approved the allocation of tax increment to the District as described in the Infrastructure Financing Plan and (B) authorized the issuance of bonds and other debt in the maximum amount of (1) \$780 million plus (2) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District;

(iii) Resolution No. 7-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City authorized issuance of bonds for the District and project areas therein, in an aggregate principal amount not to exceed \$780,000,000 (excluding refunding bonds from the calculation of such principal amount) (such resolutions referred to herein as the “Resolutions”); and

(iv) Ordinance No. 21-17 (the “Ordinance”) adopted by the Board of Supervisors on January 31, 2017, forming the District and the Initial Project Areas, adopting the Infrastructure Financing Plan, declaring that the District has the authority to issue bonds and other debt in the maximum amount of (A) \$780 million plus (B) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District, and providing for designation of additional project areas in the future and annexation of territory on Yerba Buena Island and Treasure Island to the District in the future.

Judicial Validation. The Superior Court of the State of California, County of San Francisco, in a judgment entered on May 7, 2018 (Case No. CGC-17-557496) (the “Validation Judgment”), issued a judgment that:

(i) all proceedings by the City and the District in connection with the Infrastructure Financing Plan (under which the City allocated certain tax increment to the District) and related bonds and bond contracts, including the Resolutions and the Ordinance, were in conformity with applicable laws,

(ii) upon execution and delivery thereof, the related bonds (including the Facilities Bonds and the Housing Bonds) and bond contracts described therein (including the Facilities Indenture and the Housing Indenture) will be and are valid, legal and binding obligations of the parties thereto in accordance with their terms,

(iii) the allocation to the District by the Board of Supervisors of specific percentages of incremental property tax revenues from the Initial Project Areas as set forth in the Infrastructure Financing Plan are valid, legal, binding and irrevocable from and after the effective date of the Ordinance, and such incremental property tax revenues are available to be pledged to bonds and other debt, and

(iv) certain other propositions related to the District and the Project Areas.

The Validation Judgment permanently enjoins all persons from challenging the validity of, among other things, the District, the Facilities Bonds, the Housing Bonds, the Facilities Indenture, the Housing Indenture, the Infrastructure Financing Plan, the Resolutions and the Ordinance.

In issuing its approving opinions, Jones Hall LLP, Bond Counsel, will rely on the Validation Judgment, among other things.

Amendment Proceedings. Since formation of the District, the California State Board of Equalization notified the District and the City that the boundaries of the District and the Initial Project Areas needed to be revised to reflect the boundaries of the parcels in the District in order for the Board of Equalization to assign tax rate areas to the Initial Project Areas, and the District determined that there might

be a future need to further amend the District's boundaries to conform to final development parcels in the District.

Accordingly, in 2022, the District completed proceedings, including a landowner election, to add territory to the District, amend the Infrastructure Financing Plan, and establish a procedure by which certain future amendments may be approved by the Board of Supervisors, as legislative body of the District, without further hearings or approvals, as long as the amendments will not impair the District's ability to pay debt service on its bonds or, in and of themselves, reduce the debt service coverage on any bonds below the amount required to issue parity debt (the "2022 District Amendments"). Pursuant to Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022, the Board of Supervisors, as the legislative body of the District, declared that (i) territory has been added to the District and the boundaries of certain Initial Project Areas have been amended and (ii) adopted an amended Infrastructure Financing Plan for the District.

In the Validation Judgment, the Superior Court ruled that the Infrastructure Financing Plan, including any amendments of the original Infrastructure Financing Plan that are consistent with the Law, is legal, valid and binding. The Infrastructure Financing Plan, as amended in connection with the 2022 District Amendments, declares that the amendments of the original Infrastructure Financing Plan are consistent with the Law and, therefore, are legal, valid and binding.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E. Project Areas A, B and E are currently contributing increment. No assurance is given regarding the addition of contributing project areas in the District or the addition of territory to the District in the future. See "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS" herein.

Future Annexation of Property to the District. The Infrastructure Financing Plan describes the procedures for annexation of property to the District, and establishes the following principles:

(i) Annexing property may be added to one of the Initial Project Areas or may be added as a new Project Area with distinct limits on the allocation of tax increment to the District. If a new Project Area is created, it will have its own Commencement Year and termination date.

(ii) The annexation proceeding will provide for an additional principal amount of bonds and other debt that can be issued by the District, to reflect the additional tax increment that may be allocated to the District.

(iii) The Infrastructure Financing Plan will be supplemented to reflect the annexation.

(iv) When property is annexed into the District, a vote will be required of the qualified electors of the territory to be annexed only.

[A resolution of intention to initiate the process of adding additional territory to the District was adopted by the Board of Supervisors and signed by the Mayor on ____]. The proposed additional territory encompasses ____ acres and ____ planned residential units and will be outside the Initial Project Areas. Completion of the process of annexing additional territory is currently expected in spring 2026.] Although the City, the District and TICD anticipate that this proposed additional territory and other additional territory will annex into the District, no assurance is given regarding addition of project areas in the District or addition of territory to the District.

THE CITY

General. The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (previously defined as the “Bay”). Silicon Valley is about a 40-minute drive to the south and the Napa and Sonoma “wine country” is about an hour’s drive to the north. As of January 1, 2025, the State estimates the City’s population to be 842,027, among the largest city populations in the country. See APPENDIX A – “DEMOGRAPHIC INFORMATION REGARDING THE CITY AND COUNTY OF SAN FRANCISCO” hereto.

The City benefits from a broad economic base, anchored by major technology companies. In addition, the City is near Silicon Valley, a region regarded as a global center for technology and innovation. San Francisco has historically ranked among the highest average income counties in the country. The City is served by two major airports: San Francisco International Airport and Oakland San Francisco Bay Airport. There are multiple universities located in or near the City, such as University of California, Berkeley, Stanford University, University of San Francisco, San Francisco State University, University of California, San Francisco and UC Law San Francisco.

Beginning in late winter 2020, the City faced significant economic challenges resulting from the global COVID-19 pandemic and efforts to contain it. While public health restrictions have been loosened or eliminated in response to positive public health data on COVID-19, economic conditions have not fully recovered. Housing affordability, homelessness and crime, which have posed challenges in urban areas like the City in recent years, continues to negatively impact economic activities. Certain segments of the real estate market have declined, and appeals of assessed values have increased.

See “RISK FACTORS – Real Estate Investment Risks,” “– Public Health Emergencies” and “– Reduction in Tax Base and Assessed Values” herein.

THE TREASURE ISLAND PROJECT

The following provides information with respect to development of the Treasure Island Project. TI Series 1 has provided the information with respect to the Treasure Island Project under the captions “– Developer Entities,” “– Planned Development,” “– Infrastructure,” “– Sea Level Rise and Adaptive Management Strategy,” “– KSWM Litigation” and “– Reassessment Covenant” below. The District has not independently verified such information, makes no representation and assumes no responsibility for its accuracy or completeness. Information under the caption “– Recent Revisions of Project Agreements” was prepared jointly by the City and TI Series 1 (except statements therein expressly attributed to a party or parties were provided only by such party or parties). No assurance can be given that development of the property will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur. If planned development of the property is not completed or if assessed values in the Project Areas decline, Pledged Facilities Increment and Pledged Housing Increment could be lower than projected. See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other information contained in this Official Statement, in evaluating an investment in the Series 2025AB Bonds.

Only the property subject to ad valorem property taxes in each Project Area in or after the respective Commencement Year and for 40 consecutive years thereafter will generate the Pledged Facilities Increment securing the Series 2025A Facilities Bonds and the Pledged Housing Increment securing the Series 2025B Housing Bonds. The information below is intended to provide the overall context of the entire Treasure Island Project, of which the Initial Project Areas are a part.

Overview

The Treasure Island Project encompasses approximately 461 acres on Yerba Buena Island and Treasure Island, two adjacent islands (the “Islands”). The Islands are located in the San Francisco Bay and are connected by a causeway. The Islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station (“Naval Station Treasure Island” or “NSTI”). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority (“TIDA”) to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, a public benefit agency and instrumentality and an authority of the City and the State of California. TIDA’s board members are appointed by the Mayor of San Francisco.

The United States of America, acting through the Department of the Navy (the “Navy”), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement (“Navy MOA”) that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within the District and Major Phase 1. The bulk of the land the Navy still owns is comprised of Investigation/Remediation Site 12 (“IR Site 12”), which includes a substantial portion of the Major Phase 4 area, a small portion of the Major Phase 2 area, and shares a boundary with Major 3 as it is currently defined. The Navy has not yet received approval from applicable State and federal regulators to transfer IR Site 12 in the condition required by the Navy MOA. The Navy continues its remediation work, and the timeline for the transfer of this property is uncertain. Portions of IR Site 12 could be delayed for as much as 10 years, and in such event TIDA could invoke a redesign process under the Navy MOA if such delay impacts future phases of the development. However, the timing of such disposition does not affect development of the Initial Project Areas.

In 2003, TIDA selected Treasure Island Community Development LLC (“TICD”), a California limited liability company, to serve as master developer for the “Treasure Island Project.” The Treasure Island Project will be carried out by TICD in accordance with the Disposition and Development Agreement between TIDA and TICD, dated as of June 28, 2011 (as amended from time to time, the “DDA”), and the Development Agreement between the City and TICD dated as of June 28, 2011 (as amended from time to time, the “DA”), and related Treasure Island Project approvals (including the Mitigation Monitoring and Reporting Program adopted by TIDA and the City in reliance on the Treasure Island/Yerba Buena Island Environmental Impact Report, the Treasure Island/Yerba Buena Island Special Use District and a Design for Development that established design standards and guidelines).

The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed-use neighborhood of up to 8,000 residential units, hotels, restaurants, retail, arts and entertainment, parks, and open space. The DDA provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Developer Entities

TICD is the master developer of the Treasure Island Project. TICD, and its subsidiaries including TI Series 1 and Treasure Island Series 2, LLC (“TI Series 2”), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders (each a “Merchant Builder”) for construction of residential and commercial development. Of the development pads

sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA (each as defined below).

TICD is a joint venture, the members in which are (i) a joint venture (“TIH”) comprised of a subsidiary of Lennar Corporation (“Lennar”) and a subsidiary of Poly (USA) Real Estate Development Corporation, as a non-managing, third-party member, (ii) an indirect subsidiary of Lennar (“TICD Hold Co”), (iii) a joint venture (“KSWM”) comprised of affiliates of Stockbridge TI Fund LP (collectively, “Stockbridge”), Kenwood Investments (“Kenwood”) and WMS Treasure Island Development, LLC, an affiliate of Wilson Meany (“Wilson Meany”) and (iv) Stockbridge TI Co-Investors, LLC, an affiliate of Stockbridge (“Co-Investors”). TIH and TICD Hold Co. together own a fifty percent (50%) membership interest in TICD, and KSWM and Co-Investors together own a fifty percent (50%) membership interest in TICD. The responsibility for establishing the policies and operating procedures with respect to the business and affairs of TICD and for making all decisions as to all matters which TICD has authority to perform is vested in an Executive Committee, which is comprised of representatives of KSWM and of TIH, with equal power given to the KSWM and TIH representatives. KSWM and TIH are co-managing members of TICD, charged with conducting the business of TICD on a day-to-day basis; Wilson Meany and Lennar provide management services for KSWM and TIH, respectively. TICD’s subsidiary, Treasure Island Development Group, LLC (“TIDG”), leads many of the day-to-day activities of the Treasure Island Project under the direction of TICD’s co-managing members. Each of Wilson Meany and Lennar are deeply experienced in such projects, with seasoned and highly qualified personnel managing their respective roles in the Treasure Island Project, and TIDG’s team is also deeply experienced and highly qualified. Third party investors in Stockbridge and TIH hold limited and customary major decision approval rights related to certain high-level policies of TICD. Capital for the development of the Treasure Island Project comes from equity, the proceeds of land sales, debt financing, and reimbursements from public financing sources (including CFD bonds, District bonds and certain negotiated amounts of City certificates of participation). In addition, to the extent that TICD does not have capital in the amount or at the times required for budgeted expenses of the Treasure Island Project, TICD’s co-managing members have the right to call capital of TICD’s members, and the members are obligated to timely contribute their respective pro rata shares. The members of TICD are subject to customary and significant remedies in the event that they do not contribute such capital, and the other members are permitted to put in capital in the event that another member does not do so. In addition, see the caption “ - KSWM Litigation” below for a discussion of the litigation between Kenwood and entities of Stockbridge and Wilson Meany.

From time to time, TICD has admitted new members in connection with additional capital needs for the Treasure Island Project. In one such instance, in 2016, Co-Investors was admitted as a direct member to TICD in proportion to its capital contributions. At the same time, Stockbridge admitted a new, limited partner investor in its ownership structure, an affiliate of CITIC Capital Holdings Limited (“CITIC Capital”). CITIC Capital is a global alternative investment management and advisory company headquartered in Hong Kong. The firm manages over \$17 billion USD of capital through its multi-asset class platform covering private equity, real estate, structured investment and finance, asset management, and special situations.

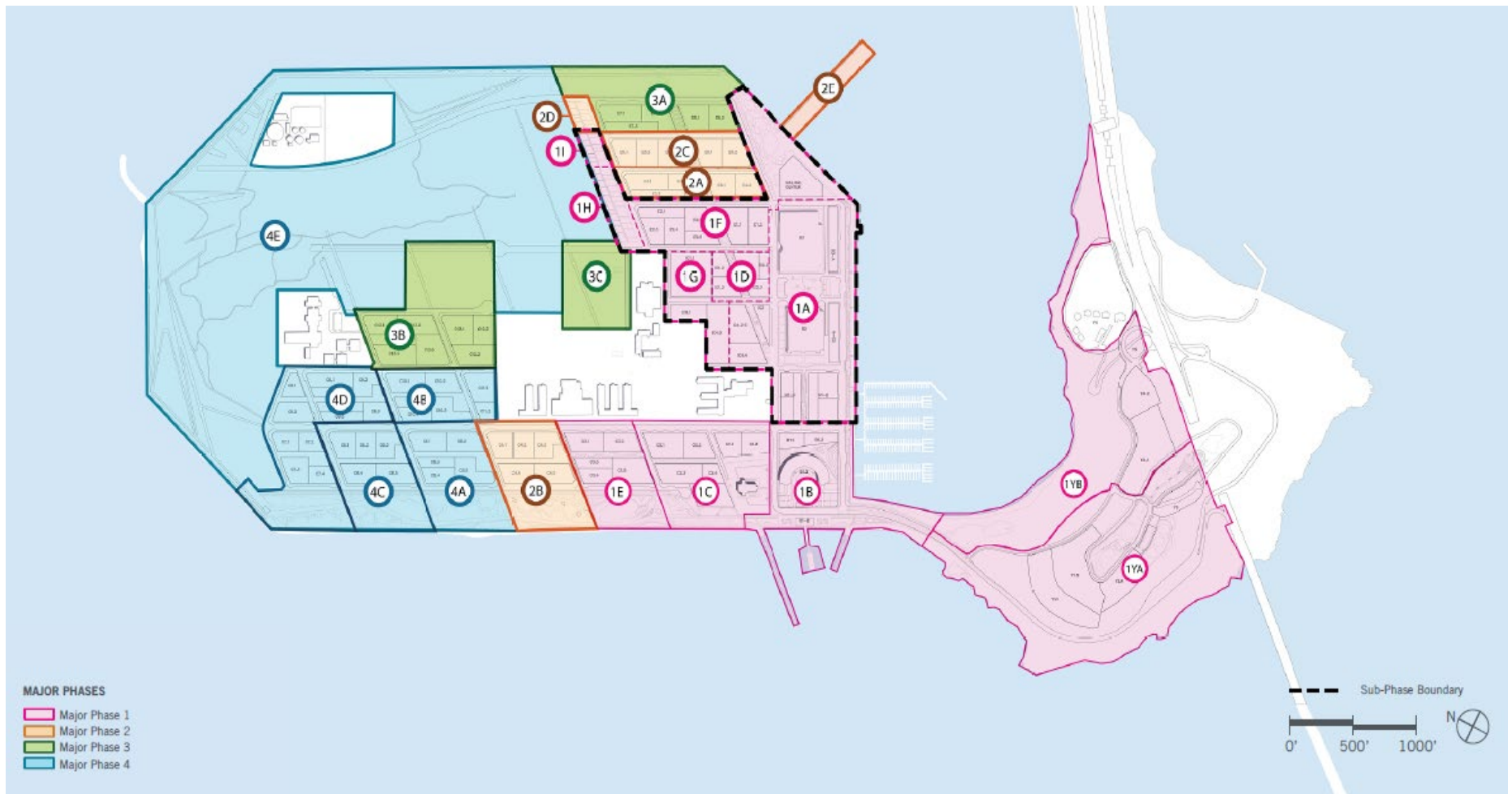
The Project Agreements (as defined herein) contemplate that TICD will sell property to builders to develop the vertical projects. The vertical projects were intended to be developed by a combination of (i) TICD members or affiliates; (ii) joint ventures in which TICD could be involved but would not have a controlling interest; and (iii) third-party sales. As TICD sought to market the property to builders and developers, TICD determined that the market would be more receptive for the land at the pricing being sought if it were to first show “proof of concept.” To do this, TICD’s members determined it was in the Treasure Island Project’s interest to have affiliated entities acquire the land in the first phase of the Treasure Island Project to build the vertical improvements. All of the land sales that have occurred in the Initial Project Areas to date transacted at market prices in compliance with the DDA procedures governing the

related-party sales. For example, the DDA requires that an appraisal must be commissioned and certain approvals obtained from various agencies prior to such sales.

Planned Development

The Treasure Island Project is planned for development of 5,827 market rate residential units, 2,173 below market rate affordable units, 551,000 square feet of commercial space, 500 hotel rooms, and approximately 290 acres of parks and open space. Development is planned to occur in four major phases, with each major phase including several sub-phases. The four major phases and the 11 sub-phases of Major Phase 1 (including 1YA, 1YB, 1B, 1C and 1E) are shown on the map below.

[Remainder of page intentionally left blank.]



Note: Area labels on the map above represent sub-phase designations, not Project Area designations. For Project Area designations, see map on page 47.

Table 1 below provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within the District.

Table 1
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Planned Development
Treasure Island Project and Portions Within Major Phase 1 and the District

	Treasure Island Project	Portion within Major Phase 1 ⁽¹⁾	Portion within District ⁽²⁾
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	<u>2,173</u>	<u>790</u>	<u>73</u>
Total Units	8,000	4,119	1,755 ⁽³⁾
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

⁽¹⁾ First of four major phases of the Treasure Island Project.

⁽²⁾ Portions of five out of 11 subphases of Major Phase 1.

⁽³⁾ Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in Fiscal Year 2025-26.

Infrastructure

All major backbone infrastructure required for development within the Initial Project Areas to receive certificates of occupancy has been completed. Completed infrastructure includes geotechnical work in Major Phase 1 (described below), critical utilities (water, sewer, gas, and electricity) serving the Initial Project Areas, reconstruction of the causeway connecting Yerba Buena Island and Treasure Island, and streetscape and landscaping of roads serving the Initial Project Areas.

Total horizontal infrastructure improvements and fees required for development of the larger Treasure Island Project are estimated to total approximately \$2.6 billion, as of July 1, 2025. As of July 1, 2025, TICD and related developers have expended approximately \$883 million on such costs (all related to Major Phase 1) (“Initial Project Costs”), and they expect to spend the remainder of such costs over the next 15 years.

A geotechnical mitigation program was implemented in the Initial Project Areas and elsewhere on Treasure Island in advance of infrastructure improvements and construction of buildings to make the Treasure Island perimeter seismically stable, strengthen the causeway that connects Treasure Island to Yerba Buena Island, densify the sandy fill to minimize seismic settlement within the development footprint, and compress the soft Bay Mud sediments to minimize future settlement from the addition of fill and buildings. The plan included densification of the sandy fill throughout the development and the shoreline using the direct power compaction (“DPC”) vibrocompaction improvement method, preloading new building parcels and City streets with surcharge, and strengthening the causeway and the portions of the shoreline with cement deep soil mixing. See “RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flooding Damage” for a description of Bay Mud. The geotechnical program for the Initial Project Areas and infrastructure serving it was completed and does not require ongoing maintenance work. Geotechnical work continues for portions of Treasure Island outside of the Initial Project Areas.

A portion of the Initial Project Costs have been reimbursed through the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (previously defined as, the “CFD”), established pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 et seq. of the California Government Code). The City, on behalf of the CFD, has issued four series of special tax bonds to date backed by special taxes levied on taxable parcels within either Improvement Area No. 1 or Improvement Area No. 2, as applicable. Both Improvement Area No. 1 and Improvement Area No. 2 are within the Initial Project Areas. These bonds have generated approximately \$91 million in project funds to date. The special taxes supporting the CFD bonds are not available to pay the Facilities Bonds or the Housing Bonds, nor is tax increment from the Project Areas available to pay the CFD bonds.

See “THE INITIAL PROJECT AREAS – Planned Development” for information about infrastructure in the Initial Project Areas.

Transportation

Current transportation options serving the Islands include a ferry service between Treasure Island and the San Francisco Ferry Building (privately-managed by TICD) and MUNI bus service to and from mainland San Francisco. Vehicles have access to the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island) from both the eastern and western sides of Yerba Buena Island. A planned “congestion pricing” auto toll is expected to be charged to certain drivers for each auto trip to and from Treasure Island. Additional transportation programs - including AC Transit bus service to Oakland and a fare-free on-islands shuttle - are planned for implementation as development proceeds on the Islands.

Sea Level Rise and Adaptive Management Strategy

The sea level rise and adaptive management strategy for Treasure Island includes a multi-phased approach to mitigation, with initial infrastructure designs to accommodate reasonable sea level rise scenarios as well as future monitoring and funding mechanisms to implement necessary improvements in the future. As part of the first phase of such strategy, the perimeter shoreline areas near the Initial Project Areas have been adjusted to function as a berm, and finished grades for the inland proposed building areas for some of the Initial Project Areas have been raised up to 6.0 feet. See “RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flood Damage” herein.

Recent Revisions of Project Agreements

As discussed above, the Treasure Island Project is carried out by TICD in accordance with the DDA and the DA, and related Treasure Island Project agreements (collectively, the “Project Agreements”). The Project Agreements and related approvals control the overall design, development and construction of the Treasure Island Project and all infrastructure and improvements. The Treasure Island Project, as a complex, phased development of horizontal infrastructure and vertical development, requires coordination among TICD, TIDA and the various agencies of the City to map, permit, inspect, and construct the Treasure Island Project, and transfer to the City completed public infrastructure.

In the course of implementing the Treasure Island Project, disagreements have arisen between members of TICD on the one hand and TIDA and the City on the other. Areas of dispute included:

Budget Disputes. The DDA obligates TICD to pay certain costs incurred by City departments (“City Costs”), certain TIDA costs to the extent there are annual budgetary shortfalls (“Authority Costs”), and certain agreed-upon developer subsidies, which include certain costs for open space, transportation, community facilities, authority housing, school improvements, ramps/viaducts, fill, and job training programs (“Developer Subsidies”). TICD questioned the appropriateness and amount of City Costs and

Authority Costs, and whether costs are being appropriately tracked and credited against TICD's payment obligations under the Project Agreements specifically for Developer Subsidies. The City and TIDA have asserted that the City Costs and Authority Costs invoiced to TICD are appropriate.

Permit Disputes. TICD has also raised additional concerns from time to time regarding the time and manner in which the City has processed and conditioned the Treasure Island Project's permits and maps, and the scope, timing and acceptance of public infrastructure (collectively, the "Permit Disputes"). TICD claimed that because of construction cost inflation, the pandemic and the City and TIDA's period to review permits and permit costs, the Treasure Island Project's total projected costs have increased from \$1.5 billion to approximately \$2.6 billion and the time for construction of the project has been extended.

Negotiations Related to Budget/Permit Disputes and Other Terms. In order to resolve the Budget Disputes and Permit Disputes, as well as to improve the speed of the Treasure Island Project's much-needed housing, the parties met and negotiated a series of amendments to the Project Agreements. The amendments to the Project Agreements ultimately culminated in an Amended and Restated Disposition and Development Agreement (the "A&R DDA"), an amendment to the Development Agreement (the "Amended DA"), changes to the Financing Plan, Housing Plan, Transportation Plan, Community Facilities Plan and Schedule of Performance, which are attachments to the A&R DDA and/or the Amended DA, changes to the project's Design for Development, and associated conforming changes to other ancillary and supporting documents. The amendments to the Project Agreement were approved by ordinance of the San Francisco Board of Supervisors that was adopted on April 23, 2024 and signed by the Mayor on May 3, 2024. Notable changes to the Project Agreements include:

- To accelerate delivery of the next stage of infrastructure ("Stage 2"), which include areas expected to be annexed into the District, TIDA removed the obligation of TICD to back-fill TIDA operating costs. In addition, the City agreed to advance up to \$115 million in City-supported capital funds through the execution and delivery of certificates of participation (e.g. Certificates of Participation or "COP") in three tranches. The funds are to be used exclusively to reimburse TICD for the construction of Stage 2 infrastructure. In March 2025, the first such COPs were sold, generating \$50 million of capital funds for such purpose. Based on the current Stage 2 construction schedule, TICD and the City expect to sell the second tranche of COPs, generating \$50 million of capital funds, in [late summer 2026]. The final and third tranche of COPs, generating \$15 million of capital funds, is expected to sell no earlier than mid-2027. Related project amendments included streamlining the reimbursement process to allow for expedited review and payment of costs related to the Stage 2 construction.
- The status of all Developer Subsidies was confirmed and the allowable use of Developer Subsidies dollars clarified. In particular, the Developer Subsidies related to transportation capital and operations were revised to be more flexible.
- Changes were made to the Schedule of Performance to delay certain Developer obligations. For example, the requirement to construct a new police and fire station and provide funds for a public school were delayed from the 2,500th dwelling unit to the 4,000th dwelling unit.
- The terms of the DDA and the DA were extended from 30 to 40 years.

Horizontal infrastructure required in order to receive a certificate of occupancy for planned developments for the Initial Project Areas is complete. See "THE TREASURE ISLAND PROJECT – Infrastructure." **Neither TIDA, the City nor the Underwriter make any assurance that development of the remainder of the Treasure Island Project will be completed.** See "RISK FACTORS - Real Estate Investment Risks" herein.

See also “ – Reassessment Covenant” below.

KSWM Litigation

There was litigation between certain entities holding indirect financial interests in the Stockbridge-Wilson Meany-Kenwood’s half of TICD (the “Stockbridge Ownership”), which is owned by Stockbridge TI Co-Investors, LLC (“Co-Investors”) and KSWM Treasure Island, LLC (“KSWM”). KSWM’s members are Stockbridge Treasure Island Investment Company, LLC (“STIIC”), affiliated with Stockbridge; Kenwood Investments, LLC (“Kenwood”); and WMS Treasure Island Development, LLC (“WMS”), a real estate development firm associated with Wilson Meany.

In November 2022, Kenwood alleged that STIIC and WMS had breached contractual and other duties in connection with an amendment (the “2016 Amendment”) to TICD’s operating agreement that brought in Co-Investors as an additional member of TICD without Kenwood’s consent. STIIC and WMS denied Kenwood’s allegations and, on April 3, 2023, filed a complaint against Kenwood in the Superior Court of California, County of San Francisco, seeking a declaration of their right to make a buy-sell offer to Kenwood pursuant to KSWM’s operating agreement. *Stockbridge Treasure Island Investment Company, LLC v. Kenwood Investments, LLC*, Case No. CGC-23-605537 (Superior Court, County of San Francisco) (the “Original Action”).

On April 4, 2023, Kenwood filed its own complaint in San Francisco Superior Court against Stockbridge Capital Partners, LLC (“SCP”), Co-Investors, and WMS, asserting claims for breach of contract, breach of the covenant of good faith and fair dealing, negligent misrepresentation, intentional misrepresentation, tortious interference with contract, and quantum meruit. *Kenwood Investments, LLC v. Stockbridge Capital Partners, LLC*, Case No. CGC-23-605626 (Superior Court, County of San Francisco). This action was consolidated with the Original Action for all purposes.

On November 12, 2024, Kenwood filed a new lawsuit in San Francisco Superior Court against Terry Fancher, Christopher Meany, and the following corporate entities (the “Corporate Defendants,” and together with Terry Fancher and Chris Meany, “Defendants”) that are involved in the development of certain land parcels for vertical development on Treasure Island: Stockbridge Capital Partners LLC, Stockbridge Capital Group LLC, Stockbridge Real Estate Fund LP, Stockbridge TI Member LLC, WM TI Rental JV I LLC, Stockbridge/Wilson Meany TI Lot 10 LLC, TI Lot 10 LLC, WM TI Condo JV I LLC, Stockbridge TI Series 2 Fund LP, Stockbridge TI Series 2 Member LLC, Stockbridge TI Series 2 Partners LLC, Stockbridge/Wilson Meany TI Lots 3-4 LLC, TI Lots 3-4 JV LLC, TI Lots 3-4 LLC, WM TI Condo JV 2 LLC, Stockbridge TI Series 3 Partners LLC, Stockbridge TI Series 3 Fund LP, Stockbridge TI Series 3 Member LLC, Stockbridge/Wilson Meany TI Lots 5-6 LLC, TI Lots 5-6 JV LLC, TI Lots 5-6 LLC, WM YBI JV LLC, Stockbridge YBI Partners LLC, Stockbridge YBI Fund LP, Stockbridge/Wilson Meany YBI Investors LLC, YBI Phase I Investors LLC, YBI Phase 2 Investors LLC, YBI Phase 3 Investors LLC, and YBI Phase 4 Investors LLC. On May 6, 2025, the new action was consolidated with the Original Action for all purposes.

On August 5, 2025, following a mediation, the parties entered into a confidential settlement agreement to resolve the litigation. Pursuant to the settlement, STIIC will acquire Kenwood’s interest in KSWM and the Treasure Island development, with the exception of Kenwood’s interest in the separate marina project, which is outside the Initial Project Areas.

Reassessment Covenant

Under the recently amended DDA (see “ - Recent Revisions of Project Agreements” above”), TICD agreed that, until the earlier of (A) the date on which (i) there are no authorized uses under the Infrastructure

Financing Plan of the Net Available Increment or Conditional City Increment generated in the District and neither TICD nor the City expects there to be any further such authorized uses and (ii) the City has been repaid for the use of Conditional City Increment in accordance with the Infrastructure Financing Plan and (B) the final date for receiving Net Available Increment or Conditional City Increment under the Infrastructure Financing Plan, TICD will inform the Controller in writing of its intent to initiate a proceeding (a “Reassessment Proceeding”) under the California Revenue and Taxation Code to reassess the value of the parcels owned by TICD within the District at least 90 days prior to initiating the Reassessment Proceeding. Any such notice shall identify TICD’s opinion of the value of the property. The City expects to consider TICD’s initiation of Reassessment Proceedings when evaluating whether to issue additional Parity Housing Debt or Parity Facilities Debt.

Other parties that might come to own taxable property in the District, such as merchant builders and homeowners, are not subject to this covenant. The foregoing covenant does not affect reassessments not sought by the payor that the Assessor could grant unilaterally under Proposition 8. See also “TAX INCREMENT REVENUE AND DEBT SERVICE – Top Taxpayers” herein.

THE INITIAL PROJECT AREAS

TI Series 1 has provided the following information with respect to the Initial Project Areas. No assurance can be given by the District that all information is complete. The District has not independently verified this information, makes no representation and assumes no responsibility for its accuracy or completeness. If planned development of the property is not completed Pledged Facilities Increment and Pledged Housing Increment could be comparatively lower than if development is completed as planned. See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other information contained in this Official Statement, in evaluating an investment in the Series 2025AB Bonds.

Overview

The District encompasses portions of the first phase of development of the Treasure Island Project. The District is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E (the “Initial Project Areas”). The Initial Project Areas have a combined land area of approximately 33 acres. Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The maps below show the Initial Project Area boundaries and related Assessor parcel numbers. While the maps below also show other areas on the Islands, only ad valorem property taxes levied on taxable property inside the boundaries of the Initial Project Areas and any future Project Areas can generate Gross Tax Increment, from which the Pledged Facilities Increment securing the Series 2025A Facilities Bonds and the Pledged Housing Increment securing the Series 2025B Housing Bonds will be derived.

The District currently expects that territory will be added to the District in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. It is anticipated that additional territory will be added as additional Project Areas. See “THE TREASURE ISLAND PROJECT – Overview” herein.

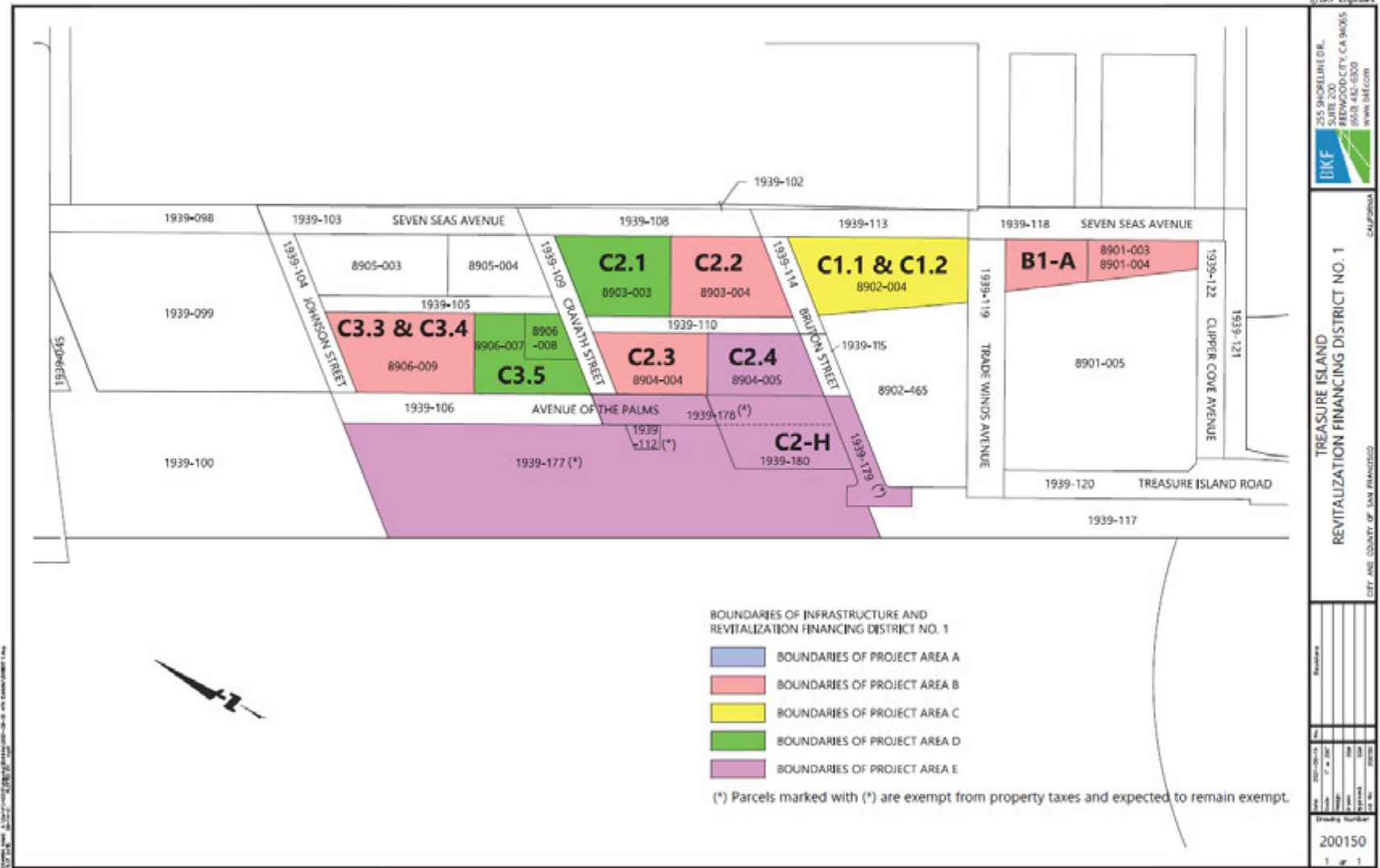
The Commencement Year has occurred for Project Areas A, B and E, which total approximately 29 acres. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C

or D have not yet been reached. See Table 2 in APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for information about the areas within the Initial Project Areas that coincide with Improvement Areas of the CFD.

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MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)





Planned Development

The Initial Project Areas are planned for development of 1,755 residential units and two hotels, as well as some commercial and retail development. See Table 1 herein.

Table 2 below identifies the planned development by Project Area and identifies the development sub-blocks within each as of July 1, 2025. Construction of 583 residential units within the District is complete. Completed development includes 141 market rate for-sale units, 395 market rate rental units, and 47 below market rate affordable units. Vertical construction is underway on an additional 148 condominium units, of which seven are below market rate affordable units.

Table 2
Summary of Planned Development Within the District and Estimated Timing

Sub-Block	Use	Project Area ⁽¹⁾	Planned No. of Stories	Planned Residential Units				Planned Hotel Rooms
				Market Rate		Total Units	average SF/Unit	
				For sale	Rental			
<u>Construction Complete/Sales Ongoing</u>								
4Y (Portion)	Condo (Bristol)	A	6	110		14	124	1,196
4Y (Portion)	Townhome/Flats	A	3 to 5	31			31	2,635
	(The Residences-initial phase) ⁽²⁾							
C2.2	Rental (Hawkins)	B	6		169	9	178	795
C2.4	Rental (Isle House)	E	22		226	24	250	830
Subtotal Vertical Construction Completed				141	395	47	583	0
<u>Vertical Construction Commenced</u>								
C3.3/4	Condo (490 Avenue of the Palms) ⁽³⁾	B	6	141		7	148	1,005
Subtotal Vertical Construction Commenced				141		7	148	
<u>Site/Building Permit Issued</u>								
B1 ⁽⁴⁾	Rental	B	5		111	6	117	730
Subtotal Site/Building Permit Issued				0	111	6	117	0
<u>Site/Building Permit Not Yet Issued</u>								
3Y	Townhome	A	3	11			11	3,376
4Y (portion)	Townhome/Flats ⁽²⁾	A	3 to 4	22			22	2,521
C2.3 ⁽⁴⁾	Condo	B	6	80		5	85	1,242
C3.5	Condo	D	20	152		8	160	1,208
1Y	Townhome	A	3	32			32	3,270
1Y	Flats	A	4	41			41	2,670
1Y	Estate	A	TBD	5			5	TBD
2Y-H	Hotel	A	TBD	n/a				
C1.1&2	Condo	C	Tower	286			286	1,584
C2.1	Condo	D	31	265			265	1,152
C2-H	Hotel	E	TBD					
Subtotal Site/Building Permit Not Yet Issued				894	0	13	907	350
Total				1,176	506	73	1,755	350

Abbreviations used in this table: Estate = single family estate home sites, TBD = to be determined

⁽¹⁾ Project Areas C and D have not commenced collection of Tax Increment and may not reach the Trigger Amount for commencement of tax increment collection until construction of planned development in these Project Areas is underway.

(2) Represents a portion of the 53 total units within The Residences (4Y Townhomes and Flats).

(3) The 490 Avenue of the Palms developer projects that construction will be complete by the end of 2025.

(4) These projects are being reevaluated by the respective Merchant Builders. See “THE INITIAL PROJECT AREAS – Development Status” herein.

Source: Fiscal Consultant; Master Developer (for project start and projected completion timing).

Development Status

As of the date hereof, most of the real property in the Initial Project Areas is owned by TI Series 1, the various Merchant Builders or TIDA and is in various stages of development. The remaining real property is owned by purchasers of condominium units at The Bristol and the 4Y (Portion) Residences.

Horizontal Infrastructure. Critical utilities (water, sewer, gas, and electricity) and all additional infrastructure needed to secure certificates of occupancy within the Initial Project Areas have been completed. Since payment for work typically lags the work performed, a portion of the costs of this completed infrastructure remains to be spent. As of July 1, 2025, the estimated total costs for horizontal infrastructure necessary to allow for certificates of occupancy for property located within the Initial Project Areas have been expended. TI Series 1 expects these remaining costs will be financed through bond proceeds, cash on hand and remaining capital contributions. The remaining public improvement costs not required for a certificate of occupancy are primarily attributable to public parks.

For information about infrastructure development outside the Initial Project Areas, see “THE TREASURE ISLAND PROJECT – Infrastructure” herein.

Completed Vertical Construction

The Bristol. The 124-unit The Bristol condominium project, located on a portion of Sub-Block 4Y of Project Area A on Yerba Buena Island, commenced construction in 2019 and was completed in June 2022. The Bristol is six stories in height, has an average unit size of 1,196 square feet and includes 110 market rate units and 14 below market rate affordable units. Condominium sales and closings are underway. Move-ins began the first week of June 2022. TI Series 1 understands that, as of July 1, 2025, the sale of 77 units had closed, including 65 market rate units and 12 below market rate units, representing the sale of four additional units beyond those represented in the Fiscal Year 2025-26 roll data. Market rate sales prices have averaged approximately \$1.5 million per unit for units averaging approximately 1,180 square feet in size, which is below the overall average unit size for the project of 1,196 square feet. The remaining units are currently being marketed for sale.

The Merchant Builder for The Bristol financed costs for The Bristol through the proceeds of a loan from the Pacific Western Bank and CW YBI Capital Management, LLC of up to \$99 million (the “Bristol Construction Loan”), home sales and equity contributions. In August 2022, The Bristol’s Merchant Builder closed a \$79.3 million condo inventory loan (the “Bristol Condo Inventory Loan”) provided by Man GPM Pluto Designated Activity Company and repaid The Bristol Construction Loan. The Bristol Condo Inventory Loan currently matures in September 2026. As of July 1, 2025, \$30.9 million of The Bristol Condo Inventory Loan was outstanding and the loan was in good standing. The Bristol Condo Inventory Loan is paid down as condominium units are transferred to individual owners.

Phase 1 of The Residences – Immediately adjacent to The Bristol, Sub-Block 4Y Townhomes and Flats (permitted portion), includes a portion of the phased residential project known as The Residences. The project is in Project Area A. Construction is complete on four buildings including 31 of the 53 market-rate stacked flats and townhome units planned in this

development. Final certificates of occupancy for the buildings of The Residences were issued in February 2025. The stacked flats have an average unit size of 2,755 square feet and the townhomes have an average unit size of 2,537 square feet. As of July 1, 2025, six of the market rate units had been sold and closed escrow at an average price of approximately \$4.2 million.

The units are being developed by affiliates of Stockbridge and Wilson Meany. The Merchant Builder closed a construction loan in August 2021 provided by East West Bank (“Lender”) in the amount of \$55 million, for the construction of the first 31 units of The Residences and some of the site work for the remaining 22 units located in Sub-Block 4Y (the “4Y Loan”). In April 2023, the Merchant Builder secured a \$5 million loan increase in the 4Y Loan, for a total construction loan in the amount of \$60 million. The 4Y Loan currently matures in November 2026, and has one, six-month extension option. The 4Y Loan is secured by a deed of trust on Sub-Block 4Y. As of July 1, 2025, the 4Y Loan was outstanding in the amount of approximately \$35.4 million and was in good standing.

Isle House/Sub-Block C2.4 – Vertical construction of a 22-story high rise apartment development (known as “Isle House”) with 250 rental units, including 24 below market rate affordable units, commenced in November 2022 and achieved final completion in [September] 2024. As of July 2025, the property is 50% leased. The project has an average unit size of 830 square feet and is being developed by affiliates of Stockbridge and Wilson Meany. The property is in Project Area E. On August 12, 2022, Merchant Builder secured a \$122.8 million construction loan with the Union Labor Life Insurance Company (“ULLICO”) for a term of thirty-six months. The loan was extended for an additional 24 month period in July 2025. The loan is secured by a deed of trust on Sub-Block C2.4. As of July 1, 2025, \$120.0 million was outstanding and the loan is in good standing.

Hawkins/Sub-Block C2.2 – Vertical construction of this six-story apartment development with 178 rental units, including nine below market rate affordable units, commenced in September 2022. The project is in Project Area B and was completed in January 2025. The project has an average unit size of 795 square feet and was developed by a subsidiary of Lennar. The Merchant Builder used internal sources of funds to complete the project. As of July 1, 2025, Hawkins is approximately 16% leased, with 26 market rate leases and 2 below market rate leases.

Under Construction

490 Avenue of the Palms/Sub-Block C3.3/C3.4 – Vertical construction of a six-story, 148-unit planned condominium development (known as “490 Avenue of the Palms”), including seven below market rate affordable units, commenced in October 2022. The project is in Project Area B. Completion of the building is estimated for October 2025. The project has an average unit size of 1,005 square feet and is being developed by a joint venture development team that includes affiliates of Stockbridge, Wilson Meany and Lennar. Structural work on the foundation and podium level was completed in October 2023, wood framing was completed in April 2024, and façade completion is [estimated to be completed in August 2025]. The 490 Avenue of the Palms Merchant Builder closed a construction loan on September 23, 2022 in the amount of \$94.7 million with Pacific Western Bank for a term of approximately three years (the “C3.4 Loan”). The C3.4 Loan was then assigned by Pacific Western Bank to Odyssey Reinsurance Company, ISAO on June 8, 2023. The C3.4 Loan is in the process of being extended, and is secured by a deed of trust on Sub-Block C3.4. As of July 1, 2025, \$65.5 million of the construction loan has been drawn and the C3.4 Loan was in good standing. Sale of units in 490 Avenue of the Palms are currently expected to begin in [_____].

Permits Issued

Sub-Block B1 - A five-story apartment development planned for 117 rental units, including six below market rate affordable units, received site permit approval in December 2021. The project is in Project Area B. The project has an average unit size of 730 square feet and is being developed by Poly USA. This project is on hold as described below.

Additional Planned Developments. TI Series 1 has sold to Merchant Builders Sub-Blocks 1Y, 3Y, 4Y Townhomes and Flats (remaining portion not yet permitted), C2.3, and C3.5, which are collectively planned for 356 residential units. Of the 356 planned residential units, 343 are market rate for-sale units, and 13 are below market rate affordable units. TI Series 1 understands that none of these sold planned developments have yet established firm construction costs, secured construction financing or received site or building permits as of July 1, 2025. However, permitted grading and shoring activities for a portion of Sub-Block 3Y have been completed. TI Series 1 understands that the Merchant Builders for Sub-Blocks B1 and C2.3 currently have those projects on hold. No assurances can be given when construction of such projects will commence, whether financing will be available or whether the projects will be completed. In addition, TI Series 1 owns property in Sub-Blocks C1.1, C1.2, and C2.1, which are collectively planned for 551 market-rate for-sale residential units.

TIDA owns six parcels within the District that are currently exempt from property taxes. Of the six TIDA parcels, two (Sub-Blocks 2Y-H and C2-H) are planned for separate 50-room and 300-room hotels, respectively. The remaining four parcels consist of land planned for use as public right of way, parks, and open space. Development of the hotel projects has not begun. The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. While TIDA-owned parcels are not subject to taxation, if the parcel is leased to a private third-party such as a hotel developer, the leasehold interest would be taxable. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest. Timing for development of the hotels is to be determined and is not expected near-term.

The foregoing planned developments are in different stages of planning, financing, development, and construction. No assurance can be given that development of these properties will be completed. See “RISK FACTORS - Real Estate Investment Risks “ herein.

The District and the CFD

The District contains parcels within the CFD, as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within the District planned for a hotel, right of way and open space are not within any of Improvement Area Nos. 1, 2 or 3 of the CFD. The District includes additional parcels not within Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

TAX INCREMENT REVENUE AND DEBT SERVICE

General

As discussed above, the Pledged Facilities Increment securing the Existing Facilities Bonds, the Series 2025A Facilities Bonds and future Parity Facilities Bonds, and the Pledged Housing Increment securing the Existing Housing Bonds, the Series 2025B Housing Bonds and future Parity Housing Bonds are designated portions of the basic 1% of assessed value property tax levy in each Project Area after the Commencement Year for the Project Area. The Pledged Facilities Increment will represent 53.285270% of such taxes and the Pledged Housing Increment will represent 11.302936% of such taxes (less certain administrative costs).

The District has retained the Fiscal Consultant to provide historical information and projections of taxable assessed valuation and tax increment revenue from the Initial Project Areas.

Commencement Year and Time Limits for Each Project Area

Tax increment revenues generated in a Project Area begin to be allocated to the District only after the Commencement Year for the Project Area, the Commencement Year being the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the Project Area and received by the City. Tax increment can only be collected in each component Project Area for 40 years beginning with its Commencement Year.

The Commencement Year occurred for Project Area A in Fiscal Year 2019-2020 and for both Project Area B and Project Area E in Fiscal Year 2022-23.

Table 3 below summarizes the tax increment allocation status of the Initial Project Areas.

Table 3
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Initial Project Areas Tax Increment Allocation Status

Project Area	Acreage⁽¹⁾	Trigger Amount for Commencement of Tax Increment Allocation	Commencement Year	Last Year of Tax Increment
A	15.6	\$150,000	Fiscal Year 2019-20	Fiscal Year 2058-59
B	4.4	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
C	1.6	300,000	To be determined	To be determined ⁽²⁾
D	2.1	300,000	To be determined	To be determined ⁽²⁾
E	9.5	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
Total⁽³⁾:	33.1			

⁽¹⁾ Aggregate land area of Assessor’s parcels within each Project Area in the District.

⁽²⁾ Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.

⁽³⁾ Project Areas A, B and E, for which the Commencement Year has occurred, total approximately 29.4 acres.

Source: Fiscal Consultant.

Historical Assessed Values

Fiscal Year 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within the District, following the transfer of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately \$1.1 million per developable acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the \$61.2 million sale price applicable to a sale by TI Series 1 to an affiliated Merchant Builder. The \$1.1 million value per acre was based on an Assessor analysis that considered the remaining improvements necessary for development to occur.

Taxable assessed values for the Initial Project Areas from the Fiscal Year 2016-17 Base Year through Fiscal Year 2025-26 are summarized in Table 4 below.

Table 4
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Assessed Values

Fiscal Year	Project Areas Active in Fiscal Year 2025-26			Total for Project Areas Active in Fiscal Year 2025-26 ⁽³⁾	Project Areas Not Yet Active		Total for All Project Areas ⁽³⁾	% Increase
	Project Area A	Project Area B	Project Area E		Project Area C	Project Area D		
2016-17 ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7
2025-26	412,723,876	263,567,246	172,303,013	848,594,135	2,012,096	33,404,588	884,010,819	26.9

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ Fiscal Year 2016-17 is the Base Year.

⁽²⁾ Includes Fiscal Year 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the Fiscal Year 2021-22 assessment roll.

⁽³⁾ All figures in this table represent both total and Incremental Assessed Property Value, as the Base Year assessed value is \$0.

Source: Fiscal Consultant.

The Fiscal Consultant Report indicates that the increases in assessed value from Fiscal Year 2019-20 through Fiscal Year 2025-26 were primarily driven by:

- Sale of development pads by TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company;
- Completion of the 124-unit The Bristol condominium project in 2022; and
- Construction progress on Isle House (Sub-Block C2.4), 490 Avenue of the Palms (Sub-Block C3.3/C3.4), the Sub-Block 4Y Townhomes and Flats, and Hawkins (Sub-Block C2.2).

See APPENDIX F – “FISCAL CONSULTANT REPORT – 4.1 Historic Taxable Values.” See “RISK FACTORS – Reduction in Tax Base and Assessed Values” herein.

Land Uses

The aggregate assessed valuation in all of the Initial Project Areas and for Project Areas A, B and E for Fiscal Year 2025-26 by land use is set forth on the following Table 5. As shown in Table 5, 35% of aggregate Fiscal Year 2025-26 taxable assessed value for Project Areas A, B and E (which are the Project Areas that will collect tax increment in Fiscal Year 2025-26) is attributable to completed for-sale residential units developments, 30.5% is attributable to completed for-rent residential unit developments and approximately 17.9% is derived from a project actively under construction, with the remaining approximately 16.6% derived from vacant land and one project with a site permit previously issued. See “THE INITIAL PROJECT AREAS - Development Status” herein.

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Table 5
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Fiscal Year 2025-26 Taxable Assessed Value by Land Use

Land Uses Composition	All Initial Project Areas				Initial Project Areas Collecting Tax Increment in Fiscal Year 2025-26 (Project Areas A, B, E)			
	Planned Units	No. of Parcels	Fiscal Year 2025-26 Taxable Value	% of Total	Planned Units	No. of Parcels	Fiscal Year 2025-26 Taxable Value	% of Total
Residential Development Sites								
Completed For-Sale Units⁽¹⁾								
Private homeowners, investor	79	79	\$119,996,918	13.6%	79	79	\$119,996,918	14.1%
Developer-owned units	<u>76</u>	<u>76</u>	<u>177,032,640</u>	20.0	<u>76</u>	<u>76</u>	<u>177,032,640</u>	20.9
<i>Subtotal</i>	155	155	\$297,029,558	33.6%	155	155	\$297,029,558	35.0%
Completed Rental Units⁽²⁾	428	2	\$258,448,819	29.2%	428	2	\$258,448,819	30.5%
For-Sale Units Development Sites								
Vertical construction underway ⁽³⁾	148	1	\$151,696,475	17.2%	148	1	\$151,696,475	17.9%
Site permit not yet issued ⁽⁴⁾	<u>907</u>	<u>8</u>	<u>163,017,755</u>	<u>18.4</u>	<u>196</u>	<u>4</u>	<u>127,601,071</u>	<u>15.0</u>
<i>Subtotal</i>	1,055	9	\$314,714,230	35.6%	344	5	\$279,297,546	32.9%
Rental Units Development Sites								
Site permits issued ⁽⁵⁾	117	2	\$13,818,212	1.6%	117	2	\$13,818,212	1.6%
Owned by TIDA and non-taxable		6	\$0	0.0%		6	\$0	0.0%
GRAND TOTAL	1,755	174	\$884,010,819	100.0%	1,044	170	\$848,594,135⁽⁶⁾	100.0%

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ The 124-unit The Bristol condominium building completed in June 2022 and 31 units of the Sub-Block 4Y Townhomes and Flats (17 townhomes and 14 flats) completed in 2024. As of the Fiscal Year 2025-26 assessment roll, 76 units were identified as owned by affiliates of the developer while 79 units were owned by a combination of individual homeowners and an investor in the Treasure Island Project, LH YBI Holdings LLC, which owns 16 units. Based on sales data provided by the developer, four additional market rate units were subsequently sold, resulting in a split of 72 developer-owned units and 83 units owned by private homeowners and such investor.

⁽²⁾ Includes Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units completed in 2024, and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units that is substantially complete and received a temporary certificate of occupancy in January 2025.

⁽³⁾ For-sale units under construction include the 148-unit 490 Avenue of the Palms condominium building, of which seven units are below market rate.

⁽⁴⁾ Includes one parcel planned for use as a park.

⁽⁵⁾ Site permits issued for Sub-Block B1, owned by an affiliate of Poly USA, on December 2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced, and the project is currently on hold. See “THE INITIAL PROJECT AREAS – Development Status” herein.

⁽⁶⁾ Reflects \$326,119,977 of land assessed value, and \$519,908,475 of improvement assessed value and \$2,565,683 of personal property value. See APPENDIX F – “FISCAL CONSULTANT REPORT – Table 27” for additional information regarding land assessed value, improvement assessed value and personal property assessed value by parcel.

Sources: City and County of San Francisco Office of the Assessor-Recorder, TICD, City and County of San Francisco Department of Building Inspection (for permit issuance status).

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Top Taxpayers

The top taxpayers in the Initial Project Areas, by Fiscal Year 2025-26 assessed valuation, both in aggregate, and for Project Areas A, B and E for which collection of tax increment has commenced, are set forth below in Table 6. The first six taxpayers listed in Table 6 encompass all taxable property within the District other than newly constructed residential units within The Bristol and Sub-Block 4Y Townhomes and Flats that have been sold to private homeowners. These six taxpayers represent the vast majority of assessed value within Project Areas A, B and E. Within Project Areas A, B and E, these six taxpayers account for over 90% of Fiscal Year 2025-26 assessed valuation, with the balance attributable primarily to individual owners of units in The Bristol and 4Y Townhomes and Flats. See “RISK FACTORS – Concentration of Property Ownership” herein.

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Table 6
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Top Taxpayers for Fiscal Year 2025-26

Taxpayers Fiscal Year 2025-26		Completed and Planned Res. Units ⁽⁹⁾	No. of Parcels	Project Area(s)	Assessed Value Fiscal Year 2025-26		% of Total and Incremental Assessed Value ⁽¹⁰⁾	
					All Project Areas	Active Project Areas ⁽¹¹⁾	All	Active Areas ⁽¹¹⁾
1	Stockbridge and Wilson Meany ⁽¹⁾	437	80	A and E	\$465,029,971	\$465,029,971	52.6%	54.8%
2	Stockbridge, Wilson Meany and Lennar Joint Venture ⁽²⁾	308	3	B and D	183,736,465	151,696,475	20.8	17.9
3	Lennar ⁽³⁾	178	1	B	86,145,806	86,145,806	9.7	10.2
4	LH YBI Holdings LLC ⁽⁴⁾	16	16	A	38,061,492	38,061,492	4.3	4.5
5	Poly USA ⁽⁵⁾	202	3	B	25,724,965	25,724,965	2.9	3.0
6	TI Series 1 ⁽⁶⁾	551	2	C and D	3,376,694	N/A	0.4	N/A
Top Taxpayers⁽⁷⁾		1,692	105		\$802,075,393	\$766,658,709	90.7%	90.3%
Private Homeowners⁽⁸⁾		63	63	A	\$ 81,935,426	\$ 81,935,426	9.3%	9.7%
TOTAL ALL TAXPAYERS		1,755	168		\$884,010,819	\$848,594,135	100.0%	100.0%

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ Includes the following separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC: TI Lot 10, LLC; YBI Phase 1 Investors, LLC; YBI Phase 2 Investors, LLC; YBI Phase 3 Investors, LLC and YBI Phase 4 Investors, LLC. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayers), being developed as a joint venture.

⁽²⁾ Includes properties being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of taxpayers). Includes the following affiliated legal entities: TI Lots 3-4 LLC and TI Lots 5-6 LLC.

⁽³⁾ Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 taxpayer).

⁽⁴⁾ LH YBI Holdings LLC is a limited partner in three of the Stockbridge and Wilson Meany developments and has purchased twelve units in The Bristol and four units in the Sub-Block 4Y Townhomes and Flats.

⁽⁵⁾ Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., B1 Treasure Island 048 Holdings, LLC and C23 Treasure Island 048 Holdings, LLC. Poly USA has an ownership interest in TI Series 1 (No. 6 taxpayer).

⁽⁶⁾ Treasure Island Series 1, LLC (previously defined as TI Series 1) is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. Four taxpayers, namely (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA, each have an ownership interest in TI Series 1.

⁽⁷⁾ Does not include any private homeowners. One private homeowner who owns two units in the Bristol with a combined taxable assessed value of \$3,436,156 (0.4% of total assessed value of the District) would be the sixth largest taxpayer if residential units owned by private homeowners were listed separately in Table 6.

⁽⁸⁾ Sales data provided by Stockbridge and Wilson Meany indicates that an additional four units in The Bristol were sold to private homeowners through July 21, 2025, which sales are not yet reflected in the Fiscal Year 2025-26 roll ownership information.

⁽⁹⁾ See Table 28 of the Fiscal Consultant Report for additional information regarding development block, status, and breakdown between for-sale and rental.

⁽¹⁰⁾ Percentages calculated based upon Fiscal Year 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year assessed value is zero).

⁽¹¹⁾ Includes Project Areas A, B, and E that will collect tax increment in Fiscal Year 2025-26.

Source: Fiscal Consultant.

Assessment Appeals and Other Potential Assessed Value Changes

No assessment appeals were filed for properties in the District from Fiscal Year 2018-19 through Fiscal Year 2022-23. One appeal was filed in Fiscal Year 2023-24 by an individual homeowner within The Bristol and was subsequently withdrawn. Six appeals were filed in Fiscal Year 2024-25 by individual homeowners in The Bristol, all of which remain outstanding. The six Fiscal Year 2024-25 pending appeals seek a total reduction of value of \$1,615,808. In the Fiscal Consultant Report, these appeals are estimated to result in a net assessed value reduction of \$333,467 based on an assumed 3.1% historical average reduction applicable to certain resolved condominium appeal filings throughout the City. All appeals are within Project Area A.

Owners of individual residential units may submit a request for an informal review by the Assessor, without initiating a formal assessment appeal. Informal reviews by the Assessor may result in a reduction to assessed value under Proposition 8. Three units in The Bristol are estimated to have received such reductions in assessed value for purposes of the Fiscal Year 2025-26 roll, based on declines in assessed value below their sale price as inflated pursuant to Proposition 13, in the absence of either a transfer of ownership or assessment appeal.

Recent sales prices in The Bristol have trended below their Fiscal Year 2025-26 assessed values. Six units within The Bristol sold during the period from January 1, 2025 through July 2025 at sales prices averaging 31% below their Fiscal Year 2025-26 assessed values. Market values that are below Fiscal Year 2025-26 assessed values based on recent sales prices are an indication that additional assessed value reductions are possible, either through additional unit sales at similar pricing or through Assessor adjustments under Proposition 8. Subject to certain assumptions, the Fiscal Consultant Report estimates the potential decline in assessed value for The Bristol that could occur through a combination of (a) the completed 2025 unit sales at prices below their assessed value, (b) additional unit sales at similar prices, (c) assessment appeals, and (d) homeowner requests for an informal review by the Assessor under Proposition 8. Based on assumptions, the aggregate potential assessed value reduction is estimated by the Fiscal Consultant Report to total \$36.7 million, representing a 20% decrease in the Fiscal Year 2025-26 assessed values of The Bristol. See APPENDIX H – “FISCAL CONSULTANT REPORT.”

See “RISK FACTORS – Reduction in Tax Base and Assessed Values” herein.

Under the Fiscal Consultant Report, potential increases in Fiscal Year 2025-26 assessed values from completion of Hawkins, Isle House, 490 Avenue of the Palms and the Sub-Block 4Y Townhomes and Flats are assumed to be limited based on a comparison of Fiscal Year 2025-26 assessed values to indicators of current market value. Also, for purposes of its projections, the Fiscal Consultant Report disregards a \$5.4 million estimated net increase from Fiscal Year 2025-26 assessed values from the sale of six market rate residential units in Sub-Block 4Y Townhomes and Flats during calendar year 2024, which sales prices are not yet reflected in Fiscal Year 2025-26 assessed values. See APPENDIX H – “FISCAL CONSULTANT REPORT.”

Allocations of Tax Increment to District

Table 7 below indicates assessed values and allocations of tax increment to the District. As shown, actual amounts allocated to the District have ranged from 103.3% of the calculated levy in Fiscal Year 2024-25, to 110.9% in Fiscal Year 2021-22, and averaged 105.1% of the calculated levy over the initial four years of tax increment allocation.

Table 7
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Allocations of Tax Increment to District

			Actual	Actual	Actual	Actual	Estimated
			2021-22	2022-23	2023-24	2024-25	2025-26
Assessed Value Increment, Active Project Areas⁽¹⁾			\$201,114,923	\$372,320,895	\$486,864,276	\$661,820,292	\$811,886,086
Active Project Areas			A	A, B, E	A, B, E	A, B, E	A, B, E
Calculated 1% Tax Increment							
	1% levy		\$2,011,149	\$3,723,209	\$4,868,643	\$6,618,203	\$811,886,086
Property Tax Administrative Costs⁽²⁾			\$5,113	\$9,387	\$8,511	\$11,031	\$13,783
Calculated District Tax Increment⁽⁴³⁾ (Net Available Increment + Conditional City Increment)							
Pledged Facilities Increment	53.285270%		\$1,067,428	\$1,976,178	\$2,587,248	\$3,517,426	\$4,314,786
Pledged Housing Increment	11.302936%		226,424	419,189	548,810	746,121	915,258
Total	64.588206%		\$1,293,852	\$2,395,367	\$3,136,058	\$4,263,547	\$5,230,044
Actual Amount Allocated by Controller⁽³⁾⁽⁴⁾⁽⁵⁾							
Pledged Facilities Increment			\$1,183,713	\$2,101,219	\$2,686,230	\$3,635,829	TBD
Pledged Housing Increment			251,091	445,713	569,552	769,333	TBD
Total			\$1,434,803	\$2,546,932	\$3,255,783	\$4,405,161	TBD
Collections as % of Computed Levy⁽⁶⁾			110.9%	106.3%	103.8%	103.3%	TBD
Average, Fiscal Years 2021-22 to 2024-25			105.0%				

⁽¹⁾ The Base Year assessed value is zero. See Table 19 of Fiscal Consultant Report for Fiscal Year 2025-26 estimated incremental assessed value after the potential assessed value decrease for The Bristol described above under the caption “ - Assessment Appeals and Other Potential Assessed Value Changes.”

⁽²⁾ Administrative costs for division of taxes include Controller property tax administrative costs and a approximately 10% of Accounting Operations and Suppliers Division costs. The administrative cost of division of taxes is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.

⁽³⁾ Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service.

⁽⁴⁾ Includes \$6,119.02 tax increment distribution in Fiscal Year 2023-24 to compensate for under-distribution in Fiscal Year 2020-21 caused by a one-time legacy system migration issue.

⁽⁵⁾ Figures are after deduction of the administrative cost for division of taxes.

⁽⁶⁾ Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.

Source: Controller, Fiscal Consultant.

Revenue Projections

Projected tax increment revenues are shown below in Table 8, based on Fiscal Year 2025-26 assessed values in Project Areas A, B and E, over the term of the projection and held constant over the term of the projection through Fiscal Year 2058-59, assuming no change in the assessed values. The projection assumes that assessed values are to be reduced by the estimated \$36.7 million potential assessed value decrease for The Bristol and that there will be no increase in assessed value based on recently completed or in-progress construction or based on the sale of six market rate residential units in Sub-Block 4Y Townhomes and Flats during calendar year 2024 for which sales prices are not yet reflected in Fiscal Year 2025-26 assessed values. See “ - Assessment Appeals and Other Potential Assessed Value Changes.” See

APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for a description of the assumptions underlying projected assessed values.

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Table 8
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projection of Tax Increment (Based on Reported Fiscal Year 2025-26 Assessed Value)

	A	B	C	D	E	F	G	H	I	J	K
	Gross Tax Increment = 1% x Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment			Net Available Housing Increment						
Fiscal Year		Total	Prop Tax Admin. Cost ⁽¹⁾	After Prop Tax Admin.	Conditional City Facilities Increment	Pledged Facilities Increment	Total	Prop Tax Admin. Cost ⁽¹⁾	After Prop Tax Admin.	Conditional City Housing Increment	Pledged Housing Increment
		46.68527%	0.30%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.30%	=G.+H.	1.40000%	=I.+J.
25-26	\$8,118,861	\$3,790,312	(\$11,371)	\$3,778,941	\$535,845	\$4,314,786	\$804,006	(\$2,412)	\$801,594	\$113,664	\$915,258

⁽¹⁾ Administrative costs deductible from Gross Tax Increment are assumed at 0.3% of Net Available Increment. The Controller reported that expenses for division of taxes to the District were \$11,031 for Fiscal Year 2024-25. This \$11,031 expense equates to approximately 0.3% of Fiscal Year 2024-25 Net Available Increment. Although for projection purposes, property tax-related administrative expenses are estimated as a percentage of revenue, actual costs reflect the associated staff time and cost, which are not fixed as a percentage of revenue, may escalate at a different pace than revenues and are payable prior to debt service on Parity Facilities Bonds and Parity Housing Bonds. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for additional information regarding administrative costs.

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Debt Service and Coverage

Table 9 provides the debt service schedule for the Series 2025A Facilities Bonds and outstanding Parity Facilities Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as Fiscal Year 205-26 Pledged Facilities Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Facilities Debt that could be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT” herein.

Table 9
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2025A Facilities Bonds and Parity Facilities Bonds

Year Ending ⁽¹⁾	Facilities Bonds Debt Service			Fiscal Year 2025-26 Pledged Facilities Increment ⁽²⁾	Coverage from Fiscal Year 2026-26 Pledged Facilities Increment ⁽³⁾
	Outstanding Parity Series Parity Facilities Bonds	Series 2025A Facilities Bonds	Total		
	\$	\$	\$	\$	%

Total	\$	\$	\$

⁽¹⁾ Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.

⁽²⁾ Projected; rounded. Assumes no assessed value changes. Based on Fiscal Consultant Report projection. See “Revenue Projections” and Table 8 above. No assurance is given that assessed values will not decline. See “RISK FACTORS” herein.

⁽³⁾ Reflects Fiscal Year 2025-26 Pledged Facilities Increment divided by Annual Facilities Debt Service.

Table 10 provides the debt service schedule for the Series 2025B Housing Bonds and outstanding Parity Housing Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as the Fiscal Year 2025-26 Pledged Housing Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Housing Debt that could be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT” herein.

Table 10
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2025B Housing Bonds and Parity Housing Bonds

Year Ending ⁽¹⁾	Housing Bonds Debt Service			Fiscal Year 2025-26 Pledged Housing Increment ⁽²⁾	Coverage from Fiscal Year 2025-26 Pledged Housing Increment ⁽³⁾
	Outstanding Parity Series Parity Housing Bonds	Series 2025B Housing Bonds	Total		
	\$	\$	\$	\$	%

Total	\$	\$	\$

⁽¹⁾ Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.

⁽²⁾ Projected; rounded. Assumes no assessed value change. Based on Fiscal Consultant Report projection. See “Revenue Projections” and Table 8 above. No assurance is given that assessed values will not decline. See “RISK FACTORS” herein.

⁽³⁾ Reflects Fiscal Year 2025-26 Pledged Housing Increment divided by Annual Housing Debt Service.

The following table presents the semi-annual debt service schedules for the Series 2025AB Bonds, assuming no redemptions other than mandatory sinking fund redemptions.

Table 11
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Semi-Annual Debt Service Schedules

Payment Date	Series 2025A Facilities Bonds			Series 2025B Housing Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	\$	\$	\$	\$	\$	\$

LIMITATIONS ON TAX INCREMENT REVENUES

The Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are secured by pledges of Pledged Facilities Increment and Pledged Housing Increment, respectively, as described in this Official Statement. The District does not have any independent power to levy and collect property taxes; accordingly, the amount of Pledged Facilities Increment and Pledged Housing Increment available to the District for payment of the principal of and interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, is affected by several factors, including but not limited to those discussed below. See also “RISK FACTORS” herein.

Property Tax Collection Procedure

Classifications. In California, property that is subject to ad valorem taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against the unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax that becomes a lien on secured property has priority over all other liens arising pursuant to State law on the secured property, regardless of the time of creation of the other liens.

Generally, ad valorem taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (cities, school districts and special districts) that share in the ad valorem tax (each, a taxing entity) and redevelopment agencies eligible to receive tax increment revenues.

Collections. Secured property and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The Taxing Authority has four (4) ways of collecting unsecured personal property taxes in the case of delinquency: (i) initiating a civil action against the taxpayer; (ii) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes that are delinquent.

Delinquencies. The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property become delinquent if not paid by August 31 and are subject to penalty; unsecured taxes added to the roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

Penalty. A ten percent (10%) penalty is added to delinquent taxes that have been levied with respect to property on the secured roll. In addition, on or about June 30 of the fiscal year, property on the secured roll on which taxes are delinquent is declared to be in default by operation of law and declaration of the tax collector. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of one and one-half percent (1.5%) per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector. A ten percent (10%) penalty also applies to the delinquent taxes on property on the unsecured roll, and further, an additional penalty of one and one-half percent (1.5%) per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction occurring subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Areas, tax increment available to pay debt service on the Series 2025AB Bonds may increase.

Property Tax Administrative Costs. State law allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. All costs incurred by a county in connection with the division of taxes pursuant to the Law for an infrastructure and revitalization financing district shall be paid by that district.

Teeter Plan

The City has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Generally, under the Teeter Plan, which applies to the property tax revenues, including tax increments generated in the Project Areas, each participating local agency, including cities, levying property taxes in its county may receive the amount of uncollected taxes credited to its fund in the same manner as if the amount credited had been collected. In return, the county would receive and retain delinquent payments, penalties and interest, as collected, that would have been due to the local agency. However, although a local agency could receive the total levy for its property taxes without regard to actual collections, funded from a reserve established and held by the county for this purpose, the basic legal liability for property tax deficiencies at all times remains with the local agency.

The Teeter Plan remains in effect in the City unless and until the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the City (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the City, in which event, the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the City. There can be no assurance that the Teeter Plan will remain in effect throughout the life of the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds. In the event the Teeter Plan within the Project Areas were discontinued, the amount of the levy of property tax revenue that can be allocated to the District would depend upon the actual collections of taxes within the Project Areas. Substantial delinquencies in the payment of property taxes could then impair the timely receipt by the District of Net Available Facilities Increment and the Conditional City Facilities Increment and the payment of debt service on the Series 2025A Facilities Bonds or of Net Available Housing Increment and the Conditional City Housing Increment and the payment of debt service on the Series 2025B Housing Bonds.

Taxation of Unitary Property

In California, certain properties are known as unitary property or operating nonunitary property. Such properties are properties of an assessee that are operated as a unit (consisting mostly of operational property owned by utility companies). Property tax revenue derived from assessed value attributable to unitary and operating nonunitary property that is assessed by the State Board of Equalization is to be allocated county-wide as follows: (i) each jurisdiction, including redevelopment project areas, will receive a percentage up to one hundred two percent (102%) of its prior year unitary and operating nonunitary revenue; (ii) if the amount of property tax revenue available for allocation is insufficient to make the allocation required by clause (i), above, the amount of revenue to be allocated to each jurisdiction will be

prorated; and (iii) if county-wide revenues generated for unitary and operating nonunitary property are greater than one hundred two percent (102%) of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue based on such jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year.

No tax revenue derived from unitary property or operating nonunitary property is included in the projections of Pledged Facilities Increment and Pledged Housing Increment.

Tax Limitations – Article XIII A of California Constitution

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent (1%) of "full cash value," and provides that such tax will be collected by the counties and apportioned according to State statutes. Section 1(b) of Article XIII A provides that the one percent (1%) limitation does not apply to ad valorem taxes levied to pay interest or redemption charges on (1) indebtedness approved by the voters prior to July 1, 1978, and (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

Section 2 of Article XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 Fiscal Year tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent (2%) per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIII A, which is \$1.00 per \$100 of assessed market value. The legislation further establishes the method for allocating the taxes collected by each county among the taxing agencies in the county.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age fifty-five (55) and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in property tax revenues.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the no more than two percent (2%) annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

The District cannot predict whether there will be any future challenges or changes to California's present system of property tax assessment or the effect of any such challenge or change on the District's receipt of Pledged Facilities Increment and Pledged Housing Increment.

Article XIII B of California Constitution

On November 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution. Article XIII B has been subsequently amended several times. The principal effect of Article XIII B is to limit certain annual appropriations of the State and any local government, which includes any city, county, special district, or other political subdivision of or within the State, to the level of appropriations for the prior fiscal year, subject to certain permitted annual adjustments. Appropriations of local government subject to Article XIII B is defined to mean generally any authorization to expend the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Permitted adjustments to the annual appropriations limit include adjustments for changes in the cost of living, population and services rendered by the government entity.

Articles XIII C and XIII D of California Constitution

On November 5, 1996, California voters approved Proposition 218. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. The Series 2025AB Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218 and are outside of the scope of taxes that are limited by Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures or other legislation could be adopted, further affecting the availability of tax increment revenues or the District’s ability to expend tax increment revenue.

RISK FACTORS

The following is a discussion of certain risk factors which should be considered, in addition to other information contained in this Official Statement, in evaluating an investment in the Series 2025AB Bonds. This discussion does not purport to be comprehensive or definitive, and other risk factors could arise in the future that could have a bearing on the Series 2025AB Bonds. The occurrence of one or more of the events discussed herein could materially adversely affect the ability or willingness of property owners in the Initial Project Areas to pay their property taxes when due. Such failures to pay property taxes could result in the inability of the District to make full and punctual payments of debt service on the Series 2025AB Bonds, or could otherwise affect the market price and liquidity of the Series 2025AB Bonds in the secondary market. In addition, the occurrence of one or more of the events discussed herein could materially adversely affect the value of the property in the Initial Project Areas.

Reduction in Tax Base and Assessed Values

The amounts of Pledged Facilities Increment available to pay principal and interest on the Series 2025A Facilities Bonds and the amount of Pledged Housing Increment available to pay principal and interest on the Series 2025B Housing Bonds are based primarily on Gross Tax Increment (less certain administrative costs). The amount of Gross Tax Increment of a Project Area is allocated only after the

respective Commencement Year and for 40 consecutive years thereafter. A reduction of assessed value in the Project Areas caused by economic factors beyond the City's or the District's control, such as sale at a reduced price by one or more major property owners in the Project Areas, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other possibilities, earthquake or other natural disaster, could cause a material reduction in the Gross Tax Increment from which Pledged Facilities Increment and Pledged Housing Increment are derived. Such reduction of assessed value and Gross Tax Increment could have a material adverse effect on the District's ability to make timely payments of principal of and interest on the Series 2025AB Bonds.

Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described in the paragraph above). Any resulting reduction in the full cash value base over the term of the Series 2025AB Bonds could reduce assessed value and available the Gross Tax Increment and, in turn, Pledged Facilities Increment and Pledged Housing Increment. See "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution" herein.

Appeals of assessed valuation or temporary reductions in assessed value under Proposition 8 may result in reductions in assessed values. Under Proposition 8, assessors in California additionally have authority to use criteria to apply reductions in valuation to classes of properties affected by any factors influencing valuation, including but not limited to adverse economic conditions.

Real property values in the City were impacted by the effects of COVID-19 commencing with the Fiscal Year 2021-22 assessment roll. The resulting impact was a nearly 4-fold increase in the total number of Proposition 8 reductions granted on the Fiscal Year 2021-22 assessment roll compared to the prior year (up from 2,059 to 8,212) and an increase of more than 8-times the value of such reductions (up from \$272 million to \$2.18 billion). For the January 1, 2025 lien date, the Assessor's Office completed 10,739 "decline-in-value" reviews. The count and value of Proposition 8 reductions for the 2025-26 Assessment Roll were 9,375 and \$4.84 billion, respectively. There are six Fiscal Year 2024-25 pending appeals on property within the District seeking a total reduction of value of \$1,615,808. See "TAX INCREMENT REVENUE AND DEBT SERVICE – Assessment Appeals and Reductions" herein.

No assurance is given that Proposition 8 reductions will not be granted in the future if certain conditions occur. Reductions may be based on similar factors to those that prompted past reductions or may include other or additional factors or events. See "THE CITY" herein.

Projections of Pledged Facilities Increment and Pledged Housing Increment; Plan Limits

To project Pledged Facilities Increment and Pledged Housing Increment, the Fiscal Consultant Report has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Initial Project Areas (including assuming that the Initial Contributing Project Areas will be limited to the Initial Project Areas) and continuation of the Teeter Plan. In addition, present land assessed values were established through the sale of land among related parties that may or may not reflect market value. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto. The District believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized and actual results may differ.

To the extent that actual assessed valuation or percentages collected are less than these assumptions, the Pledged Facilities Increment and Pledged Housing Increment would be less than that projected and

might not generate sufficient amounts of such respective sources of payment to pay debt service on the related Series 2025AB Bonds.

Projected Pledged Facilities Increment and Pledged Housing Increment rely on assessed values that include assessed values of completed projects, but also values derived from construction in progress, horizontal development and from land sales between parties affiliated to TICD. The Fiscal Consultant Report projects that 65.5% of tax increment revenues in Fiscal Year 2025-26 will be derived from the completed projects, approximately 17.9% will be derived from a project actively under construction and the balance derived from vacant land and one project with a site permit. See “THE INITIAL PROJECT AREAS – Development Status” herein. Assessed values attributable to construction in progress or land values may be subject to more volatility than assessed values of completed buildings. Despite the construction investment made in a property, a recession or other economic factors could lead to later assessed values lower than the assessed values based on construction in progress.

The Infrastructure Financing Plan contains a limit on the total number of dollars of taxes that may be allocated to the District pursuant to the Infrastructure Financing Plan in the Initial Project Areas. The cumulative limit on receipt of Net Available Increment related to the Initial Project Areas is \$1.53 billion, and the cumulative limit on receipt of Conditional City Increment related to the Initial Project Areas is \$216 million, resulting in a combined \$1.746 billion limit for the Initial Project Areas. Such Plan Limits limit the total dollars available as Pledged Facilities Increment and Pledged Housing Increment as sources of payment for the Series 2025AB Bonds. While the District has made certain covenants under the Facilities Indenture and Housing Indenture, respectively, to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment and Pledged Housing Increment, respectively, available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on (1) the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt and (2) the Outstanding Housing Bonds and any outstanding Parity Housing Debt, respectively, there can be no assurance that such management efforts will avoid imposing the Plan Limit’s restrictions on amounts available for debt service. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt – Plan Limit Covenant” and “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt – Plan Limit Covenant” herein. See also APPENDIX F – “FISCAL CONSULTANT REPORT – 2.3 Cumulative Limit on Allocation of Tax Increment Revenue” attached hereto.

Real Estate Investment Risks

Generally. The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the District (including impacts on market value caused by high mortgage interest rates and other terms), the supply of or demand for competitive properties in such area, and the market value of properties and/or sites in the event of sale or foreclosure, (ii) changes in real estate tax rates, tariffs, interest rates and other operating expenses, government rules (including, without limitation, zoning laws and restrictions relating to threatened and endangered species) and trade policies and fiscal policies at the federal, state or local level (iii) natural disasters (including, without limitation, earthquakes, subsidence, floods and fires), which may result in uninsured losses, or natural disasters elsewhere in the country or other parts of the world affecting supply of building materials that may cause delays in construction, and (iv) the impacts of a public health emergency, such as the COVID-19 pandemic, on construction and sales activity, the national and regional economy and financial circumstances of property owners in the District.

The occurrence of one or more of the events discussed under “RISK FACTORS” herein could materially adversely affect the actual and estimated assessed values of property in the Project Areas, the ability or willingness of property owners in the Project Areas to pay their property taxes when due or prompt property owners to petition for reduced assessed valuation, in each case causing a reduction, or a delay or interruption in the receipt of, Gross Tax Increment from the Project Areas, and correspondingly the Pledged Facilities Increment and the Pledged Housing Increment. Such factors could also induce or exacerbate the risks described in “RISK FACTORS – Levy and Collection of Taxes,” and “– Bankruptcy and Foreclosure” herein.

Concentration of Property Ownership. The Initial Project Areas have a significant concentration of ownership. For Fiscal Year 2025-26, over 90% of incremental assessed value in Project Areas A, B and E for which collection of tax increment has commenced, are derived from property owned by four taxpayers, all related to TICD. See “THE INITIAL PROJECT AREAS” for information regarding property ownership and the status of development in the Initial Project Areas. Failure of any significant owner of property in the Project Areas to pay the annual property taxes when due could result in the rapid, total depletion of the 2022 Facilities Reserve Account and the 2022 Housing Reserve Account prior to replenishment from the resale of the property upon a foreclosure or otherwise or prior to delinquency redemption after a foreclosure sale, if any. In that event, there could be a default in payments of the principal of and interest on the Series 2025AB Bonds. The City has adopted the Teeter Plan and provides one hundred percent (100%) of tax revenues to the District regardless of delinquencies. See “LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan” herein. However, the Teeter plan may be discontinued at any time.

The property taxes are not a personal obligation of the owners of property in the District on which such property taxes are levied, and no assurances can be given that the holder of the taxed property will be financially able to pay the property taxes levied on such property or that they will choose to pay even if financially able to do so. Such risk is greater and its consequence more severe where ownership of property in the District is concentrated but may be expected to decrease when ownership of the property in the District is diversified. As of the July 2025 tax roll, nearly all of the property subject to property tax in the District are owned by TI Series 1 or the Merchant Builders of affiliates thereof, except for 63 units closed and transferred to private homeowners (61 units of The Bristol and two units of the 4Y Townhomes and Flats). Based on sales data provided by the developer, four additional market rate units at The Bristol were subsequently sold, resulting in a split of 88 developer-owned or developer affiliate-owned units and 67 private homeowners.

Failure to Develop Properties. As of the date hereof, construction of four vertical projects in the Initial Project Areas have been completed; one remains under construction. Based on Fiscal Year 2025-26 assessed values, approximately 65.5% of Gross Tax Increment is derived from completed buildings, approximately 17.9% from a project actively under construction and the rest from vacant land and one project with a site permit. See “THE INITIAL PROJECT AREAS – Development Status” herein. Further development of property in the Project Areas may not occur as currently proposed or at all. Development plans and expectations have been modified in the past for numerous reasons, including the COVID-19 pandemic, supply chain issues, inflationary cost increases, and various delays caused by the foregoing. Previously projected revenues for the Treasure Island Project have been pushed out and reduced such that the projected values of, and expected returns on, developer interests are projected to be lower today than they were projected to be a few years ago. See “THE TREASURE ISLAND PROJECT - KSWM Litigation” herein.

Unimproved or partially improved land is inherently less valuable than land with a completed building on it, especially if there are restrictions on development, and provides less security to the Owners. Any delays in developing unimproved property, or the decision not to construct improvements on such

property, may affect the willingness and ability of the owners of property within the Project Areas to pay property taxes when due. See “LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan” herein.

Land development is subject to comprehensive federal, State and local regulations. Permit approvals for construction projects are required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. Failure to obtain any such agency approval or to satisfy such governmental requirements could materially adversely affect planned land development. In addition, there is a risk that future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the Project Areas, will be enacted, and a risk that future voter approved land use initiatives could add more restrictions and requirements on development within the Project Areas.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the Project Areas will not be materially adversely affected by a deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, market conditions and other factors that may impair the ability to obtain long-term financing or refinancing, the income tax treatment of real property ownership, the national economy, or natural disasters that impact ferry or automobile access to the Project Areas.

The Project Agreements afford TICD effectively the right but not the obligation to develop the balance of the Treasure Island Project beyond the Initial Project Areas. Infrastructure in the Initial Project Areas is largely complete, and TICD has provided security for the completion of the public infrastructure in the Initial Project Areas. Also, TICD and TI Series 1 have confirmed that, as of the date of this Official Statement, they are actively proceeding with development of the Treasure Island Project in accordance with the terms and requirements of the DDA, and, at this time, have no plans to cease such development. However, neither TIDA, the City nor the Underwriter make any assurance that development of the Treasure Island Project will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur.

Failure to Secure Sufficient Funding, Financing or Refinancing. Continued financing will be needed to complete the development of the property within the Project Areas and to refinance maturing construction loans, including from private sources and from issuance of future bonds for the CFD or by the District. Issuance of future bonds for the CFD or by the District will depend upon future property values, interest rates and market access and other factors; any delays may affect timing and pace of planned development. While four vertical projects have completed construction, one remains under construction, and firm construction costs for some of the other planned vertical development within the Initial Project Areas have not been established. Design development of certain buildings is ongoing. Projected costs may increase. No assurance can be given that the required funding will be secured or that construction loans will be refinanced or that the proposed horizontal infrastructure and/or planned vertical development will be partially or fully completed. Cost overruns could be incurred that require additional funding beyond what is currently projected. If such funding is not be available, development may not proceed as planned.

See “TAX INCREMENT REVENUE AND DEBT SERVICE – Assessed Value Projections” herein and APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto. No assurance is given that the development that is currently planned in the Initial Project Areas will be completed, or that it will be completed on the currently-expected timeline. If planned development of the property is not completed Gross Tax Increment could be comparatively lower than if development is completed as planned.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats, illustrated most recently by the outbreak and spread of COVID-19. The spread of COVID-19 and actions to contain its spread had significant adverse health and financial impacts throughout the world, including in the City.

While COVID-19 case rates have significantly declined, vaccination rates have increased, certain emergency orders have been lifted, and the national and local economy has been improving, the economic effects of the COVID-19 pandemic are uncertain in many respects. The ultimate impact of COVID-19 on the operations and finances of the City, the District, TICD or the Merchant Builders and the real estate market and development within the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the operations and finances of the City, the District, TICD, TI Series 1 or the Merchant Builders. Adverse impacts to the development within the District as a whole could include, without limitation, one or more of the following: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction; (iv) extreme fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) permissive remote work policies reducing demand for commercial office spaces; (vii) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession, (viii) reduced demand for development projects; (ix) delinquencies in payment of property taxes and (x) the failure of government measures to stabilize the financial sector and introduce fiscal stimulus sufficient to counteract economic impacts of the public health emergency.

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Housing Indenture. Information in this section about the potential impact of COVID-19 or other public health emergencies on the City's finances does not suggest that the City has an obligation to pay debt service on the Series 2025AB Bonds. See "SECURITY AND SOURCES OF PAYMENT – Limited Obligation" herein.

None of the District, the City, the Underwriter, TICD, TI Series 1 nor the Merchant Builders can predict the ultimate effects of the COVID-19 outbreak or the occurrence of other public health emergencies or whether any such effects will not have material adverse effect on the ability to develop the Treasure Island Project, including the Initial Project Areas, as planned and described herein, or the availability of Pledged Facilities Increment and Pledged Housing Increment in amounts sufficient to support, respectively, payment of debt service on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively.

Levy and Collection of Taxes

The District has no independent power to levy or collect property taxes. The implementation of any constitutional or legislative property tax decrease could reduce the Pledged Facilities Increment and Pledged Housing Increment, and accordingly, could have a material adverse impact on the security for and the ability of the District to repay the Series 2025AB Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Initial Project Areas, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have a material adverse effect on the District's ability to make timely payments on the Series 2025AB Bonds. Any reduction in Pledged Facilities Increment and Pledged Housing Increment, whether for any of these reasons or any other reasons, could have a material adverse effect on the District's ability to pay the principal of and interest on the Series 2025AB Bonds. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Exempt Property

The total assessed value in the Project Areas can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes, such as non-profit housing).

If a substantial portion of land within the Project Areas became exempt from property taxes, the Pledged Facilities Increment and Pledged Housing Increment might not be sufficient to support payment of principal of and interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, when due, the 2022 Facilities Reserve Account for the Series 2025A Facilities Bonds and the 2022 Housing Reserve Account for the Series 2025B Housing Bonds may become depleted, and a default could occur with respect to the payment of such principal and interest. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Natural Disasters

Real estate values can be materially adversely affected by natural events and conditions, such as earthquakes, tsunamis, sea level rise and floods. The District expects that one or more of these conditions may occur from time to time, and such conditions may result in delays in development or damage to property improvements. Any damage resulting from a natural disaster may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of real estate within the Project Areas could decline materially and owners of property may be less willing or able to pay property taxes.

Seismic Risks

General. The City, including the Initial Project Areas, is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Seismic events may cause damage, or temporary or permanent loss of occupancy to buildings in the Project Areas, as well as to transportation infrastructure that serves the Project Areas. These faults include the San Andreas Fault, which passes within about three miles of the City's border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, as well as a number of other significant faults in the region. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City and the only automobile access to the Project Areas, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

California Earthquake Probabilities Study. In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled *The HayWired Earthquake Scenario*, which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than \$82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Eighty percent of shaking damage is expected to be caused by the magnitude 7.0 mainshock, with the rest of the damage resulting from aftershocks occurring over a 2-year period thereafter. High magnitude earthquakes can be very destructive. In addition to the potential damage to buildings subject to property tax, due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, infrastructure and residential and business real property values, including in the Project Areas.

A separate City report dated March 2020 cited to liquefaction maps by the United States Geological Survey for large past earthquakes. These maps show that Treasure Island and small portions of Yerba Buena Island had very high liquefaction susceptibility in connection with those earthquakes.

Earthquake Safety Implementation Plan ("ESIP"). ESIP began in early 2012, evolving out of the key recommendations of the Community Action Plan for Seismic Safety ("CAPSS"), a 10-year-long study evaluating the seismic vulnerabilities San Francisco faces. The CAPSS Study prepared by the Applied Technology Council looked at the impact to all of San Francisco's buildings and recommended a 30-year plan for action. As a result of this plan, San Francisco has mandated the retrofit of nearly 5,000 soft-story buildings housing over 111,000 residents by September 2021. As of June 30, 2025, 94% of these soft-story buildings have been brought into compliance. Currently, the City is implementing a façade ordinance requiring owners of 5-story or higher buildings to submit inspection reports every 10 years. The first set of inspections focus on pre-1910 buildings. Inspection reports for more recent buildings will be phased in over the next four years. Future tasks will address the seismic vulnerability of older nonductile concrete and concrete tilt-up buildings, which are at high risk of severe damage or collapse in an earthquake. This retrofit program is currently in development.

Tall Buildings Safety Strategy Report and Executive Directive. The City commissioned a first in the nation "Tall Buildings Study" by the Applied Technology Council to consider the impact of earthquakes on buildings taller than 240 feet. The Treasure Island development program has only four parcels zoned for buildings higher than 240 feet, of which two are planned on parcels in the District. However, none of the completed buildings or the other buildings currently under construction in the District (i.e., The Bristol, the 4Y (Portion) Residences, Isle House, Hawkins or 490 Avenue of the Palms) are currently planned to be taller than 240 feet. The final report following the study, released in January 2019, evaluates best practices for geotechnical engineering, seismic risks, standards for post-earthquake structural evaluations, barriers to re-occupancy, and costs and benefits of higher performance goals for new construction. The study estimates that for a tall building designed to current seismic standards, it might take two to six months to mobilize for and repair damage from a major earthquake, depending on the building location, geologic conditions, and the structural and foundation systems. The report identifies and summarizes sixteen recommendations for reducing seismic risk prior to earthquakes for new and existing buildings, reducing seismic risk following earthquakes, and improving the City's understanding of its tall building seismic risk. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

On January 24, 2019, then-Mayor London N. Breed issued an executive directive instructing City departments to work with community stakeholders, develop regulations to address geotechnical and

engineering issues, clarify emergency response and safety inspection roles, and establish a Disaster Recovery Task Force for citywide recovery planning, including a comprehensive recovery plan for the financial district and surrounding neighborhoods by the end of the year. All of these tasks are currently underway. In November 2019, an exercise was conducted to test post-earthquake building safety inspection protocol and logistics. San Francisco was the first jurisdiction to test this statewide program. The City's Disaster Recovery Taskforce had its kick-off meeting in February 2020 to evaluate plans for development of a Disaster Recovery Framework and Downtown Resilience Plan, following several months of groundwork by a consultant team. In consultation with the Structural Engineers Association of Northern California ("SEAONC"), Administrative Bulletin AB-111 – "Guidelines for Preparation of Geotechnical and Earthquake Ground Motion Reports for Foundation Design and Construction of Tall Buildings" was adopted on June 15, 2020, which presented requirements and guidelines for developing geotechnical site investigations and preparing geotechnical reports for the foundation design and construction of tall buildings in the City.

Climate Change; Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The *Fifth National Climate Assessment*, published by the U.S. Global Change Research Program in November 2023 ("NCA5"), which assessed the variability of climate impacts across individual regions of the United States, found that the City is vulnerable to impacts from sea level rise, with flooding potentially exacerbated by storm surges, extreme precipitation and high tides. Sea levels are anticipated to continue to rise due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting. The NCA5 utilizes a projected flood risk from 3 feet of sea level rise in the San Francisco Bay Area, consistent with an intermediate scenario of reductions in greenhouse gas emissions in the year 2100. Coastal areas, including the City, are vulnerable to floods impacting private development and public infrastructure, as well as roads, utilities, and emergency services.

Sea levels are expected to continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the oceans. Between 1854 and 2016, sea level rose about nine inches according to the tidal gauge at Fort Point, a location underneath the Golden Gate Bridge. Weather and tidal patterns, including 100-year or more storms and king tides, may exacerbate the effects of climate related sea level rise. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost.

Adapting to sea level rise is a key component of the City's policies. The City and its enterprise departments have been preparing for future sea level rise for many years and have issued a number of public reports. For example, in March 2016, the City released a report entitled "Sea Level Rise Action Plan," identifying geographic zones at risk of sea level rise and providing a framework for adaptation strategies to confront these risks. That study shows an upper range of end-of-century projections for permanent sea level rise, including the effects of temporary flooding due to a 100-year storm, of up to 108 inches above the 2015 average high tide. To implement this Plan, the Mayor's Sea Level Rise Coordinating Committee, co-chaired by the Planning Department and Office of Resilience and Capital Planning, joined the Port, the Public Utilities Commission and other public agencies in moving several initiatives forward. This included

a Citywide Sea Level Rise Vulnerability and Consequences Assessment to identify and evaluate sea level rise impacts across the City and in various neighborhoods that was released in February 2020.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resources Agency, the Governor's Office of Planning and Research, and the California Energy Commission) published a report, that was formally adopted in March 2018, entitled "Rising Seas in California: An Update on Sea Level Rise Science" (the "Sea Level Rise Report") to provide a new synthesis of the state of science regarding sea level rise. The Sea Level Rise Report provides the basis for State guidance to state and local agencies for incorporating sea level rise into design, planning, permitting, construction, investment and other decisions. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. The City has incorporated the projections from the 2018 report into its Guidance for Incorporating Sea Level Rise Guidance into ongoing Capital Planning. The Guidance requires that City projects over \$5 million consider mitigation and/or adaptation measures.

In March 2020, a consortium of State and local agencies, led by the Bay Area Conservation and Development Commission, released a detailed study entitled, "Adapting to Rising Tides Bay Area: Regional Sea Level Rise Vulnerability and Adaptation Study," on how sea level rise could alter the Bay Area. The study states that a 48-inch increase in the bay's water level in coming decades could cause more than 100,000 Bay Area jobs to be relocated, nearly 30,000 lower-income residents to be displaced, and 68,000 acres of ecologically valuable shoreline habitat to be lost. The study further argues that without a far-sighted, nine county response, the region's economic and transportation systems could be undermined along with the environment. Runways at SFO could largely be under water.

Portions of the San Francisco Bay Area, including the Project Areas, are built on fill that was placed over saturated silty clay known as "Bay Mud." This Bay Mud is soft and compressible, and the consolidation of the Bay Mud under the weight of the existing fill is ongoing. A report issued in March 2018 by researchers at UC Berkeley and the University of Arizona suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claims that the risk of subsidence is more significant for certain parts of the City built on fill.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2025AB Bonds. While the effects of climate change may be mitigated by the City's past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources.

In September 2017, the San Francisco City Attorney filed a lawsuit on behalf of the People of the State of California in San Francisco Superior Court against the five largest investor-owned oil companies

seeking to have the companies pay into an abatement fund to help fund infrastructure for climate change adaptation. Following litigation regarding defendants' removal of the case to federal court, the City's case was remanded to and coordinated with similar municipal lawsuits and the State of California's lawsuit in San Francisco Superior Court in 2024. In June 2024, the San Francisco City Attorney filed the current Second Amended Complaint seeking abatement funds, damages, and other remedies. The Superior Court has since held that personal jurisdiction is appropriate over non-resident defendants sued in the City's case and denied an "anti-SLAPP" motion to strike by Chevron. The appellate courts denied the non-resident defendants' personal jurisdiction writs and upheld the denial of the anti-SLAPP motion. The defendants have filed demurrers and motions to strike, which the Superior Court has set for hearings in November. While the City believes that the claims in this lawsuit are meritorious, it can give no assurance regarding whether the lawsuit will be successful and obtain the requested relief from the courts, or contributions to the abatement fund from the defendant oil companies.

Treasure Island and Yerba Buena Island may be particularly susceptible to the impacts of sea level rise or other impacts of climate change or flooding because of their location and topography. An assessment and strategy report related to sea-level rise was issued in connection with the current permit issued by the San Francisco Bay Conservation and Development Commission ("BCDC") for the Treasure Island Project. The BCDC permit, issued in 2016, requires an update on sea level rise every five years. The first such update was prepared for TIDG by an outside consultant and issued in October 2021. The update looked at changes in sea-level-rise policy and projections since the commencement of the Treasure Island Project and evaluated if the adopted sea-level-rise policy projections and adaptation measures remain applicable or need revision. The update also looked at (i) the amount of sea level rise that has occurred since the start of the project and (ii) whether the amount of sea level rise would draw into consideration any documented impacts to public access areas in the form of flooding and settlement. The update concluded that the 2016 assessment and strategy report remains consistent with the most recent sea-level rise projections. The update did not call for a change to the adopted approach to sea-level rise adaptation.

The City is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City, the local economy or, in particular, the assessed values of taxable property in the Project Areas and the ability of a property owner in the Project Areas to pay property taxes levied.

Other Natural Disasters and Other Events

In addition to earthquake and sea-level rise (discussed above), other natural or man-made disasters or events, such as flood, wildfire, tsunamis, toxic dumping, international conflicts, civil unrest or acts of terrorism, could also adversely impact persons and property within the City generally and/or specifically in the Project Areas, damage City and District infrastructure and adversely impact the City's ability to provide municipal services.

In September 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, destroying over 35 structures and causing numerous fatalities. PG&E owns, operates and maintains numerous gas transmission and distribution pipelines throughout the City. In August 2013, a massive wildfire in Tuolumne County and the Stanislaus National Forest burned over 257,135 acres (the "Rim Fire"), which area included portions of the City's Hetch Hetchy Project. The Hetch Hetchy Project is comprised of dams (including O'Shaughnessy Dam), reservoirs (including Hetch Hetchy Reservoir which supplies 85% of San Francisco's drinking water), hydroelectric generation and transmission facilities and water transmission facilities. Hetch Hetchy facilities affected by the Rim Fire included two power generating stations and the southern edge of the Hetch Hetchy Reservoir. There was no impact to drinking water quality. The City's hydroelectric power generation system was interrupted by the fire, forcing the

San Francisco Public Utilities Commission to spend approximately \$1.6 million buying power on the open market and using existing banked energy with PG&E. The Rim Fire inflicted approximately \$40 million in damage to parts of the City's water and power infrastructure located in the region. Certain portions of the Hetch Hetchy Project are old and deteriorating, and outages at critical points of the project could disrupt water delivery to significant portions of the region and/or cause significant costs and liabilities to the City.

Many areas of northern California have suffered from wildfires in more recent years, including the Tubbs fire which burned across several counties north of the Bay Area in October 2017 (part of a series of fires covering approximately 245,000 acres and causing 44 deaths and approximately \$14 billion in damage), the Camp fire which burned across Butte County, California in November 2018 (covering almost 240 square miles and resulting in numerous deaths and over \$16 billion in property damage) and Kincade Fire which burned across Sonoma County, California in late 2019 (covering over 77,000 acres). Spurred by findings that these fires were caused, in part, by faulty powerlines owned by PG&E, the power company subsequently adopted mitigation strategies which results in pre-emptive distribution circuit and high power transmission line shut offs during periods of extreme fire danger (i.e., high winds, high temperatures and low humidity) to portions of the Bay Area, including the City. In recent years, parts of the City experienced black out days as a result of PG&E's wildfire prevention strategy. Future shut offs are expected to continue and it is uncertain what effects future PG&E shut offs will have on the local economy.

In recent years, California experienced numerous significant wildfires. In addition to their direct impact on health and safety and property damage in California, the smoke from these wildfires has impacted, and future wildfires may impact, the quality of life in the Bay Area and the City and may have short-term and future impacts on commercial and tourist activity in the City, as well as the desirability of the City and the Bay Area as places to live, potentially negatively affecting real estate trends and values.

The California Geological Survey ("CGS"), in concert with the California Emergency Management Agency and the Tsunami Research Center at the University of Southern California, produced new statewide tsunami hazard zone maps in July 2021. CGS has identified much of the District and all of Treasure Island as being located in the San Francisco tsunami hazard zone.

Hazardous Substances

A serious risk in terms of the potential reduction in the value of a parcel within the Project Areas would be the discovery of a hazardous substance that was not discovered prior to the transfer of the parcels forming the Project Areas. See "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS – Overview" herein. In general, the owners and operators of a parcel within the Project Areas may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but other California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Project Areas be affected by a hazardous substance, would be to reduce the marketability and value of such parcel by the costs of remedying the condition. Any prospective purchaser would become obligated to remedy the condition.

Further it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the current existence on the parcel of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the parcel of a substance not presently classified as hazardous but which may in

the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of a parcel within the Project Areas.

Bankruptcy and Foreclosure

The payment of the property taxes from which Pledged Facilities Increment and Pledged Housing Increment are derived and the ability of the City to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

Foreclosures primarily affect assessed valuations at the point at which the property foreclosed upon is sold to a third party, with the often significantly lower sale price determining the property's new assessed value. As available foreclosure data does not track properties through to the point of sale to third parties, the actual impact on assessed valuation cannot be reasonably determined.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025AB Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases. Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Series 2025AB Bonds.

Investment Risk

As provided in the Indenture, moneys in the funds and accounts under the Facilities Indenture and the Housing Indenture may be invested in Permitted Investments and moneys in the account(s) which will hold increment into which Pledged Facilities Increment and Pledged Housing Increment are deposited may be invested by the District in any obligations in which the District is legally authorized to invest its funds. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Facilities Indenture or the Housing Indenture could have a material adverse effect on the security for the Series 2025AB Bonds.

Ballot Initiatives and Legislative Measures

The State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing available Gross Tax Increment from which the, respective, repayment and security sources for the Series 2025AB Bonds are derived. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Gross Tax Increment and materially adversely affect the Pledged Facilities Increment and Pledged Housing Increment securing the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively.

Measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature have in the past altered the spending limitations or established minimum funding

provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the Legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, the District or other local districts to increase revenues or to increase appropriations or on the ability of a landowner to complete the development of property.

Acceleration

If the District defaults on its respective obligations under the Facilities Indenture or the Housing Indenture, the Trustee has the right to accelerate the payments due on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds, as the case may be, under certain circumstances. However, in the event of a default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of such accelerated Series 2025AB Bonds.

Limitations on Remedies

Remedies available to the owners of Series 2025A Facilities Bonds and Series 2025B Housing Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2025AB Bonds. Bond Counsel has limited its opinions as to the enforceability of the Series 2025AB Bonds and of the Facilities Indenture and the Housing Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Enforceability of the rights and remedies of the Owners of Series 2025A Facilities Bonds and Series 2025B Housing Bonds, and the obligations incurred by the District, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the applicable limitations on remedies against public agencies in the State. See "RISK FACTORS – Bankruptcy and Foreclosure" herein.

Series 2025AB Bonds Not Rated; Limited Secondary Market

As stated herein, investment in the Series 2025AB Bonds poses certain financial risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand and appreciate the risk of such investments should consider investment in the Series 2025AB Bonds. The Series 2025AB Bonds have not been rated by any national rating agency, and the City has not undertaken to obtain a rating. See "NO RATING" herein. There can be no guarantee that there will be a secondary market for purchase or sale of the Series 2025AB Bonds or, if a secondary market exists, that the Series 2025AB Bonds can or could be sold for any particular price.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems

(collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the City has been the subject of cybersecurity incidents which have resulted in or could have resulted in adverse consequences to the City’s Systems Technology and required a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. In November 2016, the City adopted a City-wide Cyber Security Policy (“Cyber Policy”) to support, maintain, and secure critical infrastructure and data systems. The objectives of the Cyber Policy include the protection of critical infrastructure and information, manage risk, improve cyber security event detection and remediation, and facilitate cyber awareness across all City departments. The City’s Department of Technology has established a cybersecurity team to work across all City departments to implement the Cyber Policy. The City’s Cyber Policy is reviewed periodically.

The City has also appointed a City Chief Information Security Officer (“CCISO”), who is directly responsible for understanding the business and related cybersecurity needs of the City’s 54 departments. The CCISO is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and aligns with and supports the risk posture of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the City’s Systems Technology and cause material disruption to the City’s operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate relating to the Series 2025A Facilities Bonds (the “2025A Disclosure Certificate”), the District has covenanted for the benefit of owners of the Series 2025A Facilities Bonds to provide certain financial information and operating data relating to the District (the “2025A Annual Report”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. Pursuant to a Continuing Disclosure Certificate, relating to the Series 2025B Housing Bonds (the “2025B Disclosure Certificate,” and together with the 2025A Disclosure Certificate, the “Disclosure Certificates”), the District has covenanted for the benefit of owners of the Series 2025B Housing Bonds to provide certain financial information and operating data relating to the District (the “2025B Annual Report” and together with the 2025A Annual Report, the “Annual Reports”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. The Annual Reports and the notices of enumerated events will be filed with the MSRB on EMMA. Each Annual Report is to be filed not later than nine months after the end of the City’s fiscal year (which date shall be June 30 of each year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026). The specific nature of information to be contained in the 2025A Annual Report or the notice of events is summarized in APPENDIX E-1 – “FORM OF SERIES 2025A CONTINUING DISCLOSURE CERTIFICATE” attached hereto. The specific nature of information to be contained in the 2025B Annual Report or the notice of events is summarized in APPENDIX E-2 – “FORM OF SERIES

2025B CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made by the District in order to assist the Underwriter in complying with the Rule.

As of May 6, 2021, the City was a party to certain continuing disclosure undertakings relating to municipal securities which require the City to file notice filings on EMMA within ten days in the event of the incurrence of financial obligations and certain other events, if material. On May 6, 2021, the City extended for two years certain liquidity facilities relating to series 1 and 1-T and series 2 and 2-T of its commercial paper program. On July 1, 2021, the City filed on EMMA an event notice relating to these extensions.

For fiscal year 2021-22, although the City’s Annual Comprehensive Financial Report was posted on EMMA, it was not linked to all of the CUSIP numbers for the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2022A and 2022B. The City has taken action to link such Annual Comprehensive Financial Report to the applicable CUSIP numbers.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2025AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2025AB Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”) that must be satisfied subsequent to the issuance of the Series 2025AB Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series 2025AB Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Series 2025AB Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Series 2025AB Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “bond premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Series 2025AB Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2025AB Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2025AB Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2025AB Bonds who purchase the Series 2025AB Bonds after the initial offering of a substantial

amount of such maturity. Owners of such Series 2025AB Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025AB Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Series 2025AB Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2025AB Bond (said term being the shorter of the Series 2025AB Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Series 2025AB Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2025AB Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series 2025AB Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2025AB Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series 2025AB Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Series 2025AB Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Series 2025AB Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series 2025AB Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Series 2025AB Bonds, or as to the consequences of owning or receiving interest on the Series 2025AB Bonds, as of any future date. Prospective purchasers of the Series 2025AB Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Series 2025AB Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2025AB Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Series 2025AB Bonds, the ownership, sale or disposition of the Series 2025AB Bonds, or the amount, accrual or receipt of interest on the Series 2025AB Bonds.

Form of Opinion. The forms of opinions of Bond Counsel are set forth as Appendix F-1 and Appendix F-2 attached hereto.

UNDERWRITING

The District has sold the Series 2025AB Bonds to the California Statewide Communities Development Authority (“CSCDA”). Stifel, Nicolaus & Co. Incorporated (the “Underwriter”) simultaneously purchased the Series 2025A Facilities Bonds from CSCDA at a purchase price of \$_____, representing the principal amount of the Series 2025A Facilities Bonds less an Underwriter’s discount of \$_____ and plus [net] original issue [premium/discount] of \$_____ and the Series 2025B Housing Bonds at a purchase price of \$_____, representing the principal amount of the Series 2025B Housing Bonds less an Underwriter’s discount of \$_____ and less [net] original issue [premium/discount] of \$_____. The Underwriter intends to offer the Series 2025AB Bonds to the public initially at the prices set forth on the inside cover pages of this Official Statement, which prices may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2025AB Bonds to the public. The Underwriter may offer and sell the Series 2025AB Bonds to certain dealers (including dealers depositing Series 2025AB Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

LEGAL OPINIONS AND OTHER LEGAL MATTERS

The legal opinions of Jones Hall LLP, San Francisco, California, as Bond Counsel, approving the validity of the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, in substantially the respective forms set forth in Appendix F-1 and Appendix F-2 attached hereto, will be made available to purchasers of the Series 2025AB Bonds at the time of original delivery. Bond Counsel has not undertaken on behalf of the Owners or the Beneficial Owners of the Series 2025AB Bonds to review the Official Statement and assumes no responsibility to such Owners and Beneficial Owners for the accuracy of the information contained herein. Certain legal matters will be passed upon for the District by the City Attorney, and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel, with respect to the issuance of the Series 2025AB Bonds.

Compensation paid to Jones Hall LLP, as Bond Counsel, and Norton Rose Fulbright US LLP, as Disclosure Counsel, is contingent on the issuance of the Series 2025AB Bonds.

Norton Rose Fulbright (US) LLP, Los Angeles, California has served as Disclosure Counsel to the City and the District, and in such capacity has advised City staff and District staff with respect to applicable securities laws and participated with responsible City and District officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Disclosure Counsel is not responsible for the accuracy or completeness of the statements or

information presented in this Official Statement and has not undertaken to independently verify any of such statements or information. Upon issuance and delivery of the Series 2025AB Bonds, Disclosure Counsel will deliver a letter to the District, and the Underwriter and its affiliates to the effect that, subject to the assumptions, exclusions, qualifications and limitations set forth therein (including without limitation exclusion of any information relating to The Depository Trust Company, Cede & Co., the book-entry system, the CUSIP numbers, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included herein, and information in Appendices B and G hereof, as to all of which Disclosure Counsel will express no view), no facts have come to the attention of the personnel with Norton Rose Fulbright (US) LLP directly involved in rendering legal advice and assistance to the City which caused them to believe that this Official Statement as of its date and as of the date of delivery of the Series 2025AB Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No purchaser or holder, other than the addressee of the letter, or other person or party, will be entitled to or may rely on such letter of Disclosure Counsel.

[TRANSFER RESTRICTIONS]

Under the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds are only to be sold (including in secondary market transactions) to “Qualified Purchasers,” which is defined in the Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933).

Neither the Underwriter nor any Holder or Beneficial Owner of the Series 2025AB Bonds shall deposit the Series 2025AB Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Underwriter nor any Holder or Beneficial Owner shall deposit the Series 2025AB Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2025AB Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers; provided that none of the Underwriter, Holders or Beneficial Owners shall have an obligation to independently establish or confirm that any transferee of a Series 2025AB Bond is Qualified Purchaser, however any actual transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void as provided in the Indenture.

Under the Facilities Indenture and the Housing Indenture, no transfer, sale or other disposition of any Series 2025AB Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2025AB Bond for its own account for investment purposes and not with a view to distributing such Series 2025AB Bond. Neither the District nor the City shall have any responsibility or liability for any transfer to an entity that is not a Qualified Purchaser. Each purchaser of any Series 2025AB Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the District, the Underwriter and the Trustee as follows:

1. Respectively, that the Series 2025A Facilities Bonds are payable solely from Pledged Facilities Increment and from certain funds and accounts established and maintained pursuant to the Facilities Indenture or that the Series 2025B Housing Bonds are payable solely from Pledged Housing Increment and from certain funds and accounts established and maintained pursuant to the Housing Indenture;
2. That it is a Qualified Purchaser and that it is purchasing the Series 2025AB Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933 or other applicable securities laws;

3. That such purchaser acknowledges that the Series 2025AB Bonds and beneficial ownership interests therein may only be transferred to Qualified Purchasers;

4. That the District, the Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements; and

If a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein.]

NO LITIGATION REGARDING SERIES 2025AB BONDS

A certificate of the District to the effect that no litigation is pending (for which service of process has been received) concerning the validity of the Series 2025AB Bonds will be furnished to the Underwriter and its affiliates at the time of the original delivery of the Series 2025AB Bonds. The District is not aware of any litigation pending or threatened which questions the existence of the District or contests the authority of the District to issue the Series 2025AB Bonds.

Ongoing Investigations. [Under consideration.]

NO RATING

The District has not made, and does not intend to make, any application to any rating agency for the assignment of a rating on the Series 2025AB Bonds. Ratings are obtained as a matter of convenience for prospective investors, and the assignment of a rating is based upon the independent investigations, studies, and assumptions of rating agencies. The determination by the District not to obtain a rating does not, directly or indirectly, express any view by the District of the credit quality of the Series 2025AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2025AB Bonds in the secondary market. See “RISK FACTORS – Limited Secondary Market” herein.

MUNICIPAL ADVISOR

The District has retained CSG Advisors Incorporated, as Municipal Advisor in connection with the issuance of the Series 2025AB Bonds. The Municipal Advisor has assisted in the District’s review and preparation of this Official Statement and in other matters relating to the planning, structuring, and sale of the Series 2025AB Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing the Series 2025AB Bonds.

Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Series 2025AB Bonds.

FISCAL CONSULTANT REPORT

In connection with the issuance of the Series 2025AB Bonds, the District has engaged Keyser Marston Associates, Inc., Berkeley, California, to prepare a Fiscal Consultant Report. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached herein.

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MISCELLANEOUS

All of the preceding summaries of the Facilities Indenture, the Housing Indenture, other applicable legislation, agreements and other documents are made subject to the provisions of such documents and do not purport to be complete documents of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Series 2025AB Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been authorized by the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1

By: _____
Director of the Office of Public Finance

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY AND COUNTY OF SAN FRANCISCO

The information contained in this Appendix A is provided for informational purposes only. No representation is made that any of the information contained in this Appendix A is material to the holders from time to time of the Series 2025AB Bonds, and the City has not undertaken in its Continuing Disclosure Certificate to update this information. The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the City, or the District has pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

General

The City was established in 1850 and is the only legal subdivision of the State of California with the governmental powers of both a city and a county. The City’s legislative power is exercised through a Board of Supervisors, while its executive power is vested upon a Mayor and other appointed and elected officials. Key public services provided by the City include public safety and protection, public transportation, water and sewer, parks and recreation, public health, social services and land-use and planning regulation. The heads of most of these departments are appointed by the Mayor and advised by commissions and boards appointed by City elected officials.

Elected officials include the Mayor, Members of the Board of Supervisors, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Superior Court Judges, and Treasurer. Since November 2000, the eleven-member Board of Supervisors has been elected through district elections. The eleven district elections are staggered for five and six seats at a time and held in even-numbered years. Board members serve four-year terms and vacancies are filled by Mayoral appointment.

Population

The populations of the City and County of San Francisco for the last 10 years are shown in the following table.

POPULATION
City and County of San Francisco
2016 through 2025⁽¹⁾

Fiscal Year	Population
2016	871,613
2017	878,697
2018	885,716
2019	886,885
2020	873,965
2021	857,605
2022	840,348
2023	848,036
2024	845,355
2025	842,027

⁽¹⁾ For 2016-2019 and 2021-2025, population statistics are as of January 1. For 2020, population statistics are as of April 1.

Source: California Department of Finance.

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Employment

The following table summarizes employment in the City and County of San Francisco from 2020 through 2024. Trade, transportation and utilities, professional and business services, education/health services and leisure/hospitality are the largest employment sectors in the City.

EMPLOYMENT BY INDUSTRY City and County of San Francisco 2020 through 2024

Industry	Employment ⁽¹⁾				
	2020	2021	2022	2023	2024
All Farm	200	300	300	200	200
Mining, Logging and Construction	23,200	22,100	22,900	23,300	22,000
Manufacturing	13,400	11,700	11,900	12,600	10,900
Trade, Transportation & Utilities	73,200	70,100	70,600	66,400	64,400
Information	54,600	58,200	67,500	63,900	62,000
Financial Activities	60,300	61,000	61,700	59,200	54,800
Professional and Business Services	200,900	200,600	217,000	203,800	190,300
Education and Health Services	91,500	93,900	96,500	99,600	101,300
Leisure and Hospitality	59,100	57,000	75,600	82,000	81,500
Other Services	21,800	22,800	23,900	24,200	24,200
Government	98,200	101,300	106,500	108,500	110,600
Total Civilian Labor Force	696,500	699,000	517,200	517,200	510,400

⁽¹⁾ Employment is reported by place of work: it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not sum to totals due to rounding.

Source: California State Employment Development Department, Labor Market Information Division.

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The following tables summarize the civilian labor force, employment and unemployment in the City and County of San Francisco from 2015 to 2024.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City and County of San Francisco
Annual Averages, 2015 through 2024
(not seasonally adjusted)

Year	Civilian Labor Force	Employed Labor Force ⁽¹⁾	Unemployed Labor Force ⁽²⁾	Unemployment Rate ⁽³⁾
2015	541,400	521,600	19,800	3.7
2016	512,900	494,500	18,400	3.6
2017	519,700	503,100	16,600	3.2
2018	527,100	513,500	13,600	2.6
2019	538,600	525,800	12,900	2.4
2020	518,700	474,500	44,200	8.5
2021	497,100	469,800	27,300	5.5
2022	517,200	502,900	14,300	2.8
2023	517,200	499,500	17,700	3.4
2024	510,400	490,600	19,800	3.9

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ Calculated using unrounded data.

Source: California State Employment Development Department, Labor Market Information Division.

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Major Private Employers

The following table shows the largest private employers located in the City and County of San Francisco as of January 2023. [To be updated.]

LARGEST PRIVATE EMPLOYERS City and County of San Francisco

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>
Salesforce Inc.	11,953	1
United Airlines	10,000	2
Sutter Health	6,134	3
Wells Fargo & Co.	5,886	4
Kaiser Permanente	4,676	5
Allied Universal	3,827	6
Uber Technologies Inc.	3,413	7
First Republic Bank	3,296	8
Accenture	2,353	9
Cisco Systems Inc.	<u>1,863</u>	10
Total	53,401	

Source: San Francisco Business Times, “Largest Employers in San Francisco” (published January 6, 2023).

Note: Since the publication date of the rankings above, JPMorgan Chase & Co. acquired the substantial majority of assets and assumed the deposits and certain other liabilities of First Republic Bank from the Federal Deposit Insurance Corporation.

Construction Activity

The level of construction activity in the City and County of San Francisco as measured by total building permits for residential units is shown in the following tables.

BUILDING PERMITS City and County of San Francisco 2020 through 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Units	2,004	2,519	2,044	1,136	770
Units in Single Family	21	33	38	29	27
Units in All Multifamily	1,983	2,486	2,006	1,107	743
Units in 2-Unit Multifamily	12	38	14	16	26
Units in 3 & 4-Unit Multifamily	16	17	37	15	12
Units in 5+-Unit Multifamily	1,955	2,431	1,955	1,076	705

Source: U.S. Department of Housing and Urban Development, HUD User, Office of Policy Development and Research, SOCDS (State of the Cities Data Systems) Building Permits.

Taxable Sales

Taxable sales in the City and County of San Francisco from 2020 through 2024 are shown in the following table.

TAXABLE SALES
2020 through 2024
(\$ in Thousands)

	2020	2021	2022	2023	2024
Clothing and Clothing					
Accessories Stores	\$864,972	\$1,255,102	\$1,392,914	\$1,238,983	\$1,171,932
General Merchandise	385,182	485,217	557,903	524,108	510,306
Food and Beverage Stores	744,356	719,662	764,720	786,623	780,844
Food Services and Drinking Places	2,071,669	2,933,192	4,240,766	4,516,227	4,589,017
Home Furnishings & Appliances	502,579	610,376	633,189	555,372	507,523
Building Material and Garden					
Equipment and Supplies Dealers	571,003	605,247	615,098	572,704	514,569
Motor Vehicle and Parts Dealers	572,165	604,300	553,866	579,657	572,689
Gasoline Stations	298,092	428,203	608,298	551,446	492,117
Other Retail Stores	<u>1,087,824</u>	<u>1,295,718</u>	<u>1,440,393</u>	<u>1,323,510</u>	<u>1,275,213</u>
Total Retail and Food Services	\$7,097,841	\$8,937,018	\$10,807,147	\$10,648,630	\$10,414,210
All Other Outlets	<u>2,810,062</u>	<u>3,264,321</u>	<u>4,136,350</u>	<u>3,955,401</u>	<u>3,884,570</u>
Total All Outlets ⁽¹⁾	\$9,907,903	\$12,201,339	\$14,943,497	\$14,604,031	\$14,298,780

⁽¹⁾ Columns may not sum to totals due to rounding.

Source: California State Board of Equalization; and California Department of Tax and Fee Administration.

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Assessed Valuation of Taxable Property

Assessed valuations of taxable property in the City and County of San Francisco for fiscal years 2008-09 through 2023-24 are shown in the following table:

ASSESSED VALUATION OF TAXABLE PROPERTY Fiscal Years 2008-09 through 2023-24 (\$ in Thousands)

Fiscal Year	Net Assessed ⁽¹⁾ Valuation (NAV)	% Change from Prior Year	Total Tax Rate per \$100 ⁽²⁾	Total Tax Levy ⁽³⁾	Total Tax Collected ⁽³⁾	% Collected June 30
2008-09	\$141,274,628	8.7%	1.163	\$1,702,533	\$1,661,717	97.6%
2009-10	150,233,436	6.3%	1.159	1,808,505	1,764,100	97.5%
2010-11	157,865,981	5.1%	1.164	1,888,048	1,849,460	98.0%
2011-12	158,649,888	0.5%	1.172	1,918,680	1,883,666	98.2%
2012-13	165,043,120	4.0%	1.169	1,997,645	1,970,662	98.6%
2013-14	172,489,208	4.5%	1.188	2,138,245	2,113,284	98.8%
2014-15	181,809,981	5.4%	1.174	2,139,050	2,113,968	98.8%
2015-16	194,392,572	6.9%	1.183	2,290,280	2,268,876	99.1%
2016-17	211,532,524	8.8%	1.179	2,492,789	2,471,486	99.1%
2017-18	234,074,597	10.7%	1.172	2,732,615	2,709,048	99.1%
2018-19	259,329,479	10.8%	1.163	2,999,794	2,977,664	99.3%
2019-20	281,073,307	8.4%	1.180	3,509,022	3,475,682	99.0%
2020-21	299,686,811	6.6%	1.198	3,823,246	3,785,038	99.0%
2021-22	307,712,666	2.7%	1.182	3,864,100	3,832,546	99.2%
2022-23	331,431,694	7.7%	1.180	4,067,270	4,032,813	99.2%
2023-24	343,913,585	3.8%	1.178	4,261,226	4,215,823	98.9%

⁽¹⁾ Net Assessed Valuation (NAV) is Total Assessed Value for Secured and Unsecured Rolls, less Non-reimbursable Exemptions and Homeowner Exemptions.

⁽²⁾ Annual tax rate for unsecured property is the same rate as the previous year's secured tax rate.

⁽³⁾ The Total Tax Levy and Total Tax Collected through fiscal year 2022-23 is based on year-end current year secured and unsecured levies as adjusted through roll corrections, excluding supplemental assessments, as included in the statistical report received from the Office of the Treasurer and Tax Collector, City and County of San Francisco.

Source: Office of the Controller, City and County of San Francisco. City and County of San Francisco, Annual Comprehensive Financial Report Year ended June 30, 2024.

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Income

The following tables provide a summary of per capita personal income for the City and County of San Francisco, the State of California and the United States, and personal income and annual percent change for the City and County of San Francisco, for 2015 through 2024.

PER CAPITA PERSONAL INCOME 2015 through 2024

Year	San Francisco	California	United States
2015	105,711	54,546	48,725
2016	112,804	56,560	49,613
2017	119,208	58,804	51,550
2018	128,812	61,508	53,786
2019	130,464	64,919	56,250
2020	141,134	70,647	59,765
2021	160,749	76,614	64,143
2022	155,190	76,741	66,096
2023	164,807	80,771	69,418
2024	-	85,518	72,425

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transportation

The City is reliant on a complex multimodal infrastructure consisting of roads, bridges, highways, rail, tunnels, airports, and bike and pedestrian paths. The development, maintenance, and operation of these different modes of transportation are overseen by various agencies, including the California Department of Transportation (“Caltrans”) and San Francisco Municipal Transportation Agency (“SFMTA”). The Metropolitan Transportation Commission plays a role in the planning and funding of the City’s transportation. These and other organizations collectively manage several interstate highways and state routes, two subway networks, two commuter rail agencies, trans-bay bridges, transbay ferry service, local bus service, international airports, and an extensive network of roads, tunnels, and bike paths.

SFMTA is a department of the City responsible for the management of all ground transportation in the City. The SFMTA has oversight over the Municipal Railway (Muni) public transit, as well as bicycling, paratransit, parking, traffic, walking, and taxis. The SFMTA is governed by a Board of Directors who are appointed by the Mayor and confirmed by the San Francisco Board of Supervisors. The SFMTA Board provides policy oversight, including budgetary approval, and changes of fares, fees, and fines, ensuring representation of the public interest. The San Francisco Municipal Railway, known as Muni, is the primary public transit system of the City and operates a combined light rail and subway system, the Muni Metro, as well as large bus and trolley coach networks. Additionally, it runs a historic streetcar line, which runs on Market Street from Castro Street to Fisherman's Wharf. It also operates the famous cable cars, which have been designated as a National Historic Landmark and are a major tourist attraction.

Bay Area Rapid Transit (“BART”), a regional Rapid Transit system, connects San Francisco with the East Bay through the underwater Transbay Tube. The line runs under Market Street to Civic Center where it turns south to the Mission District, the southern part of the city, and through northern San Mateo County, to the San Francisco International Airport, and Millbrae. Another commuter rail system, Caltrain, runs from San Francisco along the San Francisco Peninsula to San Jose and Gilroy. Amtrak California

Thruway Motorcoach runs a shuttle bus from three locations in San Francisco to its station across the bay in Emeryville. Additionally, BART offers connections to San Francisco from Amtrak's station in Richmond.

San Francisco Bay Ferry operates from the Ferry Building and Pier 39 to points in Oakland, Alameda-Bay Farm Island, South San Francisco, and north to Vallejo in Solano County. The Golden Gate Ferry is the other ferry operator with service between San Francisco and Marin County. SolTrans runs supplemental bus service between the Ferry Building and Vallejo. To accommodate the large amount of San Francisco citizens who commute to the Silicon Valley daily, companies like Google and Apple provide private bus transportation for their employees, from San Francisco locations to their corporate campuses on the peninsula. See also "THE TREASURE ISLAND PROJECT – Transportation" in the forepart of the Official Statement.

Public Education

San Francisco Unified School District ("SFUSD") established in 1851, is the only public school district within the City and is among the largest school district in California. SFUSD administers both the school district and the San Francisco County Office of Education, making it a "single district county."

The University of California, San Francisco ("UCSF") is the sole campus of the University of California system entirely dedicated to graduate education in health and biomedical sciences and operates the UCSF Medical Center which is a major local employer. A 43-acre Mission Bay campus was opened in 2003, complementing its original facility in Parnassus Heights and contains research space and facilities to foster biotechnology and life sciences entrepreneurship. UCSF operates approximately 20 facilities across the City.

The University of California, Hastings College of the Law, founded in Civic Center in 1878, is the oldest law school in California. San Francisco's two University of California institutions have formed an official affiliation in the UCSF/UC Hastings Consortium on Law, Science & Health Policy.

San Francisco State University is part of the California State University system and is located near Lake Merced. The school awards undergraduate, master's and doctoral degrees in over 100 disciplines.

The City College of San Francisco, with its main facility in the Ingleside district, is one of the largest two-year community colleges in the country and offers an extensive continuing education program.

APPENDIX B
INFRASTRUCTURE FINANCING PLAN

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE

APPENDIX E-1

FORM OF SERIES 2025A CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

§ _____
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance of the above captioned Bonds (the “Bonds”). The Bonds are issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025 (the “2025 Bond Resolution,” and together with the Original Resolution of Issuance, as supplemented, the “Resolution”), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriter or purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which date shall be June 30 of each year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the “City”) prepared in accordance with generally accepted accounting principles

applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Facilities Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Facilities Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Facilities Reserve Account and the then-current Reserve Requirement for the 2022 Related Facilities Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Facilities Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 9 in the Official Statement, reflecting Pledged Facilities Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Facilities Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or

18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

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SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2025

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

Anna Van Degna
Director of the Office of Public Finance

Approved as to form:

DAVID CHIU
CITY ATTORNEY

By: _____
Deputy City Attorney

CONTINUING DISCLOSURE CERTIFICATE EXHIBIT A

**FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

Name of Bond Issue: City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series
2025A (Facilities Increment)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has
not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the
Continuing Disclosure Certificate of the District and County of San Francisco, dated _____, 2025. The
District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

By: _____ [to be signed only if filed]
Title: _____

stop

APPENDIX E-2

FORM OF SERIES 2025B CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

§ _____
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance of the above captioned Bonds (the “Bonds”). The Bonds are issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025 (the “2025 Bond Resolution,” and together with the Original Resolution of Issuance, as supplemented, the “Resolution”), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriter or purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which date shall be June 30 of each year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the “City”) prepared in accordance with generally accepted accounting principles

applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledge Housing Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Housing Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Housing Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Housing Reserve Account and the then-current Reserve Requirement for the 2022 Related Housing Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Housing Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 10 in the Official Statement, reflecting Pledged Housing Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Housing Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or

18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

[Remainder of page intentionally left blank.]

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2025

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

Anna Van Degna
Director of the Office of Public Finance

Approved as to form:

DAVID CHIU
CITY ATTORNEY

By: _____
Deputy City Attorney

CONTINUING DISCLOSURE CERTIFICATE EXHIBIT A

**FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

Name of Bond Issue: City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series
2025B (Housing Increment)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has
not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the
Continuing Disclosure Certificate of the District and County of San Francisco, dated _____, 2025. The
District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

By: _____ [to be signed only if filed]
Title: _____

stop

APPENDIX F-1

FORM OF SERIES 2025A FACILITIES BOND COUNSEL OPINION

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District
No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

OPINION: \$_____ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [_____] , 2025 (Resolution No. [____]-25), and (iii) an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled “City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto,” Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Facilities Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F-2

FORM OF SERIES 2025B HOUSING BOND COUNSEL OPINION

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District
No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

OPINION: \$_____ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [_____] , 2025 (Resolution No. [____]-25), and (iii) an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled “City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto,” Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Housing Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX G

BOOK-ENTRY SYSTEM

The information in this section concerning DTC; and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2025AB Bonds. The Series 2025AB Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the each issue of the Series 2025AB Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *Information on such website is not incorporated by reference herein.*

Purchases of Series 2025AB Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025AB Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025AB Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025AB Bonds, except in the event that use of the book-entry system for the Series 2025AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025AB Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025AB Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025AB Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025AB Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025AB Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025AB Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025AB Bond documents. For example, Beneficial Owners of Series 2025AB Bonds may wish to ascertain that the nominee holding the Series 2025AB Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025AB Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025AB Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025AB Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025AB Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025AB Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

APPENDIX H
FISCAL CONSULTANT REPORT



KEYSER MARSTON ASSOCIATES

DRAFT

FISCAL CONSULTANT REPORT

Prepared for:

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)**

Prepared by:

Keyser Marston Associates, Inc.

September 11, 2025

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1.0 INTRODUCTION

Keyser Marston Associates, Inc. ("KMA") has been retained as fiscal consultant to the City and County of San Francisco ("City") to prepare a review of assessed values and a projection of revenues available for payment of debt service on bonds proposed to be issued by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) ("IRFD No. 1"), including the proposed:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) ("2025A Bonds"); and
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment) ("2025B Bonds").

Together the 2025A Bonds and 2025B Bonds are referred to as the "Bonds."

Treasure Island and Yerba Buena Islands are located in the San Francisco Bay and are connected by a causeway. The islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station ("Naval Station Treasure Island" or "NSTI"). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority ("TIDA") to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California. TIDA's board members are appointed by the Mayor of San Francisco. The United States of America, acting through the Department of the Navy (the "Navy"), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement ("Navy MOA") that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within IRFD No. 1.

In 2003, TIDA selected Treasure Island Community Development LLC ("TICD"), a California limited liability company to serve as master developer for the "Treasure Island Project." The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed-use neighborhood of up to 8,000 homes, hotels, restaurants, retail, arts and entertainment, parks, and open space. In 2011, TIDA entered into a Disposition and Development Agreement (Treasure Island / Yerba Buena Island) with TICD ("DDA"), which

provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project. TIDA and TICD entered into an Amended and Restated Disposition and Development Agreement (“A&R DDA”) in 2024, which supersedes the original DDA, and provides \$115 million in City funding for the next stage of infrastructure improvements in the Treasure Island Project.

Map 1. Vicinity Map of Treasure and Yerba Buena Islands



Note: IRFD No. 1 boundaries are a portion of the circled area. See Map 2 for additional information.

Exhibit EE to the A&R DDA establishes a financing plan (“A&R DDA Financing Plan”) that calls for the formation of an infrastructure financing district to finance the facilities and affordable housing costs of the Treasure Island Project. Pursuant to the A&R DDA Financing Plan, IRFD No. 1 was formed by the City in 2017.

The Infrastructure Financing Plan adopted in connection with formation of IRFD No. 1 governs the financial assistance to be provided by IRFD No. 1.

IRFD No. 1 receives an allocation of property tax revenues that are generated from growth in the taxable assessed values of properties within its boundaries above the base year assessed value of zero. The existing boundaries of IRFD No. 1 include private development parcels within the initial sub-phases of the Treasure Island Project, as further described below. The boundaries of IRFD No. 1 could be expanded in the future through annexation of territory (“Annexation Territory”), such that the ultimate boundaries of the IRFD would encompass all of the private development parcels within the Treasure Island Project, except certain parcels

planned for affordable housing and expected to be exempt from property taxes, as contemplated by the A&R DDA Financing Plan.

The A&R DDA Financing Plan provides that TICD may request issuance of debt by IRFD No. 1 from time to time. Pursuant to a request by TICD under the A&R DDA Financing Plan, IRFD No. 1 is proposing to issue its 2025A Bonds to finance facilities costs and its 2025B Bonds to finance affordable housing costs of the Treasure Island Project. IRFD No. 1 previously issued the following outstanding bonds:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (“2022A Bonds”);
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (“2022B Bonds”);
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (“2023A Bonds”); and
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (“2023B Bonds”).

The proposed 2025A Bonds are secured on a parity with the 2022A and 2023A Bonds and the proposed 2025B Bonds are secured on a parity with the 2022B and 2023B Bonds. Additional parity debt may be incurred under the respective indentures for the Bonds.

This Fiscal Consultant Report provides a projection of tax increment revenues available for payment of debt service on the Bonds and parity bonds. Projections reflect reported fiscal year (“FY”) 2025-26 assessed values. This report also provides information regarding the IRFD No.1 historic assessed values, distribution of assessed values by land use types, top property taxpayers, assessment appeals, a history of tax increment revenues allocated to IRFD No. 1, and a summary of planned future development.

1.1 Infrastructure Finance and Revitalization Districts

Establishment of Infrastructure and Revitalization Financing Districts (IRFDs) is authorized by Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53369) (“IRFD Law”). IRFDs are authorized to receive an allocation of property taxes calculated based on growth in assessed values over a base year assessed value

established at the time of IRFD adoption (“tax increment”). IRFDs may receive the percentage share of tax increment that is attributable to taxing agencies that agree to participate in financing the IRFD, as specified in an adopted Infrastructure Financing Plan (“IFP”).

1.2 IRFD No. 1

IRFD No. 1 was formed and the IFP for IRFD No. 1 was approved by adoption of Ordinance 21-17 of the Board of Supervisors of the City (“Board of Supervisors”), which was signed by the Mayor on February 9, 2017. The Board of Supervisors had previously approved the IFP by adoption of Resolution No. 512-16, which was signed by the Mayor on December 16, 2016.

In a judicial validation action brought by TIDA and the City under California Code of Civil Procedure 860 et seq (Case No. CGC-17-557496), the Superior Court issued a judgment on May 9, 2018, that the IRFD had been properly formed, the IFP and future amendments of the IFP consistent with the IRFD Law were valid, the City’s allocation of tax increment to IRFD No. 1 under the IFP was legal, valid, and binding, and the bonds to be issued by IRFD No. 1 were valid.

The IFP for IRFD No. 1 and the boundaries of IRFD No. 1 were amended by Ordinance 29-22 of the Board of Supervisors, as legislative body of the IRFD, which was signed by the Mayor on February 25, 2022. Under Ordinance 29-22, territory was added to the IRFD, certain project area boundaries were modified to conform to assessor’s parcels, and the percentage allocation of tax increment was adjusted to conform to existing law.

Tax increment funds allocated by the City to IRFD No. 1 are available to fund the facilities and affordable housing costs specified in the IFP for IRFD No. 1, to pay debt service on bonds issued to finance these costs and fund the administrative expenses of the IRFD.

IRFD No. 1 encompasses portions of the first phase of development of the Treasure Island Project. IRFD No. 1 is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E. As of FY 2025-26, only Project Area A, Project Area B and Project Area E are allocated tax increment. Project Area C and Project Area D will not receive tax increment unless the thresholds for commencement of tax increment described in Section 2.1 are exceeded. The five project areas have a combined land area of approximately 33 acres.

Project Area A encompasses development parcels of the Treasure Island Project that are located on Yerba Buena Island.

Project Areas B, C, D, and E encompass a portion of the development parcels of the Treasure Island Project that are located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

Map 2 shows the IRFD No. 1 Project Area boundaries.

As described above, territory could be added to IRFD No. 1 in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. Additional territory could be added as additional IRFD No. 1 project areas. [A resolution of intention to initiate the process of adding additional territory to IRFD No. 1 was adopted by the Board of Supervisors and signed by the Mayor on _____. The proposed additional territory encompasses ____ acres and ____ planned residential units. Completion of the process of annexing additional territory is currently expected in spring 2026.]

IRFD No. 1 contains parcels within the City and County of San Francisco Community Facilities District 2016-1 (Treasure Island) ("the CFD"), as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within IRFD No. 1 planned for a hotel, right of way and open space are not within either Improvement Area No. 1, 2 or 3 of the CFD.

MAP 2. BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE)



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE) WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF ____, 20__, BY ITS RESOLUTION NO. ____.

(CLERK OF THE BOARD OF SUPERVISORS)

- BOUNDARIES OF INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
- BOUNDARIES OF PROJECT AREA A
 - BOUNDARIES OF PROJECT AREA B
 - BOUNDARIES OF PROJECT AREA C
 - BOUNDARIES OF PROJECT AREA D
 - BOUNDARIES OF PROJECT AREA E



**MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)
DETAIL FOR PROJECT AREAS LOCATED ON TREASURE ISLAND (B, C, D, E)**

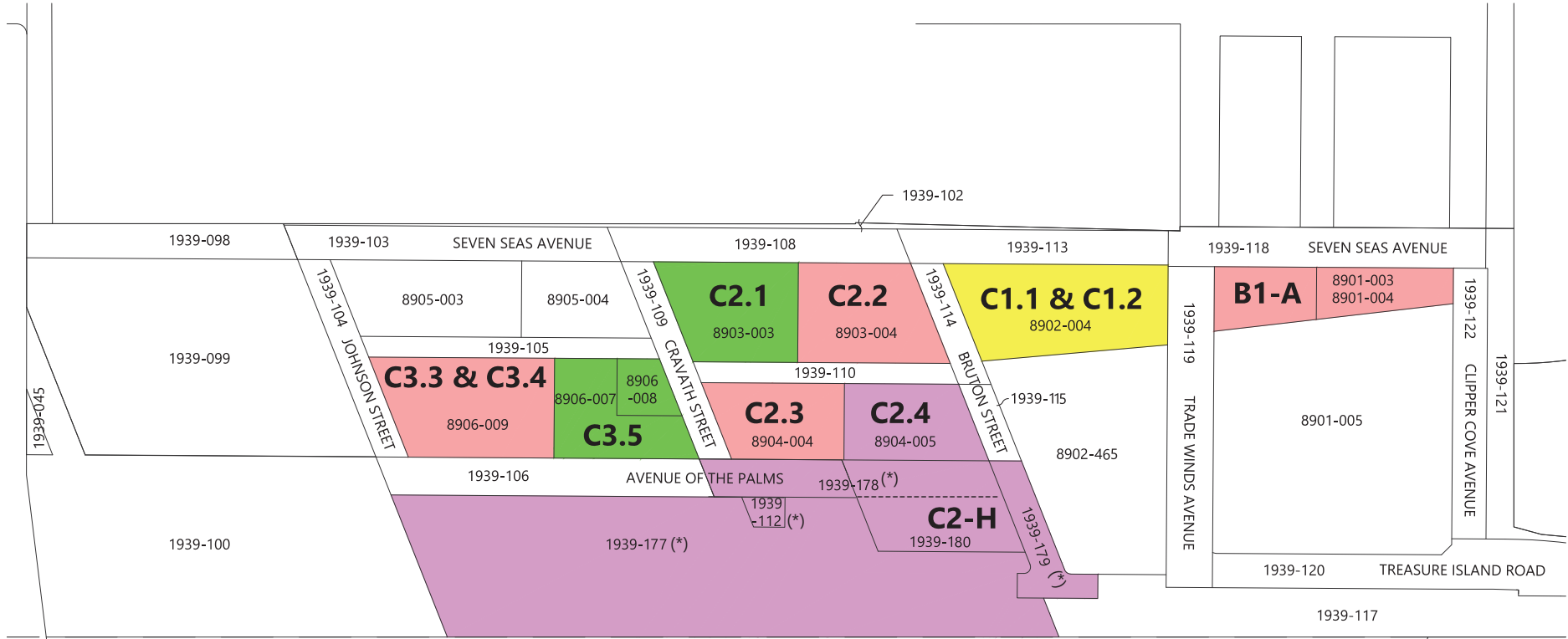
© BKF Engineers



CALIFORNIA

**TREASURE ISLAND
REVITALIZATION FINANCING DISTRICT NO. 1**

CITY AND COUNTY OF SAN FRANCISCO



BOUNDARIES OF INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1

- BOUNDARIES OF PROJECT AREA A
- BOUNDARIES OF PROJECT AREA B
- BOUNDARIES OF PROJECT AREA C
- BOUNDARIES OF PROJECT AREA D
- BOUNDARIES OF PROJECT AREA E

(*) Parcels marked with (*) are exempt from property taxes and expected to remain exempt.



Revisions	
No.	

Date: 2021-09-14
Scale: 1" = 200'
Design: SPH
Drawn: SPH
Approved: SPH
Job No: 200150

Drawing Number:
200150

1 of 1

1.3 Treasure Island Project

The Treasure Island Project consists of 461 acres and encompasses much of Treasure and Yerba Buena Islands. The Treasure Island Project is planned for development of 5,827 market rate residential units, 2,173 below market rate affordable units, 551,000 square feet of commercial space, 500 hotel rooms, and approximately 290 acres of parks and open space.

The Treasure Island Project is being developed by TICD, master developer for the project, pursuant to the A&R DDA and a Development Agreement with the City. TICD is a joint venture incorporated as a California limited liability company and comprised of various affiliates of Lennar Corporation ("Lennar"), Stockbridge TI Fund, LP ("Stockbridge"), Kenwood Investments ("Kenwood"), Wilson Meany, and Poly USA Real Estate Development Corporation ("Poly USA"). TICD, and its subsidiaries including Treasure Island Series 1, LLC ("TI Series 1"), Treasure Island Series 2, LLC ("TI Series 2"), and Treasure Island Series 3, LLC ("TI Series 3"), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders for construction of residential and commercial development. Of the development pads sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA.

The Treasure Island Project is divided into four major phases. Major Phase 1 has been approved by TIDA and includes plans for approximately 3,329 market rate residential homes, 790 below market rate units, 551,000 square feet of commercial space, and 500 hotel rooms. Major Phase 1 includes eleven sub-phases.

IRFD No. 1 currently encompasses development parcels within five of the eleven sub-phases of Major Phase 1 including 1YA, 1YB, 1B, 1C, and 1E, shown on Map 3. Portions of the Treasure Island Project that are within the boundaries of IRFD No. 1 are planned for development of 1,755 residential units and two hotels. Of the total number of residential units, 1,682 are market rate units and 73 are below market rate affordable units.

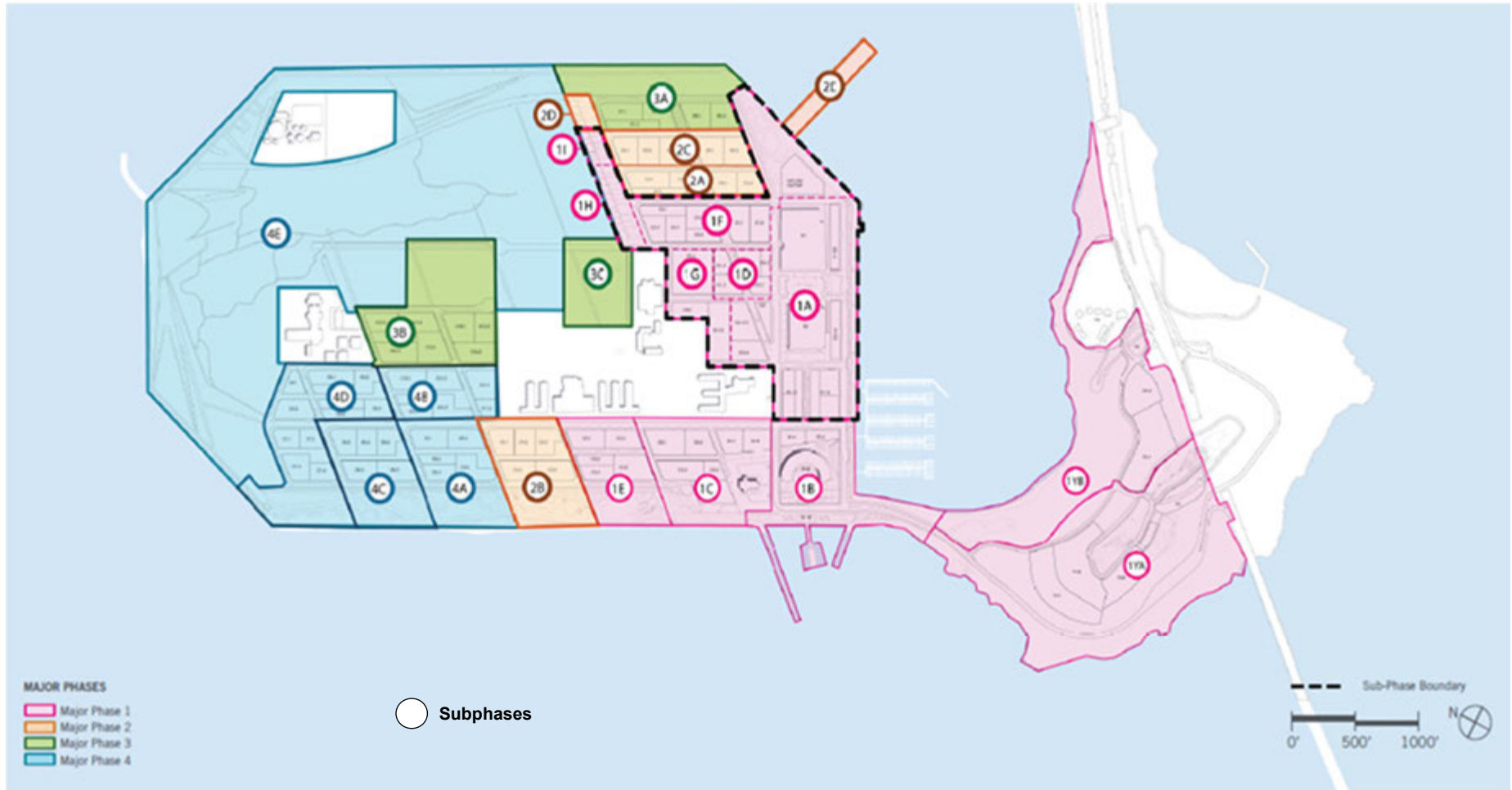
Table 1 provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within IRFD No. 1. A map of the Treasure Island Project is provided on the subsequent page.

Table 1. Treasure Island Project and Portions Within Major Phase 1 and IRFD No. 1

	Treasure Island Project	Portion within Major Phase 1	Portion within IRFD No. 1
Description		First of four major phases of the Treasure Island Project	Portions of five out of eleven subphases of Major Phase 1
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	<u>2,173</u>	<u>790</u>	<u>73</u>
Total Units	8,000	4,119	1,755*
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

*Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in FY 2025-26.

Map 3. Treasure Island Project, Major Phases and Subphases



1.4 Planned Development Within IRFD No. 1

Table 2 provides a summary of planned development of the Treasure Island Project within each IRFD No. 1 Project Area.

Table 2. Planned Development by IRFD No. 1 Project Area						
Location	Applicable Major Phase 1 Subphases	Project Area ⁽¹⁾	CFD Improvement Area ⁽²⁾	Development Blocks	Planned Development	
					Residential Units	Hotel Rooms
Yerba Buena Island	1YA, 1YB	A	No. 1	1Y, 2Y-H, 3Y, 4Y	266	50
Treasure Island	1B, 1C, 1E	B	No. 2	B1, C2.2, C2.3, C3.3/C3.4	528	
		C ⁽¹⁾	No. 3	C1.1/C1.2	286	
		D ⁽¹⁾	No. 3	C2.1, C3.5	425	
		E	No. 2 ⁽²⁾	C2.4, C2-H	250	300
Total:					1,755	350

(1) Only Project Areas A, B, and E receive tax increment as of FY 2025-26. Project Areas C and D will not receive tax increment until thresholds for commencement described in Section 2.1 are met.

(2) IRFD No. 1 includes additional parcels not within Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

Planned development within IRFD No. 1 and development status by block is summarized in Table 3. Construction of 583 residential units within IRFD No. 1 is complete. Completed development includes 141 market rate for-sale units, 395 market rate rental units, and 47 below market rate affordable units. Vertical construction is underway on an additional 148 condominium units, of which seven are below market rate affordable units.

Table 3. Planned Development Within IRFD No. 1 by Block and Development Status									
Block	Use	IRFD Area ⁽³⁾	Planned No. of Stories	Residential Units				average SF/Unit ⁽⁴⁾	Hotel Rooms
				Market Rate			Total Units		
				For-sale	Rental				
Construction Complete / Sales & Lease-up On-going									
4Y(portion)	Condo (Bristol)	A	6	110		14	124	1,196	
4Y(portion)	4Y Townhome/Flats, Phase 1	A	3 to 5	31			31	2,635	
C2.2	Rental (Hawkins)	B	6		169	9	178	795	
C2.4	Rental (Isle House)	E	22		226	24	250	830	
Subtotal Construction Complete				141	395	47	583		
Under Construction									
C3.3/4	Condo (490 Avenue of the Palms) ⁽¹⁾	B	6	141		7	148	1,005	
Planned Development									
1Y	Townhome	A	3	32			32	3,270	
1Y	Flats	A	4	41			41	2,670	
1Y	Estate homesites	A	TBD	5			5	TBD	
3Y	Townhome	A	3	11			11	3,376	
4Y(portion)	4Y Townhome/Flats, Phase 2	A	3 to 4	22			22	2,521	
2Y-H	Hotel	A	TBD	n/a			n/a		50
B1	Rental ⁽²⁾	B	5		111	6	117	730	
C2.3	Condo	B	6	80		5	85	1,242	
C1.1&2	Condo	C	Tower	286			286	1,584	
C3.5	Condo	D	20	152		8	160	1,208	
C2.1	Condo	D	31	265			265	1,152	
C2-H	Hotel	E	TBD						300
Subtotal Planned Development				894	111	19	1,024		350
Total				1,176	506	73	1,755		350

Abbreviations used in this table: TBD = to be determined.

(1) The 490 Avenue of the Palms developer projects that construction will be complete by the end of 2025.

(2) A site permit for vertical construction was issued in December 2021 but the project is currently on hold.

(3) Project Areas C and D have not commenced collection of Tax Increment and may not reach the Trigger Amount for commencement of tax increment collection until construction of planned development in these Project Areas is underway.

(4) Average unit sizes were provided by TI Series 1 and affiliated vertical developers.

Completed development within IRFD No. 1 includes:

- **The Bristol** (part of the “Residences at Yerba Buena Island,” located on Block 4Y) – A condominium development with 124 for-sale residential units, including 14 below market rate units, was completed in 2022. Sale of 77 units¹ had closed escrow as of July 21, 2025, including 65 market rate units and 12 below market rate units. Twelve of the 77 closed unit sales were purchased by an investor in the project. Sales and closings of the remaining

¹ Includes four sales reported by the developer for which transfer of ownership was not reflected on the FY 2025-26 assessment roll.

units are underway.

- **Block 4Y Townhomes and Flats, Phase 1** (part of the “Residences at Yerba Buena Island”) – The first phase of the Block 4Y Townhomes and Flats, consisting of 31 units in five buildings, was completed in 2024. Through July 21, 2025, two units had been sold to individual homeowners and four units were purchased by an investor in the project. Sales and closings of the remaining units are underway.
- **Isle House** (Block C2.4) – An apartment development with 250 rental units, including 24 below market rate affordable units, was completed in 2024. The project includes a seven-level podium component and a 22-story high-rise tower component.
- **Hawkins** (Block C2.2) – A six-story apartment development with 178 rental units, including nine below market rate inclusionary units, was substantially completed and a temporary certificate of occupancy was issued in January 2025. Initial lease-up is underway.

Development that is currently under construction includes:

- **490 Avenue of the Palms** (formerly “Portico”, Block C3.3/C3.4) – A six-story 148-unit condominium development with seven below market rate affordable units, received site permit approval in January 2022 and commenced construction in October 2022. Completion is estimated by the end of 2025.

Future planned development within IRFD No. 1 that has not yet commenced construction as of July 2025 includes 1,024 residential units and 350 hotel rooms planned for Blocks 1Y, 3Y, 4Y (22-unit Phase 2 of the Block 4Y Townhomes and Flats), 2Y-H, B1, C1.1, C1.2, C2.1, C2.3, C2-H, and C3.5. Of the 1,024 planned residential units, 1,005 are market rate for-sale units and 19 are below market rate affordable units. Infrastructure and utilities necessary for the planned and under construction developments within the boundaries of the existing IRFD No. 1 project areas to receive certificates of occupancy are complete.

2.0 TAX INCREMENT ALLOCATION TO IRFD NO. 1

As described above, the IRFD Law provides for the allocation of incremental property taxes to IRFDs by non-education taxing entities pursuant to an IFP. The IRFD Law requires the IFP to include a financing section that contains, among other things:

- A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue.
- A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.
- A date on which the district shall cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 40 years from the date on which the ordinance forming the district is adopted pursuant to California Government Code Section 53369.23, or a later date, if specified by the ordinance, on which the allocation of tax increment will begin.

The IFP for IRFD No. 1 provides for the allocation by the City of certain tax increment to IRFD No. 1, as described below.

2.1 Thresholds for Commencement of Tax Increment Allocation to IRFD No. 1

Each IRFD No. 1 project area has its own limitations under the IRFD Law. The base year for each project area within IRFD No. 1 is FY 2016-17, established at adoption of the IFP, but the tax increment revenues will be allocated to each project area commencing in its own unique commencement year (the “Commencement Year”).

The Commencement Year for each project area is the first fiscal year that follows the fiscal year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the project area and received by the City. Tax increment allocation to the project area ends 40 years thereafter (or such longer period, if permitted by the IRFD Law and approved by the Board of Supervisors). The Trigger Amounts for the five current project areas are identified in Table 4.

Collection of tax increment in Project Area A commenced in FY 2019-20 because the Trigger Amount was met in FY 2018-19. For Project Area B and Project Area E, the \$150,000 Trigger Amounts for commencement of tax increment collection were exceeded in FY 2021-22 and tax increment collection commenced in FY 2022-23.

Trigger Amounts for commencement of tax increment allocation have not yet been reached in Project Area C or D.

Table 4 summarizes the tax increment allocation status for each area.

Table 4. IRFD No. 1 Project Areas				
Project Area	Acreage	Trigger Amount for Commencement of Tax Increment Allocation	First Year of Tax Increment Allocation to IRFD No. 1	Last Year of Tax Increment
A	15.6	\$150,000	FY 2019-20	FY 2058-59
B	4.4	\$150,000	FY 2022-23	FY 2061-62
C	1.6	\$300,000	To Be Determined	To Be Determined ⁽¹⁾
D	2.1	\$300,000		
E	9.5	\$150,000	FY 2022-23	FY 2061-62
Total – All Project Areas:	33.1			
Total - Project Areas A, B, E for which TI is commenced	29.4			

(1) Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.

Tax increment in each component project area ends 40 years following the Commencement Year, which is FY 2058-59 for Project Area A, FY 2061-62 for Project Areas B and E, and a future fiscal year that remains to be determined for Project Areas C and D.

Tax increment funds derived from all component project areas of IRFD No. 1 are aggregated and pledged for payment of the Bonds; although, as previously noted, tax increment allocation has not yet commenced in Project Area C and Project Area D.

2.2 Tax Increment Allocation to IRFD No. 1

Tax increment allocable to IRFD No. 1 is calculated based on growth in assessed value, within those project areas for which tax increment collection has commenced, over a FY 2016-17 base year assessed value established at the time the IFP for IRFD No. 1 was adopted. The base year assessed value is \$0 for each of the current IRFD No. 1 project areas. The \$0 base year assessed value was a result of ownership by TIDA, a non-profit public benefit agency exempt from property taxes, as of the January 1, 2016 lien date for the base year assessment roll. The \$0 base year assessed value is fixed and is not subject to change. In accordance with the IFP for IRFD No. 1, the base year assessed value for any Annexation Territory is also FY 2016-17, which would allow Annexation Territory to have a \$0 base year assessed value due to public ownership as of the FY 2016-17 assessment roll.

Allocation of tax increment to IRFD No. 1 is determined based on a percentage share of the basic 1% of assessed value property tax levy under Article XIII A of the California Constitution, as specified in the IFP. Percentage shares correspond to amounts that are otherwise allocable to the taxing agencies that have dedicated their property tax shares to IRFD No. 1 pursuant to the IFP. The City is the only taxing agency that has allocated its property tax increment to IRFD

No. 1. As both a City and County, the City receives a total of 64.588206% of the property tax revenues and contributes its share to IRFD No. 1 in two district components:

(1) Net Available Increment - IRFD No. 1 receives 56.588206% of the 1% tax increment within those project areas for which collection of tax increment to IRFD No. 1 has commenced ("Net Available Increment"). Pursuant to the IFP, Net Available Increment is divided into two components:

- **"Net Available Facilities Increment"** calculated as 82.5% of Net Available Increment (equal to 46.685270% of gross tax increment) and available for facilities costs; and
- **"Net Available Housing Increment"** calculated as 17.5% of Net Available Increment (equal to 9.902936% of gross tax increment) and available for affordable housing costs (and other costs detailed in the IFP for IRFD No. 1).

(2) Conditional City Increment - IRFD No. 1 is additionally allocated up to 8% of the 1% tax increment to the extent necessary to pay for debt service ("Conditional City Increment"). Conditional City Increment is divided into two components for purposes of the pledge under the Indentures for the 2025A and 2025B Bonds and parity bonds under the indenture:

- **"Conditional City Facilities Increment,"** calculated as 82.5% of Conditional City Increment (equal to 6.6% of gross tax increment), is available if necessary for debt service related to facilities costs; and
- **"Conditional City Housing Increment,"** calculated as 17.5% of Conditional City Increment (equal to 1.4% of gross tax increment), is available if necessary for debt service related to housing costs authorized under the IFP.

"Pledged Facilities Increment" is equal to the sum of (1) Net Available Facilities Increment and (2) Conditional City Facilities Increment (together representing 53.285270% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Facilities Increment is pledged for payment of debt service on the 2025A Bonds and parity bonds.

"Pledged Housing Increment" is equal to the sum of (1) Net Available Housing Increment and (2) Conditional City Housing Increment (together representing 11.302936% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Housing Increment is pledged for payment of debt service on the 2025B Bonds and parity bonds.

Table 5 provides a summary.

Table 5. Percentage Allocation of 1% Property Tax Increment to IRFD No. 1

	Combined Total	Pledged Facilities Increment (82.5% share)	Pledged Housing Increment (17.5% share)
Allocated to IRFD No. 1			
(1) Net Available Increment	56.588206%	46.685270%	9.902936%
(2) Conditional City Increment [released to City if not required for debt service ⁽¹⁾]	8.000000%	6.600000%	1.400000%
Pledged Increment [= (1) + (2), less cost of allocating taxes ⁽²⁾]	64.588206%	53.285270%	11.302936%
Not Allocated to IRFD No. 1			
Other 1% Taxing Agencies (<u>not</u> available to IRFD No. 1)	35.411794%		
Total Tax Increment	100.000000%		

(1) Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date but is subject to release to the City thereafter to the extent not required for debt service.

(2) The cost of allocating taxes to IRFD No. 1, described in Section 3.1, is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in Table 5.

2.3 Cumulative Limit on Allocation of Tax Increment Revenue

The IFP for IRFD No. 1 establishes a cumulative limit on receipt of Net Available Increment from Project Area A, Project Area B, Project Area C, Project Area D and Project Area E of \$1.53 billion and a cumulative limit on receipt of Conditional City Increment of \$216 million, resulting in a combined \$1.746 billion limit for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E, as shown in Table 6 ². Through August 2025, approximately \$11.2 million in Net Available Increment and \$1.6 million of Conditional City Increment were allocated, representing 0.73% of the respective cumulative limits.

Table 6. Cumulative Limits on Receipt of Tax Increment – Project Areas A to E

	Cumulative Limit on Receipt of Revenue for IRFD No. 1, Project Areas A to E	Cumulative Amount Allocated through August 2025, Project Areas A to E ⁽¹⁾
Net Available Increment	\$1,530,000,000	\$11,201,403
Conditional City Increment	\$216,000,000	\$1,579,993
Total	\$1,746,000,000	\$12,781,396

(1) Based on the records of the City Office of the Controller.

Based upon the growth assumptions incorporated into the Table 21 and Table 22 revenue projections, incorporating the 2% maximum annual inflation increase under Proposition 13, approximately \$201 million of Net Available Increment and \$28 million of Conditional City Increment would be allocable to IRFD No. 1 from the five existing project areas through the

² Property taxes collected by the City prior to commencement of tax increment allocation to IRFD No. 1 in a particular project area does not constitute Net Available Increment or Conditional City Increment and is not included in the amount collected toward the cumulative limits summarized in Table 6.

2055 final maturity for the Bonds, representing 13% of the cumulative tax increment limits under the IFP. For the cumulative tax increment limits for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E to be reached prior to the final debt service payment in 2055, the FY 2025-26 assessed values for IRFD No. 1 identified in Table 7 would need to grow at a compound annual growth rate more than approximately 13.4% per year. The tax increment projections incorporated into the IFP, which reflect buildout of the development proposed within IRFD No. 1, result in collection of approximately 61% of the respective cumulative tax increment limits through the 2055 final maturity of the Bonds.

As described above, additional territory could be annexed into IRFD No. 1 over time following transfers of additional property by the Navy to TIDA and from TIDA to TICD. Annexation is not simultaneous with property transfers but is generally expected to precede vertical construction. As of the date of this report, additional parcels outside the existing boundaries of IRFD No. 1 had transferred to a TICD affiliate for which annexation into IRFD No. 1 had not yet occurred. It is expected that any such annexations will result in the allocation of additional tax increment revenue by the City to IRFD No. 1 and corresponding increases to the tax increment revenue limits, or establishment of additional separate limits for the annexation areas, such that the analysis of the cumulative tax increment revenue limit set forth in the previous paragraph will change.

2.4 Maximum Principal Amount of Bonds Issued by IRFD No. 1

The IFP establishes a limit on the maximum principal amount of bonds and other debt that may be issued by IRFD No. 1 of (i) \$780 million for Project Areas A, B, C, D and E, plus (ii) the amount approved by the Board Supervisors and the qualified electors of the Annexation Territory in connection with each annexation of Annexation Territory to the IRFD. The total principal amount of previously issued bonds is \$38.6 million, including the 2022A Bonds, 2022B Bonds, 2023A Bonds, and 2023B Bonds, leaving \$741.4 million remaining within the limit on the maximum principal amount of bonds to be issued for Project Areas A, B, C, D, and E.

As further described in Section 3.4, the IRFD has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA's promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. According to the Subordinate Pledge Agreement, the IRFD's pledge to pay the purchase price is subordinate to any bonds issued by the IRFD. The Subordinate Pledge Agreement is assumed not to utilize any of the \$780 million limitation on indebtedness under the IFP because it pledges Net Available Increment only as a secondary source of payment to provide additional security for the Navy, and no payments are currently anticipated to be required.

3.0 IRFD NO. 1 OBLIGATIONS

The following section describes obligations payable from IRFD No. 1 Net Available Increment.

Obligations of IRFD No. 1, other than the statutorily permitted property tax administrative cost described in Section 3.1, are paid on a subordinate basis to the Bonds and are not deducted for purposes of the Table 19 to 22 tax increment revenue projections.

3.1 Administrative Cost for Division of Taxes

Section 53369.31 of the California Government Code provides that costs incurred by a county in connection with the division of taxes to an IRFD are paid by the IRFD. The San Francisco Office of the Controller (“Controller”) reported that expenses for division of taxes to IRFD No. 1 were \$11,031 for FY 2024-25. This \$11,031 expense equates to approximately 0.3% of FY 2024-25 Net Available Increment. Property tax-related administrative costs are assumed to equal 0.3% of Net Available Increment in future years, proportionately allocated to Net Available Facilities Increment and Net Available Housing Increment. Although for projection purposes, property tax-related administrative expenses are estimated as a percentage of revenue, actual costs reflect the associated staff time and cost, which are not fixed as a percentage of revenue and may escalate at a different pace than revenues. The estimated administrative expense of 0.3% of Net Available Increment equates to an FY 2025-26 cost of approximately \$13,800.

The administrative expenses incurred in connection with the division of taxes to IRFD No. 1 are deducted when calculating Pledged Facilities Increment and Pledged Housing Increment. IRFD No. 1 also incurs additional administrative expenses that are payable on a subordinate basis to the Bonds, which are not deducted in determining Pledged Facilities Increment and Pledged Housing Increment.

3.2 IRFD No. 1 2022 and 2023 Bonds

The IRFD No. 1 previously issued its 2022A Bonds, 2023A Bonds, 2022B Bonds, and 2023B Bonds. The proposed Series 2025A Bonds are secured on a parity with the 2022A Bonds and 2023A Bonds and the proposed Series 2025B Bonds are secured on a parity with the 2022B Bonds and 2023B Bonds. Additional parity debt may be incurred under the respective indentures.

3.3 Subordinate Use of Net Available Increment Under A&R DDA Financing Plan

The A&R DDA Financing Plan for the Treasure Island Project provides for the use of Net Available Increment of IRFD No. 1 to pay IRFD debt issued in accordance with the A&R DDA Financing Plan, including the Bonds, to repay the City for the use of any Conditional City Increment, to pay debt service on IRFD debt, and to the extent any Net Available Increment remains, to pay other authorized expenses. This subordinate use of Net Available Increment is not deducted for purposes of the Table 19 to 22 tax increment revenue projections.

3.4 Subordinate Pledge Agreement Securing Payments to Navy

As described above, the Navy and TIDA are parties to the Navy MOA that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. In consideration for such transfer, TIDA agreed to pay the Navy \$55 million of “Initial Consideration” in equal \$5.5 million annual installments over a ten-year period, plus additional consideration based on net cash flow generated by development of the private portions of the property. The schedule for making annual installment payments has been extended beyond the original ten years based on terms of the Navy MOA that provide for tolling of payment obligations in the event of delays in meeting specified cleanup and property transfer milestones by the Navy.

Under the A&R DDA Financing Plan, TICD agreed to pay the \$55 million Initial Consideration in installments, as required under the Navy MOA, and had paid \$27.5 million as of June 2025, leaving a remaining balance of \$27.5 million. The remaining \$27.5 million in payments due to the United States Navy, plus interest, due in connection with the transfer of Treasure and Yerba Buena Islands to TIDA, are secured by a subordinate pledge of Net Available Increment. Payments from Net Available Increment are required only to the extent required payments to the Navy are not made by TICD, as required under the A&R DDA Financing Plan. This subordinate pledge is established in a Subordinate Pledge Agreement dated May 29, 2015. The pledge of Net Available Increment under the Subordinate Pledge Agreement is expressly subordinate to the Bonds and is not deducted for purposes of the Table 19 to 22 revenue projections.

The Subordinate Pledge Agreement affirms that it does not place a limit on incurrence of debt secured by a pledge of Net Available Increment and does not include any specific remedies for the Navy in the event of a default other than those that are generally available “in law or at equity.”

4.0 ASSESSED VALUES

The assessed values for IRFD No. 1 are prepared annually by the San Francisco Office of the Assessor-Recorder (“Assessor”) and reflect a lien date on the January 1st which precedes the beginning of the applicable fiscal year. Each property assessment is assigned a unique Assessor Parcel Number (“APN”) that corresponds to assessment maps prepared by the Assessor. Each APN is assigned to a Tax Rate Area (“TRA”) which are geographic sub-areas with a common distribution of taxes. Each component project area of IRFD No. 1 corresponds to a TRA, as follows:

<u>Project Area</u>	<u>Tax Rate Area</u>
A	001-028
B	001-029
C	001-030
D	001-031
E	001-032

The Controller is responsible for aggregation of assessed values assigned by the Assessor to properties within the boundaries of each component project area of IRFD No. 1. This results in the reported total current year assessed value and becomes the basis for determining the tax increment allocated to IRFD No. 1. For project areas for which tax increment allocation is not yet commenced, the Controller also annually reviews property tax revenues to determine if thresholds for commencement of tax increment allocation have been exceeded.

4.1 Historic Taxable Values

Aggregated taxable assessed values for IRFD No. 1 from the FY 2016-17 base year through FY 2025-26 are summarized in Table 7. Further detail, including a breakout between land, improvement and personal property assessed values, is provided in Table 8 for current year assessed values, and in Table 26 for both current and prior years.

Table 7. Historic Assessed Values

Fiscal Year	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26 ⁽¹⁾	Project Areas Not Yet Active		Total All Project Areas ⁽¹⁾	Percent Change
	Area A	Area B	Area E		Area C	Area D		
2016-17 ⁽¹⁾	-	-	-	-	-	-	-	n/a
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4%
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7%
2025-26	\$412,723,876	\$263,567,246	\$172,303,013	\$848,594,135	\$2,012,096	\$33,404,588	\$884,010,819	26.9%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

FY 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within IRFD No. 1 and was added following the sale of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately \$1.1 million per developable acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the \$61.2 million sale price applicable to a sale by TI Series 1 to an affiliated vertical builder. The \$1.1 million value per acre was based on an Assessor analysis that considered the remaining improvements necessary for development to occur.

Increases in assessed value from FY 2019-20 through FY 2025-26 were primarily driven by:

- Sale of development pads by TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company;
- Completion of the 124-unit Bristol condominium project in 2022; and
- Construction progress on Isle House (Block C2.4), 490 Avenue of the Palms (Block C3.3/C3.4), the Block 4Y Townhomes and Flats, and Hawkins (Block C2.2).

4.2 Current Year Assessed Values for IRFD No. 1

Table 8 provides additional detail regarding the FY 2025-26 taxable assessed values for IRFD No. 1. Of the \$884,010,819 in aggregate FY 2025-26 taxable assessed value for IRFD No. 1, including Project Areas A, B, C, D and E, \$361,536,661 is land assessed value, \$519,908,475 is improvement assessed value, and \$2,565,683 is personal property assessed value. These amounts are net of exemptions that apply to publicly owned TIDA properties. The below market rate affordable units within IRFD No. 1 are not expected to qualify for a welfare exemption from property taxes because they are not owned by a qualifying organization, are not

receiving government financing, and affordability restrictions for some units are at income levels that exceed the maximum level eligible to qualify for a welfare exemption.

For Project Areas A, B, and E, for which collection of tax increment has commenced as of FY 2025-26, aggregate FY 2025-26 taxable assessed value is \$848,594,135, of which \$326,119,977 is land assessed value, \$519,908,475 is improvement assessed value and \$2,565,683 is personal property assessed value.

Secured property includes property for which taxes levied by the County become a lien on that property.

Unsecured property typically includes the value of tenant improvements, trade fixtures, and personal property. Unsecured property also includes possessory interests constituting a right to the possession and use of property for a period less than perpetuity. As of FY 2025-26, there is no unsecured property assessed value within IRFD No. 1. (the \$2,565,683 in personal property assessed value is included on the secured roll).

Table 26, at the end of this report, provides a breakout between land, improvement, and personal property assessed values by project area for FY 2018-19 through FY 2025-26 and Table 27 identifies the FY 2025-26 assessed values by parcel.

Table 8. FY 2025-26 Taxable Assessed Values, IRFD No. 1

	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26	Project Areas Not Yet Active		Total All Project Areas
	Area A	Area B	Area E		Area C	Area D	
Assessed Value							
Secured Land	\$208,928,276	\$70,455,009	\$46,736,692	\$326,119,977	\$2,012,096	\$33,404,588	\$361,536,661
Secured Improvements	203,795,600	193,112,237	123,000,638	519,908,475	-	-	519,908,475
Personal Property	-	-	2,565,683	2,565,683	-	-	2,565,683
Total and Incremental Assessed Value ⁽¹⁾	412,723,876	263,567,246	172,303,013	848,594,135	2,012,096	33,404,588	\$884,010,819
Parcel count	159	5	6	170	1	3	174
TI Commencement							
Calculated IRFD TI ⁽²⁾	\$2,665,709	\$1,702,334	\$1,112,874	\$5,480,917	\$12,996	\$215,754	N/A ⁽²⁾
TI Commencement Threshold	\$150,000	\$150,000	\$150,000		\$300,000	\$300,000	
Threshold Reached	FY 18-19	FY 21-22	FY 21-22		No	No	

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Incremental assessed value equals total assessed value because the base year assessed value is zero.

(2) Calculated as 1% X incremental assessed value X 64.588206%, includes Conditional City Increment.

(3) Tax Increment Allocation is only applicable to active project areas.

Source: Assessor. AV = Assessed Value.

The volatility ratio applicable to each of the IRFD No. 1 project areas is zero due to the zero base year value for all project areas. The volatility ratio is a metric used to assess sensitivity to changes in assessed value and is computed as base year assessed value divided by current

year assessed value. A ratio of zero indicates the least sensitivity and a ratio of 1.0 indicates the greatest sensitivity to assessed value changes.

4.3 Real and Personal Property

Real property assessed value is comprised of land and improvement assessed values on both the secured and unsecured assessment rolls. Annual increases in the assessed value of real property are limited to an annual inflationary increase of up to 2%, as governed by Article XIII A of the California Constitution and known as the Proposition 13 inflation factor. Real property values also increase or decrease as a result of a property's change of ownership or new construction activity. As of FY 2025-26, 99.7% of taxable assessed value within IRFD No. 1 is real property assessed value.

The Proposition 13 inflation factor is tied to the change in the California Consumer Price Index ("CCPI") and may be less than 2% if CCPI increases by less than 2%. The CCPI adjustment is based on the change in the CCPI from October to October of the following year. The Proposition 13 inflation factor for FY 2025-26 is 2%. The annual Proposition 13 factor has been less than 2% twice in the last 10 fiscal years. A 10-year history of Proposition 13 inflation factors is provided in Table 9.

Table 9. Proposition 13 Inflation Factors, Ten-Year History	
2016-17	1.525%
2017-18	2.00%
2018-19	2.00%
2019-20	2.00%
2020-21	2.00%
2021-22	1.036%
2022-23	2.00%
2023-24	2.00%
2024-25	2.00%
2025-26	2.00%

Assessed value of real property may be adjusted downward if market value declines, either through the assessment appeals process described in Section 5 or through an adjustment by the Assessor. In the event of a decline in market value, values are then subject to restoration over time as market values increase, up to the Proposition 13 base year assessed value that is established for the property upon completion of construction or transfer of ownership, as increased for annual inflationary increases under Proposition 13 of up to 2%.

The assessed value of Personal Property is not subject to the maximum 2% inflationary increase and is subject to annual appraisal, either upward or downward.

4.4 Values by Property Use

A distribution of FY 2025-26 taxable assessed values by land use category is summarized in Table 10, for all project areas combined and for project areas that will collect tax increment in FY 2025-26. Identification of land uses is based on information provided by the City and TI Series 1 affiliates regarding property uses. FY 2025-26 taxable assessed value for IRFD No. 1 is comprised of completed residential units, residential units under construction, and land for residential development³.

Table 10. FY 2025-26 Taxable Assessed Value by Land Use								
Land Uses Composition, FY 2025-26	All IRFD No. 1 Project Areas				Project Areas Collecting Tax Increment in FY 2025-26 (Project Areas A, B, E)			
	Planned Units	No. of Parcels	2025-26 Taxable Value	% of Total	Planned Units	No. of Parcels	2025-26 Taxable Value	% of Total
Completed For-Sale Units ⁽¹⁾								
Private Homeowners, Investor	79	79	\$119,996,918	13.6%	79	79	\$119,996,918	14.1%
Developer-Owned Units	<u>76</u>	<u>76</u>	<u>177,032,640</u>	<u>20.0%</u>	<u>76</u>	<u>76</u>	<u>177,032,640</u>	<u>20.9%</u>
Subtotal	155	155	297,029,558	33.6%	155	155	297,029,558	35.0%
Completed Rental Units ⁽²⁾	428	2	258,448,819	29.2%	428	2	258,448,819	30.5%
For-Sale Units Development Sites								
Vertical construction underway ⁽³⁾	148	1	151,696,475	17.2%	148	1	151,696,475	17.9%
Site permit not yet issued ⁽⁴⁾	<u>907</u>	<u>8</u>	<u>163,017,755</u>	<u>18.4%</u>	<u>196</u>	<u>4</u>	<u>127,601,071</u>	<u>15.0%</u>
Subtotal	1,055	9	314,714,230	35.6%	344	5	279,297,546	32.9%
Rental Units Development Site, site permit issued ⁽⁵⁾	117	2	13,818,212	1.6%	117	2	13,818,212	1.6%
Owned by TIDA and non-taxable		6	0	0.0%		6	0	0.0%
Total	1,755	174	\$884,010,819	100%	1,044	170	\$848,594,135	100%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

Sources: City and County of San Francisco Office of the Assessor-Recorder, TI Series 1, City and County of San Francisco Department of Building Inspection for status of permit issuance.

(1) Includes the 124-unit Bristol condominium building completed in June 2022 and 31 units of the Block 4Y Townhomes and Flats (17 townhomes and 14 flats) completed in 2024. As of the FY 2025-26 assessment roll, 76 units were identified as owned by affiliates of the developer while 79 units were owned by a combination of individual homeowners and an investor, LH YBI Holdings LLC, that owns 16 units. Based on sales data provided by the developer, four additional market rate units were subsequently sold, resulting in a split of 72 developer-owned units and 83 units owned by private homeowners and such investor.

(2) Includes Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units completed in 2024, and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units that is substantially complete and received a temporary certificate of occupancy in January 2025.

(3) For-sale units under construction include the 148-unit 490 Avenue of the Palms condominium building, of which seven units are below market rate.

(4) Includes one parcel planned for use as a park.

(5) Site permits issued for Block B1, owned by Poly USA, in December 2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced.

³ Completed and planned residential developments on Blocks B1, C2.2, and C2.4 also include approximately 8,000 square feet of retail/commercial space.

4.5 Top Taxpayers

The six top taxpayers for IRFD No. 1, not including private homeowners, are summarized in Table 11 for all project areas and separately for those project areas that will collect tax increment in FY 2025-26. The six taxpayers listed in Table 11 encompass all taxable property within IRFD No. 1 other than newly constructed residential units within the Bristol and Block 4Y Townhomes and Flats that have been sold to individual private homeowners.

The Table 11 summary of taxpayers includes taxpayer name (other than for private homeowners), planned number of units, parcel count, assessed value, and percentage share of the total reported and incremental assessed value for each of the taxpayers⁴.

Multiple legal entities affiliated with a single ownership are aggregated; for example, Poly USA Real Estate Development Corporation includes two separate legal entities that are aggregated for purposes of the analysis of top taxpayers. Assessed value is separately reported by legal entity in Table 28, at the end of this report.

Inclusive of all IRFD No. 1 project areas, the six listed taxpayers represent 90.7% of total and incremental FY 2025-26 assessed value.

Including IRFD No. 1 Project Areas A, B and E for which collection of tax increment has commenced, the six listed taxpayers represent 90.3% of total and incremental FY 2025-26 assessed value.

Taxable assessed value of five of these six taxpayers (all except No. 4 taxpayer LH YBI Holdings LLC) is comprised of property owned by TI Series 1, a wholly-owned subsidiary of master developer TICD, and affiliates of four separate vertical builders that each have an ownership interest in TICD.

⁴ Given the base year assessed value for IRFD No. 1 is zero, the percent of total and percent of incremental assessed value are the same.

Table 11. Top Taxpayers for IRFD No. 1, FY 2025-26

Taxpayers FY 2025-26	Completed and Planned Units ⁽⁹⁾	No. of Parcel	Proj. Area(s)	Assessed Value FY 2025-26		% Total and Incr. AV ⁽¹⁰⁾	
				All Project Areas	Active Areas ⁽¹¹⁾	All	Active ⁽¹¹⁾
1. Stockbridge and Wilson Meany ^{(1) (8)}	437	80	A and E	\$465,029,971	\$465,029,971	52.6%	54.8%
2. Stockbridge, Wilson Meany, and Lennar Joint Venture ⁽²⁾	308	3	B and D	183,736,465	151,696,475	20.8	17.9
3. Lennar ⁽³⁾	178	1	B	86,145,806	86,145,806	9.7	10.2
4. LH YBI Holdings LLC ⁽⁴⁾	16	16	A	38,061,492	38,061,492	4.3	4.5
5. Poly USA ⁽⁵⁾	202	3	B	25,724,965	25,724,965	2.9	3.0
6. TI Series 1 ⁽⁶⁾	551	2	C and D	3,376,694	N/A	0.4	N/A
Total Top Taxpayers ⁽⁷⁾	1,692	105		\$802,075,393	\$766,658,709	90.7%	90.3%
Private Homeowners ⁽⁸⁾	63	63	A	\$81,935,426	\$81,935,426	9.3%	9.7%
Total, All Taxpayers	1,755	168		\$884,010,819	\$848,594,135	100%	100%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Includes the following separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC: TI Lot 10, LLC, YBI Phase 1 Investors, LLC, YBI Phase 2 Investors, LLC, YBI Phase 3 Investors, LLC, and YBI Phase 4 Investors, LLC. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayers), being developed as a joint venture.

(2) Includes properties being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of taxpayers). Includes the following affiliated legal entities: TI Lots 3-4 LLC and TI Lots 5-6 LLC.

(3) Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 taxpayer).

(4) LH YBI Holdings LLC is a limited partner in three of the Stockbridge and Wilson Meany developments and has purchased twelve units in the Bristol and four units in the Block 4Y Townhomes and Flats.

(5) Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., B1 Treasure Island 048 Holdings, LLC and C23 Treasure Island 048 Holdings, LLC. Poly USA has an ownership interest in TI Series 1 (No. 6 taxpayer).

(6) Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. Four taxpayers, namely (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA, each have an ownership interest in TI Series 1.

(7) Does not include any private homeowners although one private homeowner representing 0.4% of FY 2025-26 IRFD No. 1 assessed value has taxable assessed value exceeding that of TI Series 1.

(8) Sales data provided by Stockbridge and Wilson Meany indicates that an additional four units in The Bristol were sold to private homeowners through July 21, 2025, which sales are not yet reflected in the FY 2025-26 roll ownership information.

(9) See Table 28 for additional information regarding development block, status, and breakdown between for-sale and rental.

(10) Percentages calculated based upon FY 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year AV is zero).

(11) Includes Project Areas A, B, and E that will collect tax increment in FY 2025-26.

The following provides a description of the six top taxpayers for IRFD No. 1, not including private homeowners.

- Stockbridge TI Fund, LP (“Stockbridge”) and Wilson Meany, LP (“Wilson Meany”)** are vertical developers that, as of the FY 2025-26 roll, own 326 completed residential units and development sites planned for an additional 111 units, comprised of:

- The Bristol, completed 2022, includes 124 total condominium units. As of the FY 2025-26 roll information, 51 units⁵ remained in the ownership of developer YBI Phase 1 Investors LLC and were being marketed for-sale. Twelve units were

⁵ Sales data provided by the developer indicates an additional four units had been sold through July 21, 2025, which transfers of ownership were not reflected on the FY 2025-26 roll.

purchased by LH YBI Holdings, LLC (the number four taxpayer) and the remaining 61 units in the Bristol had been sold to individual homebuyers.

- Isle House, completed in 2024, is a 250-unit rental development with a seven-level podium component and 22-story high-rise component.
- The Block 4Y Townhomes and Flats includes 53 total units, of which a five-building 31-unit first phase has been completed and received certificates of occupancy in February 2025. The remaining 22 units in the Block 4Y Townhomes and Flats have not yet commenced construction. Through July 21, 2025, two units had been sold to individual homeowners, and four units were purchased by LH YBI Holdings LLC (the number four taxpayer).
- Development sites planned for 89 units, including a mix of condominiums, townhomes, flats, and single family home-sites. The units have received land use approvals but permits for construction are not yet issued.

Stockbridge and Wilson Meany also have an ownership interest in the number two taxpayer, which is comprised of two joint venture developments with Lennar (number three on the list of taxpayers). If the properties that are part of the joint venture were instead included under the list of properties under Stockbridge and Wilson Meany ownership, Stockbridge and Wilson Meany would have represented a combined 73.4% of assessed value, rather than the 52.6% listed in Table 11, without the joint venture properties.

Stockbridge and Willson Meany are members of TICD, master developer of the Treasure Island Project.

2. **Stockbridge, Wilson Meany, and Lennar Joint Venture** consists of two joint venture developments between the number one taxpayer (Stockbridge and Wilson Meany) and the number three taxpayer (Lennar). The Stockbridge, Wilson Meany, and Lennar Joint Venture is the vertical developer for two projects within IRFD No. 1 planned for a combined 308 residential units. Of the planned residential units:

- 148 units are condominium units within a six-story building (490 Avenue of the Palms). Vertical construction commenced in October 2022 and completion is expected by the end of 2025.
- 160 units are planned future condominium units in a 20-story tower. The units have received land use approvals but permits for construction are not yet issued.

3. **Lennar Homes of California, Inc.** (“Lennar”) is a subsidiary of homebuilder Lennar Corporation which is publicly listed on the New York Stock Exchange. Lennar and its wholly owned subsidiary TI Lot 8, LLC is the vertical developer for 178 rental units in a

six-story building (Hawkins). Vertical construction is substantially complete, and a temporary certificate of occupancy was issued in January 2025, initial lease-up is underway.

Lennar also has an ownership interest in the number two taxpayer, which is comprised of two joint venture developments with Stockbridge and Wilson Meany (number one on the list of taxpayers). Lennar would move up to number two on the list of taxpayers and represent a combined 30.5% of IRFD No. 1 assessed value if the joint venture properties were included under the Lennar ownership, instead of separately as number two on the list of taxpayers.

Lennar is a member of TICD, master developer of the Treasure Island Project.

4. **LH YBI Holdings, LLC** owns 12 completed units in The Bristol and four completed units in the Block 4Y Townhomes and Flats. LH YBI Holdings LLC is an investor in both The Bristol and the Block 4Y Townhomes and Flats.
5. **Poly USA Real Estate Development Corporation** ("Poly USA") is an indirect subsidiary of the Chinese property development company, Poly Developments and Holdings Group Co. Ltd. Poly USA and its affiliated legal entities are vertical developers that own three parcels within IRFD No. 1 which are planned for development of a combined 202 residential units. Of the planned residential units:
 - 117 rental units are within a five-story building with retail shell spaces on the ground floor for which a site permit for construction was issued in December 2021. Vertical construction has not commenced.
 - 85 condominium units are within a six-story building that has received land use approvals, but which has not yet received a site permit.

Poly USA is a member of TICD, master developer of the Treasure Island Project.

6. **Treasure Island Series 1, LLC** ("TI Series 1") is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. TI Series 1 retains two parcels planned for sale to vertical developers for development of two separate condominium towers with a combined 551 units. TICD, parent company of TI Series 1, is a joint venture comprised of various affiliates of Lennar, Stockbridge, Kenwood Investments, Wilson Meany, and Poly USA. Affiliates of the vertical builders comprising the top four taxpayers are all members of TICD.

Taxpayers No. 1, 2, 3, and 5 each have an ownership interest in TI Series 1 parent company TICD. TI Series 1 is not a taxpayer within the three project areas that will collect tax increment in FY 2025-26.

The remaining taxpayers consist of private homeowners within the Bristol condominium project and the Block 4Y Townhomes and Flats. One private homeowner who owns two units in the Bristol with a combined taxable assessed value of \$3,436,156 (0.4% of total assessed value of IRFD No. 1) would be the sixth largest taxpayer if residential units owned by private homeowners were listed separately in Table 11.

TIDA owns six parcels within IRFD No. 1 which are exempt from property taxes. Of the six TIDA parcels, two are planned for separate 50-room and 300-room hotels, and four parcels consist of recently completed and under-construction public rights of way, parks, and open space.

The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest⁶. Timing for development of the hotels is to be determined and is not expected near-term. As described above, TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California, which is dedicated to the economic development of former Naval Station Treasure Island.

⁶ A possessory interest is defined as a possession, a right to the possession, or a claim to a right of the possession of publicly owned real property that is independent, durable, and exclusive of rights held by others, and that provides a private benefit to the possessor.

5.0 ASSESSMENT APPEALS AND PROP 8 ASSESSED VALUE REDUCTIONS

Property values determined by the Assessor may be subject to an appeal by the property owner. Assessment appeals are filed annually with the Assessment Appeals Board for a hearing and resolution. A property owner can file for a regular assessment appeal of the current fiscal year assessed valuation between July 2 and September 15th. Revenue and Taxation Code §1604 allows up to two years for an assessment appeal to be decided unless this time limit is waived by the applicant⁷. If the appeal is not decided within the two-year statutory time frame and the time limit is not waived, the assessor is required to apply the applicant's opinion of value.

Assessed value reductions as a result of Proposition 8 ("Prop 8") appeals are subject to annual review by the Assessor and potential restoration over time based on future increases in market value. "Base year" appeals contest changes in assessed value arising from re-assessable events such as transfer of ownership or new construction. Assessed value reductions as a result of "Base Year" appeals affect the maximum assessed value under Proposition 13 on an on-going basis.

The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. To the extent appeals are filed in the future for properties within IRFD No. 1 and result in a reduction in taxable assessed value, the resulting taxpayer refunds would reduce tax increment allocated to IRFD No. 1 in the fiscal year in which the refund occurs. Successful assessment appeals may also result in a reduction in future year assessed values which would impact future year tax increment.

5.1 Historic Appeals Filing Outcomes: FY 2018-19 to FY 2024-25

Table 12 summarizes assessment appeal filing outcomes within IRFD No. 1 for appeals of FY 2018-19 to FY 2024-25 assessed values using data provided by staff for the Assessment Appeals Board⁸. As shown:

- No assessment appeals were filed from FY 2018-19 through FY 2022-23.
- One appeal was filed in FY 2023-24 by an individual homeowner within the Bristol and was subsequently withdrawn.
- Six appeals were filed in FY 2024-25 by individual homeowners in the Bristol, all of which remain outstanding.

⁷ A temporary extension of this two-year deadline was granted for certain appeals filed prior to March 4, 2020, as a result of the coronavirus pandemic, but such extension would not apply to appeals of current year assessed values.

⁸ Appeals data was provided on June 11th, 2025. Data on appeals of FY 2025-26 assessed values was not yet available.

Table 12. Assessment Appeal Filing Outcomes, IRFD No. 1: FY 2018-19 to FY 2024-25

Fiscal Year	Total Filings	Open Filings	Number of Resolved Appeals			Assessed Valuation: Resolved Appeals				
			Total	Denied or Withdrawn	Stipulated or Reduced	Assessor / Roll Value	Applicant Opinion of Value	Resolved Value	Net Reduction in Value	Average % Reduction
2018-19 to 2022-23	0	0	0	0	0	\$0	\$0	\$0	\$0	0.0%
2023-24	1	0	1	1	0	\$1,647,300	\$1,615,000	\$1,647,300	\$0	0.0%
2024-25	6	6	0	0	0	\$0	\$0	\$0	\$0	0.0%
Total	7	6	1	1	0	\$1,647,300	\$1,615,000	\$1,647,300	\$0	0.0%
% Total			100%	100%	0%					

Source: KMA Analysis of San Francisco Assessment Appeals Database.

5.2 Historic Appeals Filing Outcomes: Condo Appeals Throughout San Francisco

Due to limited appeal history within IRFD No. 1, appeal outcomes for condominium appeals throughout San Francisco were also reviewed. Table 13 summarizes the outcomes of 5,941 condominium property assessment appeal filings throughout San Francisco for the FY 2020-21 to FY 2024-25 period. The resolved condominium appeal filings in San Francisco resulted in a 3.1% average reduction in assessed value over the past five years.

Table 13. Historic Assessment Appeal Resolutions: Appeals for Condominium Properties Throughout San Francisco

Fiscal Year	Number of Resolved Records			Aggregate Assessed Values (\$Millions)				
	Resolved Filings	Denied or Withdrawn	Stipulated or Reduced	Assessor / Roll Value	Applicant Opinion of Value	Resolved Value	Net Reduction in Value	Average % Reduction
2020-21	435	345	90	\$681	\$508	\$665	\$15	2.3%
2021-22	532	477	55	\$1,162	\$817	\$1,146	\$16	1.4%
2022-23	767	647	120	\$1,244	\$899	\$1,215	\$30	2.4%
2023-24	2,824	1,969	855	\$4,396	\$3,167	\$4,182	\$215	4.9%
2024-25	1,383	1,307	76	\$2,212	\$1,629	\$2,192	\$20	0.9%
Total	5,941	4,745	1,196	\$9,696	\$7,021	\$9,399	\$296	3.1%
Percent	100%	80%	20%					

Source: KMA Analysis of San Francisco Assessment Appeals Database.

The appeal data summarized in Table 13 may understate the actual reduction in assessed values that result from condominium appeals. This is due to an approach used by the Assessor of sending letters to homeowners with pending appeals with a proposed reduced assessed value. Homeowners are given the option of accepting the Assessor's reduced value and withdrawing their appeal within a specified time frame or continuing to pursue the formal assessment appeals process. The resulting reductions in assessed values may not be reflected in the appeal database.

5.3 Pending Assessment Appeals

Table 14 summarizes the six pending assessment appeal filings within IRFD No. 1 and the projected assessed value impact from these pending appeals. The six FY 2024-25 pending

appeals are estimated to result in a net assessed value reduction of \$333,467 based on the 3.1% average reduction applicable to the 5,941 resolved condominium appeal filings summarized in Table 13. All appeals are within Project Area A.

Table 14. Projected Assessed Value Reduction from FY 2024-25 Pending Appeals	
No. of Pending Appeal Filings, FY2024-25	6
Assessor Value	\$10,907,765
Applicant Opinion of Value	\$9,291,957
Applicant Requested Net Reduction in Value	\$1,615,808
Projected Resolved Value ⁽¹⁾	\$10,574,298
Projected Net Reduction in Value (\$Millions), Project Area A	(\$333,467)
Projected % Reduction from Contested Value	-3.1%

(1) Estimated based on the 3.1% historic average reduction in assessed values for appeal resolutions for condominium properties in San Francisco for the period FY 2020-21 through FY 2024-25 (as noted above, this 3.1% figure may understate the actual reduction in assessed value that occurred).

Resolution of appeals is determined by factors unique to the individual assessment, such as vacancy and rental rates, circumstances of hardship, and comparable sales. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value.

Section 5.5 provides a separate analysis of potential assessed value declines for the Bristol based on a comparison of FY 2025-26 assessed values to recent sales prices. The potential assessed value decline identified in Section 5.5 exceeds the estimate based on the analysis of appeals presented in Table 14. The larger estimated decline is utilized for purposes of the Table 19 to Table 22 revenue projections.

5.4 Proactive Reductions in Assessed Value by the Assessor

The Assessor may proactively review and reduce assessed values pursuant to Prop 8 if market values decline, without an assessment appeal filing by the property owner. Assessor-initiated reviews typically cover broad categories of affected properties. According to the Assessor, the most recent proactive review was conducted for purposes of the FY 2021-22 assessment roll. In the event of a proactive reduction in assessed value by the Assessor, values are subject to restoration over time as market values increase, as with Prop 8 reductions that arise from appeals.

Owners of individual residential units may submit a request for an informal review by the Assessor, without initiating a formal assessment appeal. Informal reviews by the Assessor may result in a reduction to assessed value under Prop 8. Three units in the Bristol are estimated to have received such reductions in assessed value for purposes of the FY 2025-26 roll, based on declines in assessed value below their sale price as inflated pursuant to Proposition 13, in the absence of either a transfer of ownership or assessment appeal.

5.5 Estimated Exposure to Assessed Value Reductions, The Bristol

Recent sales prices in the Bristol have trended below their FY 2025-26 assessed values. Six units within the Bristol sold during the period from January 1, 2025 through July 2025 at sales prices averaging 31% below their FY 2025-26 assessed values. Market values that are below FY 2025-26 assessed values based on recent sales prices are an indication that additional assessed value reductions are possible, either through additional unit sales at similar pricing or through Assessor adjustments under Prop 8.

Table 15 provides an estimate of the potential decline in assessed value for the Bristol that could occur through a combination of a) the completed 2025 unit sales at prices below their assessed value, b) additional unit sales at similar prices, c) assessment appeals, and d) homeowner requests for an informal review by the Assessor under Prop 8. The aggregate potential assessed value reduction is estimated to total \$36.7 million, representing a 20% decrease in the FY 2025-25 assessed values of the Bristol, based on the following assumptions:

- remaining developer and investor-owned market rate units are sold at an average price of \$991 per square foot, consistent with the average for 2025 sales through July, or receive a Prop 8 adjustment to a comparable value;
- remaining developer-owned below market rate units are sold at their listed price, inclusive of a parking space; and
- the assessed values of units owned by individual homeowners are reduced through formal appeals or informal requests for Assessor review to no higher than the \$1,239 average assessed value per square foot of units estimated to have received a Prop 8 reduction on the FY 2025-26 roll.

The estimated \$36.7 million potential assessed value decrease for the Bristol is incorporated into the Table 19 to Table 22 revenue projections. Actual future sales prices and actual adjustments by the Assessor may vary substantially from assumptions utilized in Table 15.

Table 15. Projected Reduction to Bristol FY 2025-26 Assessed Values						
	All Units		Market Rate Units		Below Market Rate Units	
	Total	\$/Sq.Ft.	Total	\$/Sq.Ft.	Total	\$/Sq.Ft.
FY 2025-26 Assessed Value	\$183,098,294	\$1,235	\$177,986,057	\$1,345	\$5,112,237	\$319
Adjusted Assessed Value ⁽¹⁾	\$146,390,245	\$987	\$141,404,265	\$1,069	\$4,985,980	\$312
Projected Net Decrease in FY 2025-26 AV	(\$36,708,049)		(\$36,581,792)		(\$126,257)	
Percentage Decrease from FY 2025-26 AV	-20%		-21%		-2%	

(1) Adjusted assessed values are estimated based a) the \$991 per square foot average price for market rate units sold in 2025, applied to developer and investor-owned market rate units b) the \$1,239 per square foot assessed value of units owned by individual homeowners estimated to have received a downward adjustment in assessed value under Proposition 8, and c) list prices for BMR units that remain in developer ownership.

5.6 Appeals by TICD Affiliates Outside of IRFD No. 1

In addition to the appeals filed within IRFD No. 1, an affiliate of TICD, Treasure Island Series 2 LLC, has filed appeals for properties within the Treasure Island Project outside of IRFD No. 1. Appeals relate to the assessed value of unimproved land established upon transfer of the property to private ownership. Appeal filings encompass seven parcels with an aggregate FY 2024-25 Assessor roll value of \$66,933,119 and a property owner opinion of value of \$1,311,180. Appeals applicable to five of the seven parcels were filed for multiple assessment roll years from FY 2019-20 through FY 2024-25 and appeals for two parcels were filed in FY 2023-24 and FY 2024-25. As these appeals do not relate to IRFD No. 1 assessed values, no adjustment to IRFD No 1 assessed value is reflected for purposes of the Table 19 to 22 revenue projections.

6.0 CONSTRUCTION-IN-PROGRESS

6.1 Construction-in-progress

New construction within IRFD No. 1 that was either in progress as of the January 1st lien date or completed but not fully included on the FY 2025-26 assessment roll includes the following:

- **Isle House (Block C2.4)** – An apartment development with 250 rental units, including 24 below market rate affordable units. Isle House commenced construction in 2022, a temporary certificate of occupancy was granted in June 2024, and a final certificate of occupancy was granted in December 2024. The project includes a seven-level podium component and a 22-story high-rise tower component. Isle House is in Project Area E and was developed by Stockbridge and Wilson Meany.
- **Hawkins (Block C2.2)** – A six-story apartment development with 178 rental units, including nine below market rate inclusionary units commenced construction in September 2022. Hawkins was near completion as of the January 1, 2025 lien date and was issued a temporary certificate of occupancy in January 2025. Hawkins is in Project Area B and is being developed by Lennar.
- **Block 4Y Townhomes and Flats** – The first phase of the Block 4Y Townhomes and Flats, consisting of 31 townhomes and stacked flats in five buildings was completed in 2024 with temporary certificates of occupancy issued in 2024 and final certificates of occupancy issued in February 2025. The 4Y Townhomes and Flats are in Project Area A and are being developed by Stockbridge and Wilson Meany.
- **490 Avenue of the Palms (Block C3.3/C3.4)** – A six-story 148-unit condominium development with seven below market rate affordable units commenced construction in October 2022. As of January 1, 2025, the building had topped out, the roof was completed, and the exterior envelope enclosure, and mechanical rough-in work were underway. 490 Avenue of the Palms is in Project Area B and is being developed by a joint venture development team that includes Stockbridge, Wilson Meany, and Lennar.

The Assessor has indicated that FY 2025-26 assessed values do not reflect final completion of any of the four developments; however, as described in Section 6.2, further increases in assessed value as a result of completion of the developments, if any, are assumed to be limited.

6.2 Potential for Assessed Value Increases from Construction In-Progress

Potential increases in FY 2025-26 assessed values from completion of Hawkins, Isle House, 490 Avenue of the Palms and the Block 4Y Townhomes and Flats are assumed to be limited based on a comparison of FY 2025-26 assessed values to indicators of current market value, as described below. No increase in assessed value based on recently completed or in-progress construction is included for purposes of the Table 19 to 22 revenue projections.

- **Block 4Y Townhomes and Flats** - The completion of a 31-unit phase of the Block 4Y Townhomes and Flats is not estimated to result in substantial further increases in assessed value based on a comparison of sales prices to date to the FY 2025-26 assessed values of units that remain in developer ownership.

Six unit sales in the Block 4Y Townhomes and Flats have closed through July 2025, including two units sold to private homeowners and four units sold to an investor in the project, LH YBI Holdings LLC. Sales prices averaged \$1,461 per square foot for units sold to private homeowners and \$1,622 per square foot for units sold to investor LH YBI Holdings LLC. Sales prices for units sold to LH YBI Holdings LLC are not assumed to reflect current market value since the transaction is not arms-length. The \$1,461 price per square foot for units sold to private homeowners is deemed the best indicator of market value.

The FY 2025-26 assessed value of the 25 units that remain in developer ownership totals \$94 million, equivalent to approximately \$1,432 per square foot, which is within 2% of the \$1,461 per square foot estimated market value of the units based on prices for closed sales to private homeowners. Given the FY 2025-26 assessed values of developer-owned units are within 2% of recent market prices, FY 2025-26 assessed values already approximate the full market value of the completed units, thus additional assessed value increases from completion of construction, if any, are assumed to be limited.

- **Hawkins** – Table 16 provides a comparison between the FY 2025-26 assessed value of Hawkins and Isle House and sales prices for apartment properties in San Francisco and Oakland built since 2018 and sold in the last two years. The assessed value of Hawkins equates to approximately \$484,000 per unit. This is less than the per unit sales prices for the two apartment property sales in San Francisco and exceeds the per unit prices for the three properties in Oakland. Rents for Hawkins, a key driver of value, are below that of the San Francisco properties but above two of the three Oakland properties. Rents for Hawkins may increase as the property approaches full lease up, which may allow the owner to reduce concessions, such as free rent, from those being offered during initial lease-up. The comparison to recent per unit sales prices provides an indication that the FY 2025-26 assessed value of Hawkins may already be near its full market value at completion and that additional assessed value increases from construction completion, if any, may be limited.
- **Isle House** – The FY 2025-26 assessed value of Isle House equates to approximately \$679,000 per unit or \$810 per net residential square foot. This exceeds the per unit values for the recently sold apartment properties shown in Table 16 and exceeds the prices per square foot for four out of five of the sales. Effective market rents for Isle House, net of concessions such as free rent, are less than the San Francisco comparisons but may increase as the property approaches full lease up, which may

allow the owner to reduce concessions from those being offered during initial lease-up. The comparison to recent per unit sales prices is an indication that the FY 2025-26 assessed value of Isle House is approaching, or possibly above, current market value and additional assessed value increases, if any, may be limited.

Table 16. Comparison of Hawkins and Isle House Assessed Values to Sale Prices for Multi-family Property Sales over Past Year								
Property Name, Location	Year Built	No. Units	Average Unit Size (net sq.ft.)	Effective Rent Per Unit per CoStar	Effective Rent Per NSF per CoStar	Sales Price or Assessed Value		
						Total	Per Unit	Per Net Residential Sq.Ft
<u>IRFD No. 1 Properties</u>						FY 2025-26 Assessed Value		
Hawkins	2025	178	794	\$3,190	\$3.94	\$86,145,806	\$484,000	\$609
Isle House	2024	250	838	\$4,347	\$5.16	169,737,330	679,000	810
<u>San Francisco Multifamily Property Sales</u>						Sale Prices		
The Madelon, 2000 Bryant St	2020	203	676	\$4,046	\$5.98	\$119,320,000	\$588,000	\$870
The Landing, 1395 22nd St	2019	263	828	\$4,927	\$5.94	148,500,000	565,000	682
<u>Oakland Multifamily Property Sales</u>								
ZO, 330 17th St	2019	206	756	\$2,769	\$3.66	78,000,000	379,000	501
19th & Harrison, 1889 Harrison St	2020	224	735	\$2,448	\$3.33	61,000,000	272,000	371
17th & Broadway, 447 17th St	2019	254	932	\$3,316	\$3.56	99,000,000	390,000	418

Sources: CoStar data on multifamily properties built since 2018 and sold in the past two years. Assessor.

- **490 Avenue of the Palms** – The \$151.7 million FY 2025-26 assessed value of 490 Avenue of the Palms equates to an estimated \$1,053,000 per market unit or \$1,020 per market rate square foot, assuming the seven below market rate units are valued at \$452,000 per unit based on recent below market rate sales prices⁹. This \$1,020 per square foot estimated market rate unit assessed value is 3% higher than the \$991 average sales price per square foot for market rate condominium units in the Bristol based on 2025 sales through July. Market prices for the Bristol and 490 Avenue of the Palms are expected to differ based on differences in location, amenities, and the smaller average unit size of 490 Avenue of the Palms (smaller units often have higher prices on a per square foot basis than larger units of similar type and quality). The fact that the FY 2025-26 assessed value of 490 Avenue of the Palms is within 3% of recent market prices for the Bristol is an indicator that the FY 2025-26 assessed value is approaching the market value of the units at completion, which is estimated by the end of 2025.

Developer-reported construction cost for 490 Avenue of the Palms incurred through January 1, 2025, plus land purchase costs as inflated by Proposition 13, is \$128.6 million. This is \$23.1 million less than the \$151.7 million FY 2025-26 assessed value.

⁹ The breakout between market rate and below market rate units must be estimated because FY 2025-26 assessed values are not identified separately for individual condominium units.

No adjustments to Assessor-reported values for 490 Avenue of the Palms are made for purposes of the revenue projections presented in Section 8.

6.3 Transfers of Ownership Not Yet Reflected on Assessment Roll

Transfers of ownership within IRFD No. 1 not yet reflected for purposes of the FY 2025-26 assessment roll include the following:

- **Bristol Unit Sales** – six market rate residential units sold within the Bristol during the period from January 1, 2025 through July 21, 2025. The six units had an average price of \$1,061,000, or \$991 per square foot, and an aggregate sales price of \$6.37 million. The FY 2025-26 assessed value of the six units totals \$9.27 million; therefore, the sales will result in a net decrease from FY 2025-26 assessed values of approximately \$2.9 million. This estimated assessed value decrease is included in the Table 15 analysis of potential assessed value reductions for the Bristol and in the Table 19 to 22 revenue projections. The Bristol is in Project Area A and was developed by Stockbridge and Wilson Meany.
- **4Y Townhomes and Flats Unit Sales** – six market rate residential units were sold during calendar year 2024 for which sales prices are not yet reflected in FY 2025-26 assessed values. The aggregate FY 2025-26 assessed value for the six units is \$19.9 million and the aggregate sales prices total \$25.3 million, resulting in a \$5.4 million estimated net increase from FY 2025-26 assessed values. The estimated net increase in assessed value from these completed unit sales is not included for purposes of the Table 19 to 22 revenue projections.

7.0 TAX ALLOCATION AND DISBURSEMENT

7.1 Tax Rates

The tax rates which are applied to taxable values consist of two components: the basic levy of \$1.00 per \$100 of taxable assessed value and the override tax rate which is levied to pay voter approved indebtedness. The basic levy may not exceed 1% (\$1.00 of \$100 taxable value) in accordance with Article XIII A of the California Constitution. Tax increment is comprised of a share of this basic 1% property tax levy from properties that are within IRFD No. 1. Accordingly, a one percent levy is applied in the revenue projections presented in Table 19 to Table 22.

7.2 Allocation of Taxes

The Controller is responsible for the aggregation of taxable values assigned by the Assessor as of the lien date for property within the boundaries of IRFD No. 1. This results in the reported total current year IRFD No. 1 taxable value and becomes the basis for determining the revenue to be allocated to IRFD No. 1.

Secured property taxes are due in two equal installments and become delinquent if not paid by December 10 and April 10. Taxes on unsecured property become delinquent if not paid by August 31.

The Controller allocates secured property taxes in accordance with the City's Teeter Plan, which provides for distribution of property taxes based on 100% of the calculated property tax levy, without regard to delinquencies. This allocation method results in allocation of 100% of the calculated tax increment attributed to secured assessed values to IRFD No. 1. Taxes on unsecured property are not part of the Teeter Plan and are allocated to the extent of actual collection of unsecured property taxes; however, as of FY 2025-26 there is no unsecured assessed value within IRFD No. 1.

7.3 Unitary Tax Revenues

Most public utility properties are currently assessed as a single unit on a countywide basis, with assessed value identified on a unitary roll assessed by the California State Board of Equalization. Revenues from unitary property tax assessments are distributed in the following manner: (1) each taxing entity receives the same amount of unitary revenue as in the previous year plus an increase for inflation of up to 2%; (2) if unitary tax revenues are not sufficient to provide the same amount of revenue as the previous year, revenues are allocated in proportion to the prior year unitary revenues; (3) if unitary revenues exceed 102% of the prior year's allocation, the excess is allocated proportionate to each jurisdiction's secured property tax revenue. Unitary revenues are not included in the Table 19 to 22 revenue projections.

7.4 Historic Allocations of Tax Increment to IRFD No. 1.

A summary of historic allocations of tax increment for FY 2021-22 through FY 2024-25 is presented in Table 17. As shown, actual amounts allocated to IRFD No. 1 have ranged from 103.3% of the calculated levy in FY 2024-25, to 110.9% in FY 2021-22, and averaged 105% of the calculated levy.

Table 17. Historic Allocations of Tax Increment to IRFD No. 1						
		Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual 2024-25	Estimated 2025-26
1. Assessed Value Increment, Active Project Areas⁽¹⁾		\$201,114,923	\$372,320,895	\$486,864,276	\$661,820,292	\$811,886,086
Active Project Areas		A	A, B, E	A, B, E	A, B, E	A, B, E
2. Calculated 1% Tax Increment	1% levy	\$2,011,149	\$3,723,209	\$4,868,643	\$6,618,203	\$8,118,861
3. Property Tax Admin Cost ⁽²⁾		\$5,113	\$9,387	\$8,511	\$11,031	\$13,783
4. Calculated IRFD Tax Increment ⁽³⁾						
Pledged Facilities Increment	53.285270%	\$1,067,428	\$1,976,178	\$2,587,248	\$3,517,426	\$4,314,786
Pledged Housing Increment	11.302936%	226,424	419,189	548,810	746,121	915,258
Total	64.588206%	\$1,293,852	\$2,395,367	\$3,136,058	\$4,263,547	\$5,230,044
5. Actual Amounts Allocated by Controller ^{(3) (4) (5)}						
Pledged Facilities Increment		\$1,183,713	\$2,101,219	\$2,686,230	\$3,635,829	TBD
Pledged Housing Increment		251,091	445,713	569,552	769,333	TBD
Total		\$1,434,803	\$2,546,932	\$3,255,783	\$4,405,161	TBD
6. Collections as % of Computed Levy ⁽⁶⁾		110.9%	106.3%	103.8%	103.3%	TBD
Average FY 21-22 to FY 24-25	105.0%					

Source: San Francisco Office of the Controller, KMA.

(1) The base year assessed value is zero. See Table 18 for FY 2025-26 estimated incremental assessed value after the potential assessed value decrease for the Bristol.

(2) Administrative costs for division of taxes include Controller property tax administrative costs and a 10% allocation of Accounting Operations and Suppliers Division (AOSD) costs. The administrative cost of division of taxes on line 3 is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.

(3) Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service.

(4) Includes \$6,119.02 tax increment distribution in FY 2023-24 to compensate for under-distribution in FY 2020-21 caused by a one-time legacy system migration issue.

(5) Figures are after deduction of the administrative cost for division of taxes.

(6) Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.

Table 17 identifies Pledged Facilities Increment and Pledged Housing Increment, inclusive of Conditional City Facilities Increment and Conditional City Housing Increment required to be allocated to IRFD No. 1 and held for payment of debt service until after each annual principal payment date, but thereafter available for release to the city to the extent not required for debt service.

8.0 REVENUE PROJECTION

The projection of tax increment is summarized in Tables 19 through 23 on the following pages with supporting projections of assessed value included in Tables 24 and 25. Two versions of the projection are presented:

(1) “No Growth Projection” (Tables 20 and 21) holds constant the reported FY 2025-26 assessed values, as reduced by the \$36.7 million potential assessed value decrease for the Bristol estimated in Section 5.5, over the term of the projection. Property tax administrative expenses are also held constant in this scenario, notwithstanding potential future increases in cost. Table 19 presents the projection of Pledged Facilities Increment and Table 20 presents the projection of Pledged Housing Increment.

(2) “2% Growth Projection” (Table 22 and 23) reflecting application of the 2% maximum allowable inflationary increase under Proposition 13 to the FY 2025-26 reported assessed values, as reduced by the \$36.7 million potential assessed value decrease for the Bristol estimated in Section 5.5, in each future year. Table 21 presents the projection of Pledged Facilities Increment and Table 22 presents the projection of Pledged Housing Increment.

The projections extend through the time limits for collection of tax increment in Areas A, B and E. Time limits for Project Areas C and D remain to be determined. Table 18 presents a calculation of FY 2025-26 Pledged Facilities Increment and Pledged Housing Increment.

Table 18. Calculated FY 2025-26 Tax Increment Revenues, IRFD No. 1			
		<u>Basis</u>	<u>Amount</u>
FY 2025-26 Incremental Assessed Value			\$848,594,135
Less: Potential Assessed Value Decrease for the Bristol	Section 5.5		(\$36,708,049)
Incremental Assessed Value after Adjustment			\$811,886,086
Gross Tax Increment	1%	of Incremental Assessed Value	\$8,118,861
Pledged Facilities Increment Calculation			
Net Available Facilities Increment	46.685270%	of Gross Tax Increment	\$3,790,312
Less: Prop Tax Admin Cost ⁽¹⁾	0.3%	of Net Available Facilities Increment	(\$11,371)
Net Available Facilities Increment after Prop Tax Admin			\$3,778,941
Conditional City Facilities Increment	6.600000%	of Gross Tax Increment	\$535,845
Pledged Facilities Increment			\$4,314,786
Pledged Housing Increment Calculation			
Net Available Housing Increment	9.902936%	of Gross Tax Increment	\$804,006
Less: Prop Tax Admin Cost ⁽¹⁾	0.3%	of Net Available Housing Increment	(\$2,412)
Net Available Housing Increment after Prop Tax Admin			\$801,594
Conditional City Housing Increment	1.400000%	of Gross Tax Increment	\$113,664
Pledged Housing Increment			\$915,258

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 19. Projection of Pledged Facilities Increment, No Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 23 Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment			Conditional City Facilities Increment	Pledged Facilities Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	46.68527%	0.30%	=B.+C.	6.60000%	=D.+E.
2025-26	\$8,118,861	\$3,790,312	(\$11,371)	\$3,778,941	\$535,845	\$4,314,786
2026-27	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2027-28	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2028-29	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2029-30	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2030-31	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2031-32	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2032-33	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2033-34	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2034-35	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2035-36	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2036-37	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2037-38	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2038-39	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2039-40	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2040-41	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2041-42	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2042-43	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2043-44	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2044-45	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2045-46	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2046-47	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2047-48	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2048-49	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2049-50	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2050-51	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2051-52	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2052-53	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2053-54	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2054-55	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2055-56	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2056-57	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2057-58	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2058-59	8,118,861	3,790,312	(11,371)	3,778,941	535,845	4,314,786
2059-60	4,358,703	2,034,872	(6,105)	2,028,767	287,674	2,316,442
2060-61	4,358,703	2,034,872	(6,105)	2,028,767	287,674	2,316,442
2061-62	4,358,703	2,034,872	(6,105)	2,028,767	287,674	2,316,442

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 20. Projection of Pledged Housing Increment, No Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 23 Incremental Assessed Value for areas Collecting TI	Net Available Housing Increment			Conditional City Housing Increment	Pledged Housing Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	9.90294%	0.30%	=B.+C.	1.40000%	=D.+E.
2025-26	\$8,118,861	\$804,006	(\$2,412)	\$801,594	\$113,664	\$915,258
2026-27	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2027-28	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2028-29	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2029-30	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2030-31	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2031-32	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2032-33	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2033-34	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2034-35	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2035-36	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2036-37	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2037-38	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2038-39	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2039-40	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2040-41	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2041-42	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2042-43	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2043-44	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2044-45	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2045-46	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2046-47	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2047-48	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2048-49	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2049-50	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2050-51	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2051-52	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2052-53	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2053-54	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2054-55	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2055-56	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2056-57	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2057-58	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2058-59	8,118,861	804,006	(2,412)	801,594	113,664	915,258
2059-60	4,358,703	431,640	(1,295)	430,345	61,022	491,366
2060-61	4,358,703	431,640	(1,295)	430,345	61,022	491,366
2061-62	4,358,703	431,640	(1,295)	430,345	61,022	491,366

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 21. Projection of Pledged Facilities Increment, 2% Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 24 Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment			Conditional City Facilities Increment	Pledged Facilities Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	46.68527%	0.30%	=B.+C.	6.60000%	=D.+E.
2025-26	\$8,118,861	\$3,790,312	(\$11,371)	\$3,778,941	\$535,845	\$4,314,786
2026-27	8,280,725	3,865,879	(11,598)	3,854,281	546,528	4,400,809
2027-28	8,445,826	3,942,957	(11,829)	3,931,128	557,425	4,488,552
2028-29	8,614,230	4,021,576	(12,065)	4,009,512	568,539	4,578,051
2029-30	8,786,001	4,101,768	(12,305)	4,089,463	579,876	4,669,339
2030-31	8,961,208	4,183,564	(12,551)	4,171,013	591,440	4,762,453
2031-32	9,139,919	4,266,996	(12,801)	4,254,195	603,235	4,857,430
2032-33	9,322,204	4,352,096	(13,056)	4,339,040	615,265	4,954,305
2033-34	9,508,135	4,438,899	(13,317)	4,425,582	627,537	5,053,119
2034-35	9,697,785	4,527,437	(13,582)	4,513,855	640,054	5,153,909
2035-36	9,891,227	4,617,746	(13,853)	4,603,893	652,821	5,256,714
2036-37	10,088,539	4,709,862	(14,130)	4,695,732	665,844	5,361,576
2037-38	10,289,796	4,803,819	(14,411)	4,789,408	679,127	5,468,534
2038-39	10,495,079	4,899,656	(14,699)	4,884,957	692,675	5,577,632
2039-40	10,704,468	4,997,410	(14,992)	4,982,417	706,495	5,688,912
2040-41	10,918,044	5,097,118	(15,291)	5,081,827	720,591	5,802,418
2041-42	11,135,892	5,198,821	(15,596)	5,183,225	734,969	5,918,193
2042-43	11,358,096	5,302,558	(15,908)	5,286,650	749,634	6,036,285
2043-44	12,061,845	5,631,105	(16,893)	5,614,212	796,082	6,410,293
2044-45	12,302,569	5,743,487	(17,230)	5,726,257	811,970	6,538,226
2045-46	12,548,107	5,858,118	(17,574)	5,840,543	828,175	6,668,718
2046-47	12,798,556	5,975,040	(17,925)	5,957,115	844,705	6,801,820
2047-48	13,054,014	6,094,302	(18,283)	6,076,019	861,565	6,937,584
2048-49	13,314,581	6,215,948	(18,648)	6,197,300	878,762	7,076,063
2049-50	13,580,359	6,340,027	(19,020)	6,321,007	896,304	7,217,311
2050-51	13,851,454	6,466,588	(19,400)	6,447,189	914,196	7,361,385
2051-52	14,127,969	6,595,681	(19,787)	6,575,894	932,446	7,508,340
2052-53	14,410,016	6,727,355	(20,182)	6,707,173	951,061	7,658,234
2053-54	14,697,703	6,861,662	(20,585)	6,841,077	970,048	7,811,126
2054-55	14,991,144	6,998,656	(20,996)	6,977,660	989,415	7,967,075
2055-56	15,290,454	7,138,390	(21,415)	7,116,974	1,009,170	8,126,144
2056-57	15,595,750	7,280,918	(21,843)	7,259,075	1,029,319	8,288,394
2057-58	15,907,151	7,426,297	(22,279)	7,404,018	1,049,872	8,453,890
2058-59	16,224,781	7,574,583	(22,724)	7,551,859	1,070,836	8,622,695
2059-60	9,176,312	4,283,986	(12,852)	4,271,134	605,637	4,876,770
2060-61	9,359,325	4,369,426	(13,108)	4,356,318	617,715	4,974,033
2061-62	9,545,998	4,456,575	(13,370)	4,443,205	630,036	5,073,241

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 22. Projection of Pledged Housing Increment, 2% Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 24 Incremental Assessed Value for areas Collecting TI	Net Available Housing Increment			Conditional City Housing Increment	Pledged Housing Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	9.90294%	0.30%	=B.+C.	1.40000%	=D.+E.
2025-26	\$8,118,861	\$804,006	(\$2,412)	\$801,594	\$113,664	\$915,258
2026-27	8,280,725	820,035	(2,460)	817,575	115,930	933,505
2027-28	8,445,826	836,385	(2,509)	833,876	118,242	952,117
2028-29	8,614,230	853,062	(2,559)	850,502	120,599	971,102
2029-30	8,786,001	870,072	(2,610)	867,462	123,004	990,466
2030-31	8,961,208	887,423	(2,662)	884,760	125,457	1,010,217
2031-32	9,139,919	905,120	(2,715)	902,405	127,959	1,030,364
2032-33	9,322,204	923,172	(2,770)	920,402	130,511	1,050,913
2033-34	9,508,135	941,585	(2,825)	938,760	133,114	1,071,874
2034-35	9,697,785	960,365	(2,881)	957,484	135,769	1,093,253
2035-36	9,891,227	979,522	(2,939)	976,583	138,477	1,115,061
2036-37	10,088,539	999,062	(2,997)	996,064	141,240	1,137,304
2037-38	10,289,796	1,018,992	(3,057)	1,015,935	144,057	1,159,992
2038-39	10,495,079	1,039,321	(3,118)	1,036,203	146,931	1,183,134
2039-40	10,704,468	1,060,057	(3,180)	1,056,876	149,863	1,206,739
2040-41	10,918,044	1,081,207	(3,244)	1,077,963	152,853	1,230,816
2041-42	11,135,892	1,102,780	(3,308)	1,099,472	155,902	1,255,374
2042-43	11,358,096	1,124,785	(3,374)	1,121,411	159,013	1,280,424
2043-44	12,061,845	1,194,477	(3,583)	1,190,893	168,866	1,359,759
2044-45	12,302,569	1,218,316	(3,655)	1,214,661	172,236	1,386,897
2045-46	12,548,107	1,242,631	(3,728)	1,238,903	175,673	1,414,577
2046-47	12,798,556	1,267,433	(3,802)	1,263,631	179,180	1,442,810
2047-48	13,054,014	1,292,731	(3,878)	1,288,852	182,756	1,471,609
2048-49	13,314,581	1,318,534	(3,956)	1,314,579	186,404	1,500,983
2049-50	13,580,359	1,344,854	(4,035)	1,340,820	190,125	1,530,945
2050-51	13,851,454	1,371,701	(4,115)	1,367,585	193,920	1,561,506
2051-52	14,127,969	1,399,084	(4,197)	1,394,887	197,792	1,592,678
2052-53	14,410,016	1,427,015	(4,281)	1,422,734	201,740	1,624,474
2053-54	14,697,703	1,455,504	(4,367)	1,451,138	205,768	1,656,905
2054-55	14,991,144	1,484,563	(4,454)	1,480,110	209,876	1,689,986
2055-56	15,290,454	1,514,204	(4,543)	1,509,661	214,066	1,723,728
2056-57	15,595,750	1,544,437	(4,633)	1,539,804	218,340	1,758,144
2057-58	15,907,151	1,575,275	(4,726)	1,570,549	222,700	1,793,249
2058-59	16,224,781	1,606,730	(4,820)	1,601,910	227,147	1,829,056
2059-60	9,176,312	908,724	(2,726)	905,998	128,468	1,034,466
2060-61	9,359,325	926,848	(2,781)	924,067	131,031	1,055,098
2061-62	9,545,998	945,334	(2,836)	942,498	133,644	1,076,142

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 23. Projection of Assessed Values, No Growth Projection

Fiscal Year	Projection of Assessed Values by Project Area					Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = \$0)	
	Area A	Area B	Area C	Area D	Area E	AV Total	Areas
2025-26 ⁽¹⁾	\$376,015,827	\$263,567,246	\$2,012,096	\$33,404,588	\$172,303,013	\$811,886,086	A, B, E
2026-27	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2027-28	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2028-29	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2029-30	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2030-31	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2031-32	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2032-33	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2033-34	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2034-35	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2035-36	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2036-37	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2037-38	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2038-39	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2039-40	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2040-41	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2041-42	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2042-43	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2043-44	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2044-45	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2045-46	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2046-47	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2047-48	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2048-49	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2049-50	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2050-51	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2051-52	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2052-53	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2053-54	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2054-55	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2055-56	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2056-57	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2057-58	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2058-59	376,015,827	263,567,246	2,012,096	33,404,588	172,303,013	811,886,086	A, B, E
2059-60		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E
2060-61		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E
2061-62		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E

(1) Assessor reported values for FY 2025-26 less the \$36,708,049 potential assessed value decrease for the Bristol estimated in Section 5.5.

(2) Reported FY 2025-26 assessed values held flat in future years.

Values in grey do not contribute to tax increment as collection has not commenced or is expired.

Table 24. Projection of Assessed Values, 2% Growth Projection

Fiscal Year	Projection of Assessed Values by Project Area ⁽²⁾					Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = \$0)	
	Area A	Area B	Area C	Area D	Area E	AV Total	Areas
2025-26 ⁽¹⁾	\$376,015,827	\$263,567,246	\$2,012,096	\$33,404,588	\$172,303,013	\$811,886,086	A, B, E
2026-27	383,536,144	268,838,591	2,052,338	34,072,680	175,697,760	828,072,494	A, B, E
2027-28	391,206,866	274,215,363	2,093,385	34,754,133	179,160,401	844,582,630	A, B, E
2028-29	399,031,004	279,699,670	2,135,252	35,449,216	182,692,295	861,422,969	A, B, E
2029-30	407,011,624	285,293,663	2,177,957	36,158,200	186,294,828	878,600,115	A, B, E
2030-31	415,151,856	290,999,537	2,221,517	36,881,364	189,969,411	896,120,804	A, B, E
2031-32	423,454,893	296,819,527	2,265,947	37,618,992	193,717,485	913,991,906	A, B, E
2032-33	431,923,991	302,755,918	2,311,266	38,371,371	197,540,521	932,220,430	A, B, E
2033-34	440,562,471	308,811,036	2,357,491	39,138,799	201,440,018	950,813,525	A, B, E
2034-35	449,373,721	314,987,257	2,404,641	39,921,575	205,417,505	969,778,482	A, B, E
2035-36	458,361,195	321,287,002	2,452,734	40,720,006	209,474,541	989,122,738	A, B, E
2036-37	467,528,419	327,712,742	2,501,788	41,534,407	213,612,718	1,008,853,879	A, B, E
2037-38	476,878,987	334,266,997	2,551,824	42,365,095	217,833,659	1,028,979,643	A, B, E
2038-39	486,416,567	340,952,337	2,602,861	43,212,397	222,139,019	1,049,507,922	A, B, E
2039-40	496,144,898	347,771,384	2,654,918	44,076,644	226,530,485	1,070,446,767	A, B, E
2040-41	506,067,796	354,726,811	2,708,016	44,958,177	231,009,781	1,091,804,389	A, B, E
2041-42	516,189,152	361,821,348	2,762,177	45,857,341	235,578,663	1,113,589,163	A, B, E
2042-43	526,512,935	369,057,775	2,817,420	46,774,488	240,238,923	1,135,809,633	A, B, E
2043-44	537,043,194	376,438,930	2,873,769	47,709,977	244,992,388	1,206,184,489	A, B, D, E
2044-45	547,784,058	383,967,709	2,931,244	48,664,177	249,840,922	1,230,256,865	A, B, D, E
2045-46	558,739,739	391,647,063	2,989,869	49,637,461	254,786,427	1,254,810,689	A, B, D, E
2046-47	569,914,534	399,480,004	3,049,666	50,630,210	259,830,841	1,279,855,589	A, B, D, E
2047-48	581,312,824	407,469,604	3,110,660	51,642,814	264,976,145	1,305,401,387	A, B, D, E
2048-49	592,939,081	415,618,996	3,172,873	52,675,670	270,224,354	1,331,458,101	A, B, D, E
2049-50	604,797,863	423,931,376	3,236,330	53,729,184	275,577,527	1,358,035,950	A, B, D, E
2050-51	616,893,820	432,410,004	3,301,057	54,803,767	281,037,764	1,385,145,355	A, B, D, E
2051-52	629,231,696	441,058,204	3,367,078	55,899,843	286,607,206	1,412,796,948	A, B, D, E
2052-53	641,816,330	449,879,368	3,434,419	57,017,840	292,288,036	1,441,001,574	A, B, D, E
2053-54	654,652,657	458,876,955	3,503,108	58,158,196	298,082,483	1,469,770,291	A, B, D, E
2054-55	667,745,710	468,054,494	3,573,170	59,321,360	303,992,819	1,499,114,384	A, B, D, E
2055-56	681,100,624	477,415,584	3,644,633	60,507,787	310,021,362	1,529,045,358	A, B, D, E
2056-57	694,722,637	486,963,896	3,717,526	61,717,943	316,170,476	1,559,574,951	A, B, D, E
2057-58	708,617,089	496,703,174	3,791,877	62,952,302	322,442,571	1,590,715,137	A, B, D, E
2058-59	722,789,431	506,637,237	3,867,714	64,211,348	328,840,109	1,622,478,126	A, B, D, E
2059-60		516,769,982	3,945,068	65,495,575	335,365,598	917,631,155	B, D, E
2060-61		527,105,382	4,023,970	66,805,487	342,021,596	935,932,464	B, D, E
2061-62		537,647,489	4,104,449	68,141,596	348,810,714	954,599,800	B, D, E

(1) Assessor reported values for FY 2025-26 less the \$36,708,049 potential assessed value decrease for the Bristol estimated in Section 5.5.

(2) Projection for FY 2026-27 forward is based on 2% maximum annual increase in real property assessed value under Proposition 13 and a 0% growth rate for the \$2,565,683 in personal property assessed value within Project Area E.

Values in grey do not contribute to tax increment as collection has not commenced or is expired.

9.0 CAVEATS AND LIMITATIONS

The projections reflect assumptions based on KMA's understanding of the assessment and tax apportionment procedures employed by the Assessor and Controller, respectively. These procedures are subject to change as a reflection of policy revisions or administrative, regulatory, or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections. Assumptions have also been made that no changes to State legislation are enacted to change or eliminate the allocation of IRFD tax increment revenues. These assumptions are based on existing State policies and are subject to future regulatory or legislative changes.

No assurances are provided by KMA or the City as to the certainty of the projected tax increment and assessed values incorporated into this report. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, changes in assessor valuation standards, or the non-payment of taxes due.

KMA is not advising or recommending any action be taken by the City, TIDA, or IRFD No. 1 with respect to any prospective new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues). KMA is not acting as a municipal advisor and does not assume any fiduciary duty, including, without limitation, a fiduciary duty pursuant to Section 15B of the Exchange Act. The City and TIDA should discuss any such information and material contained in this report with internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information.

Table 25. Assessed Value History

	2018-19	2019-20	2020-21	2021-22 ⁽¹⁾	2022-23	2023-24	2024-25	2025-26
Project Area A	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	68,568,818	70,090,194	90,611,492	163,404,923	169,727,537	173,645,008	198,102,154	208,928,276
Structure	<u>0</u>	<u>0</u>	<u>11,474,105</u>	<u>37,710,000</u>	<u>117,354,086</u>	<u>141,043,901</u>	<u>175,393,681</u>	<u>203,795,600</u>
Subtotal	68,568,818	70,090,194	102,085,597	201,114,923	287,081,623	314,688,909	373,495,835	412,723,876
Project Area B	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	90,015,376	83,321,158	70,455,009
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,316,200</u>	<u>38,594,151</u>	<u>193,112,237</u>
Subtotal	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	98,331,576	121,915,309	263,567,246
Project Area E	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	577,630	972,038	991,477	25,900,000	26,795,314	43,886,977	45,820,287	46,736,692
Structure	0	0	0	0	6,266,026	29,956,814	120,588,861	123,000,638
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	577,630	972,038	991,477	25,900,000	33,061,340	73,843,791	166,409,148	172,303,013
Project Area C	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965	1,972,644	2,012,096
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965	1,972,644	2,012,096
Project Area D	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450	32,749,598	33,404,588
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450	32,749,598	33,404,588
Total - All Project Areas	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Land	78,646,648	80,369,574	101,095,581	241,386,839	282,074,721	341,588,776	361,965,841	361,536,661
Structure	0	0	11,474,105	37,710,000	123,620,112	179,316,915	334,576,693	519,908,475
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	78,646,648	80,369,574	112,569,686	279,096,839	405,694,833	520,905,691	696,542,534	884,010,819
Project Areas Where Increment Collection is Commenced ⁽²⁾	TI Trigger ⁽²⁾		<----- TI collection commenced ----->					
Project Areas	N/A	A	A	A	A, B, E	A, B, E	A, B, E	A, B, E
Land	0	70,090,194	90,611,492	163,404,923	248,700,783	307,547,361	327,243,599	326,119,977
Structure	0	0	11,474,105	37,710,000	123,620,112	179,316,915	334,576,693	519,908,475
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	0	70,090,194	102,085,597	201,114,923	372,320,895	486,864,276	661,820,292	848,594,135

(1) Includes \$115,203,884 in escape roll assessed value and reflects a roll correction that reduced the FY 2021-22 assessed value of two parcels by a combined by \$2,846,434.

(2) Collection of TI commences in the year following the year in which the applicable tax increment trigger amount is reached, \$150,000 for areas A, B, E and \$300,000 for areas C and D.

Note: Assessed value and incremental assessed value are the same as the base year assessed value is zero.

Source: Assessor.

Values in grey do not contribute to tax increment in the applicable years. Totals for all project areas are inclusive of assessed values that do not contribute to tax increment revenue.

Table 26. IRFD No. 1 FY 2025-26 Assessed Values by Block and APN

IRFD Area	Development Block	APN	FY 2025-26 Assessor Reported Assessed Value			
			Land	Improvements	Personal Property	Total
A	1Y	8948-001	\$85,278,334	\$0	\$0	\$85,278,334
A	2Y-H	8949-002	\$0	\$0	\$0	\$0
A	3Y	8952-001	\$17,723,567	\$1,649,619	\$0	\$19,373,186
A	4Y Townhomes/Flats	8954-014 to 058, 184	\$24,986,762	\$99,987,300	\$0	\$124,974,062
A	4Y (Bristol)	8954-059 to 182	\$80,939,613	\$102,158,681	\$0	\$183,098,294
B	B1	8901-003	\$9,542,606	\$0	\$0	\$9,542,606
B	B1	8901-004	\$4,275,606	\$0	\$0	\$4,275,606
B	C2.2 (Hawkins)	8903-004	\$15,045,806	\$71,100,000	\$0	\$86,145,806
B	C2.3	8904-004	\$11,906,753	\$0	\$0	\$11,906,753
B	C3.3/C3.4 (490 Palms)	8906-009	\$29,684,238	\$122,012,237	\$0	\$151,696,475
E	C2.4 (Isle House)	8904-005	\$46,736,692	\$123,000,638	\$2,565,683	\$172,303,013
E	n/a	1939 112	\$0	\$0	\$0	\$0
E	n/a	1939 177	\$0	\$0	\$0	\$0
E	n/a	1939 178	\$0	\$0	\$0	\$0
E	n/a	1939 179	\$0	\$0	\$0	\$0
E	C2-H	1939-180	\$0	\$0	\$0	\$0
C	C1.1&2	8902-004	\$2,012,096	\$0	\$0	\$2,012,096
D	C2.1	8903-003	\$1,364,598	\$0	\$0	\$1,364,598
D	C3.5	8906-007	\$31,704,437	\$0	\$0	\$31,704,437
D	C3.5	8906-008	\$335,553	\$0	\$0	\$335,553
Total - All Project Areas			\$361,536,661	\$519,908,475	\$2,565,683	\$884,010,819
Total - Project Areas Collecting TI in FY 2025-26 ⁽¹⁾			\$326,119,977	\$519,908,475	\$2,565,683	\$848,594,135

Source: Assessor

(1) Total assessed value for Project Areas A, B, and E for which tax increment allocation has commenced as of FY 2025-26.

Values in grey do not contribute to tax increment in FY 2025-26.

Table 27. Top Ten Taxpayers for IRFD No. 1, FY 2025-26 by Legal Entity

Top Taxpayers FY 2025-26		Planned Development ^{(7) (8)}			No. of Parcel		Assessed Value FY 2025-26		% Total and Incr. AV ⁽¹¹⁾	
		Units	Type	Status			All Project Areas	Active Areas ⁽¹²⁾	All	Active ⁽¹²⁾
1. Stockbridge and Wilson Meany ⁽¹⁾										
TI Lot 10, LLC	C2.4	250	rental	Built	1	E	\$172,303,013	\$172,303,013	19.5%	20.3%
YBI Phase 3 Investors, LLC	4Y(por)	47	for-sale	Built ⁽⁹⁾	26	A	105,068,096	105,068,096	11.9%	12.4%
YBI Phase 4 Investors, LLC	1Y	78	for-sale	Plan	1	A	85,278,334	85,278,334	9.6%	10.0%
YBI Phase 1 Investors, LLC	4Y(por)	51	for-sale	Built	51	A	83,007,342	83,007,342	9.4%	9.8%
YBI Phase 2 Investors, LLC	3Y	11	for-sale	Plan	1	A	19,373,186	19,373,186	2.2%	2.3%
Subtotal		437			80		465,029,971	465,029,971	52.6%	54.8%
2. Stockbridge, Wilson Meany, and Lennar Joint Venture ⁽²⁾										
TI Lots 3-4, LLC	C3.3/4	148	for-sale	Const.	1	B	151,696,475	151,696,475	17.2%	17.9%
TI Lots 5-6, LLC	C3.5	160	for-sale	Plan	2	D	32,039,990	N/A	3.6%	N/A
Subtotal		308			3		183,736,465	151,696,475	20.8%	17.9%
3. Lennar ⁽³⁾	C2.2	178	rental	Built	1	B	86,145,806	86,145,806	9.7%	10.2%
4. LH YBI Holdings LLC ⁽⁴⁾	4Y (por)	16	for-sale	Built	16	A	38,061,492	38,061,492	4.3%	4.5%
5. Poly USA ⁽⁵⁾										
B1 Treasure Island 048 Holdings, LLC	B1	117	rental	Plan ⁽¹⁰⁾	2	B	13,818,212	13,818,212	1.6%	1.6%
C23 Treasure Island 048 Holdings, LLC	C2.3	85	for-sale	Plan	1	B	11,906,753	11,906,753	1.3%	1.4%
Subtotal		202			3		25,724,965	25,724,965	2.9%	3.0%
6. Private Homeowner 1	C1.1/2, 2.1	2	for-sale	Built	2	A	3,436,156	3,436,156	0.4%	0.4%
7. TI Series 1 ⁽⁶⁾		551	for-sale	Plan	2	C&D	3,376,694	N/A	0.4%	N/A
8. Private Homeowner 2		1	for-sale	Built	1	A	3,294,600	3,294,600	0.4%	0.4%
9. Private Homeowner 3		1	for-sale	Built	1	A	3,110,000	3,110,000	0.4%	0.4%
10. Private Homeowner 4		2	for-sale	Built	2	A	3,048,713	3,048,713	0.3%	0.4%
11. Private Homeowner 5 (top ten taxpayer for active areas only)		1	for-sale	Built	1	A	N/A	2,793,890	N/A	0.3%
Total Top Ten Taxpayers		1,699			112		814,964,862	782,342,068	92.2%	92.2%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Includes separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC, as listed. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 top taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayers), being developed as a joint venture.

(2) TI Lots 3-4 LLC and TI Lots 5-6 LLC are being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of top taxpayers).

(3) Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(4) LH YBI Holdings LLC is a limited partner in YBI Phase 1 Investors, LLC, YBI Phase 2 Investors, LLC, YBI Phase 3 Investors, LLC that has purchased twelve units in the Bristol and four units in the Block 4Y Townhomes and Flats.

(5) Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., as listed. Poly USA has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(6) Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA each have an ownership interest in TI Series 1.

(7) Includes units that are complete, under construction, and planned.

(8) "Built" refers to units complete with either a temporary or final occupancy permit, "Plan" refers to planned units, "Const." refers to units under construction.

(9) 47 of the 53 total units in the Block 4Y Townhomes and Flats (of which 25 are built and 22 are planned) are owned by YBI Phase 3 Investors, LLC as of the FY 2025-26 roll.

(10) A site permit has been issued for construction, but construction has not yet commenced.

(11) Percentages calculated based upon FY 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year AV is zero).

(12) Includes Project Areas A, B, and E that will collect tax increment in FY 2025-26.

Infrastructure & Revitalization Financing District No. 1 (Treasure Island)

Budget & Finance
Committee

October 22, 2025



Treasure Island Development Authority
Controller's Office of Public Finance

IRFD No. 1 (Treasure Island)

Tax Increment Revenue Bonds

Action Items

- **File No. 250948** Resolution Authorizing the Issuance of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds Not to Exceed \$31,000,000
- **File No. 250946** Supplemental Ordinance Appropriating \$5,500,000 in Tax Increment Revenue Bond Proceeds in Treasure Island Infrastructure and Revitalization Financing District (FY25-26) and \$269,288 in accumulative interest earnings from Prior Bond Proceeds

Treasure Island Update

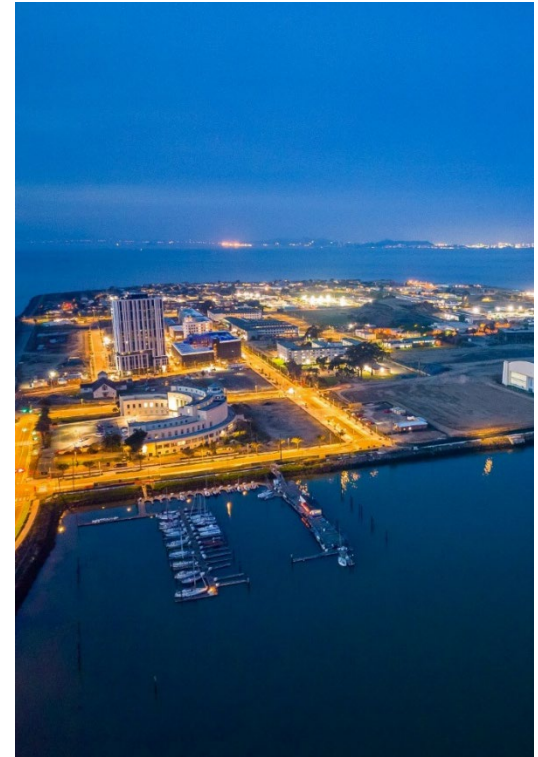
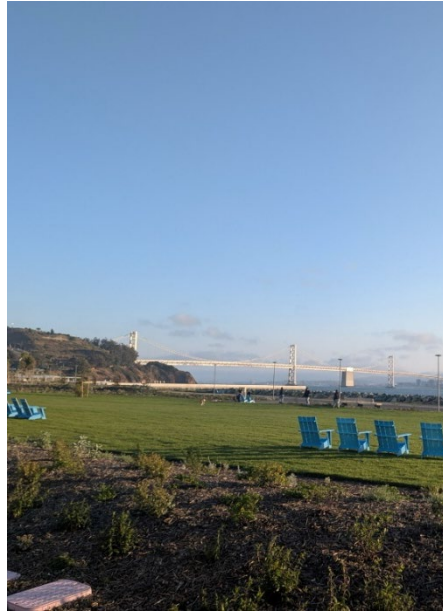


The Treasure Island Project

- For nearly three decades the City and the Treasure Island Development Authority ("TIDA") have worked together on the Treasure Island/Yerba Buena Island Development Project (the "Project") to redevelop the former Treasure Island Naval Station in connection with the conveyance of the Navy-owned lands to TIDA
- In 2003, TIDA and the Treasure Island Community Development, LLC ("TICD") entered into an Exclusive Negotiating Agreement and began work on a Development Plan
- In 2011, TICD and TIDA entered into the Disposition and Development Agreement ("DDA") and TICD and the City entered into the Development Agreement ("DA") to deliver the Project
- 2017 – The Community Facilities District ("CFD") and the Infrastructure and Revitalization Financing District ("IRFD") were formed by the Board of Supervisors ("BOS") to facilitate future funding of the Project
- 2020-2023 – Four series of CFD bonds were issued for Improvement Areas No. 1 and 2, as well as four series of bonds for IRFD No. 1
- 2024 – The BOS approved amendments to both the DDA and DA which provided for, among other things, the issuance of Certificates of Participation to fund \$115 million of Stage 2 infrastructure costs
- 2025 – The first tranche (of three tranches) of City Certificates of Participation COPs were issued

Treasure Island Infrastructure Update

- Stage 1 roadways and utility infrastructure completed in March 2024; Stage 2 demolition and geotechnical improvements started in 2022 for completion in 2028
- Approx. 15 new acres of open space (across 7 new parks)
- 2 new public art installations; one in planning
- New ferry terminal





Treasure Island Housing Production

TREASURE ISLAND

- **Maceo May – 105 units affordable housing; complete & occupied**
- **Star View Court – 138-unit affordable housing; complete & occupied**
- **Isle House – 250 units, completed June 2024; 60% Leased**
- **Hawkins – 178 units, completed December 2024; 37% Leased**
- 490 Avenue of the Palms – 148 units; completion October 2025
- Behavioral Health Building – 240 Beds; construction start April 2026
- Senior Housing – 100 Units; construction start expected Sept. 2026
- Parcel IC4.3 – 150 Units; construction start expected December 2026

YERBA BUENA ISLAND

- **The Bristol – 124 units; complete & occupied**
- **Phase I townhomes and flats – 31 units; completed April 2024; Sales Underway**
- Over 100 additional residences planned

Proposed IRFD No. 1 – Tax Increment Revenue Bonds

Use of Proceeds

- Facilities Bonds (Series 2025A)
 - Expected reimbursement of certain required geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island completed by TICD to begin horizontal development
 - Expected reimbursement of certain predevelopment costs, permit fees, public parks construction costs, and subsidy payments paid by TICD to TIDA pursuant to the Housing Plan
- Housing Bonds (Series 2025B)
 - Partially fund a 100-unit senior affordable multifamily housing project constructed by Mercy Housing California on Treasure Island

Security/Structure

- The Bonds are secured by Pledged Tax Increment as applicable to each of the Facilities Bonds and Housing Bonds
- Annual debt service coverage from Pledged Tax Increment of at least 125%

Financing Information



Proposed Tax Revenue Increment Bonds

Series 2025A & Series 2025B – Plan of Finance

Estimated Financing Terms

- Not-to-exceed par amount: \$31M
- Expected term: 30 years
- Final Maturity: Sept. 1, 2055
- True Interest Cost: 5.84%
- Bond Proceeds: \$25M
- Financing Costs: \$931K
- Total Debt Service: \$55M

Estimated SOURCES & USES*

	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
<u>Estimated Sources</u>			
Bond Proceeds			
Estimated Par Amount	\$20,975,000	\$4,440,000	\$25,415,000
Original Issue Discount	(253,796)	(69,444)	(323,240)
Total Sources	\$20,721,204	\$4,370,556	\$25,091,760
<u>Estimated Uses</u>			
Project Fund	\$18,627,904	\$3,927,013	\$22,554,917
Debt Service Reserve Fund	1,324,760	280,859	1,605,618
<u>Delivery Date Expenses</u>			
Cost of Issuance	453,915	96,085	550,000
Underwriter's Discount	314,625	66,600	381,225
Total Uses	\$20,721,204	\$4,370,556	\$25,091,760

* Preliminary, subject to market conditions as of August 28, 2025.

Source: Stifel, Nicolaus & Co, Inc.

Proposed IRFD Bonds – Risk Factors

- Given taxpayer concentration, the proposed Bonds will be sold without a rating (“non-rated”)
- Certain risk factors associated with the Bonds are discussed in the “Risk Factors” section of the Preliminary Official Statement (“POS”)
- Non-rated tax increment bonds have unique risks that are discussed in the Preliminary Official Statement, including:
 - Potential for reduction in tax base and assessed values
 - Concentration of property ownership
 - Construction not completed for some properties
- Other significant risk factors include seismic risks, sea level rise and flooding
- The Bonds are limited obligations of the IRFD and are secured by and payable solely from the Pledged Tax Increment
 - General Fund resources of the City are not pledged for the repayment of the Bonds, nor is any property or the credit of the City pledged to the repayment of the Bonds

Preliminary Official Statement

- SF Board of Supervisors is the governing body of the IRFD and approves the issuance of bonds and the form of the Preliminary Official Statement (delegating final authority to Controller's Office)
- Policy makers have a responsibility under federal securities laws to ensure that staff is aware of information that they may have unique in their capacity as policy makers that would have a material bearing of the capacity of the IRFD to repay the bonds
- The POS describes the following for prospective investors:
 - The terms of the Bonds
 - Sources of repayment and the security for the Bonds
 - Information about the IRFD and its operations and financial ability of the IRFD to make timely payments of principal of and interest on the Bonds.
 - Risk Factors related to investment in IRFD bonds
- Prior to the distribution of the POS (and final Official Statement), the disclosure will have been thoroughly and critically reviewed by TIDA and City and staff (in consultation with the City/TIDA's professional advisors, including Disclosure Counsel) to provide the most current material financial and other material information available

Questions?

**Amended and Restated
Infrastructure Financing Plan**

**Infrastructure and Revitalization Financing District No. 1
(Treasure Island)**

**Prepared for:
City and County of San Francisco**

**Amended by Ordinance of the Board of Supervisors
of the City and County of San Francisco on February 15, 2022**

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Supporting Tables 1-5E

Appendix A – Amended Boundary Map and Legal Description of the IRFD

Appendix B –Fiscal Impact Analysis of City (Amended to reflect amended Table 3)

Appendix C – IRFD Improvements

Appendix D – Net Available Increment and Conditional City Increment (Amended to reflect amended Table 3)

I. INTRODUCTION

General. This Amended and Restated Infrastructure Financing Plan (“**Infrastructure Financing Plan**”) amends and restates the Infrastructure Plan dated August 15, 2016 (the “**Original Infrastructure Financing Plan**”), which was adopted in connection with the original formation of “City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (the “**IRFD**”).

This Infrastructure Financing Plan was:

- (i) prepared at the direction of the Board of Supervisors (the “**Board**”) of the City and County of San Francisco (the “**City**”), in its capacity as the legislative body of the IRFD, by Resolution No. 497-21 adopted on October 26, 2021, and signed by the Mayor on November 5, 2021, pursuant to Government Code Section 53369.13,
- (ii) approved by the Board, in its capacity as the legislative body of the City, which is the only entity that is allocating property tax increment to the IRFD, pursuant to Resolution No. 568-21 adopted on December 14, 2021, and signed by the Mayor on December 22, 2021, pursuant to Government Code Section 53369.19,
- (iii) approved by the qualified electors of the IRFD at a mail ballot election held on January 17, 2022, and
- (iv) approved by the Board, in its capacity as legislative body of the IRFD, by Ordinance No. 29-22 finally passed on February 15, 2022, and signed by the Mayor on February 25, 2022 (the “**Ordinance**”), pursuant to Government Code Section 53369.23.

The IRFD will be funded solely from a portion of the property tax increment that would otherwise be distributed to the General Fund of the City. No other taxing agency’s revenues will be affected by or available to the IRFD. Consequently, this Infrastructure Financing Plan will discuss the tax increment of the City only.

Amendments to the Original Infrastructure Financing Plan. This Infrastructure Financing Plan amends the Original Infrastructure Financing Plan in the following ways:

- (i) The Board has been notified by the California State Board of Equalization that the boundaries of the IRFD and the Initial Project Areas (defined below) must conform to the

boundaries of assessor parcel numbers established by the San Francisco Assessor-Recorder in order for the Board of Equalization to assign tax rate areas to the Initial Project Areas. Accordingly, territory has been added to the IRFD and the boundaries of the IRFD and certain Initial Project Areas have been amended to reflect the final development parcels for certain portions of Treasure Island and Yerba Buena Island. These amendments are documented in the boundary map and the legal descriptions included in this Infrastructure Financing Plan. See “Appendix A”.

(ii) Because the Board of Supervisors anticipates the need to make future changes to the boundaries of the IRFD and the Project Areas (including the Initial Project Areas and future Project Areas) in order to conform to final development parcels approved by the Board of Supervisors so that the California State Board of Equalization can assign tax rate areas, this Infrastructure Financing Plan amends the Original Infrastructure Financing Plan to establish a procedure by which future amendments of the boundaries of the IRFD may be approved by the Board of Supervisors as the legislative body of the IRFD without further hearings or approvals, as long as the amendments will not impair the IRFD’s ability to pay debt service on its bonds or, in and of themselves, reduce the debt service coverage on any bonds below the amount required to issue parity debt. See “Future Amendments of this Infrastructure Financing Plan”.

(iii) This Infrastructure Financing Plan amends the Original Infrastructure Financing Plan to reduce the tax increment allocated to the IRFD in order to conform to existing law. See “Section VII - Financing Section” below.

(iv) This Infrastructure Financing Plan amends the Original Infrastructure Financing Plan to provide that actions related to the IRFD, the Project Areas and this Infrastructure Financing Plan shall not require the approval of the qualified electors in the IRFD if the IRFD Law is amended to eliminate any such requirement. See “Future Amendments of this Infrastructure Financing Plan”.

Summary of Infrastructure Financing Plan. As required by California Government Code Section 53369 et seq. (the “**IRFD Law**”), including Section 53369.14 therein, this Infrastructure Financing Plan contains the following information:

- A. A map and legal description of the proposed IRFD. The amended map and legal description, which were approved as described in “Section I - Introduction,” are attached hereto as Appendix A. Property may be annexed to the IRFD in the future in the manner set forth in Section IV, and the map and legal descriptions will be updated accordingly.
- B. A description of the facilities required to serve the development proposed in the area of the IRFD including those to be provided by the private sector, those to be provided by governmental entities without assistance under the IRFD Law, those improvements and

facilities to be financed with assistance from the proposed IRFD, and those to be provided jointly. The description shall include the proposed location, timing, and costs of the improvements and facilities. See Section V for more details. As used herein, the facilities to be financed from the IRFD consist of both facilities (herein, “**Facilities**”) and affordable housing (as defined herein, “**Housing Costs**” and together with the Facilities, the “**IRFD Improvements**”).

- C. A finding that the IRFD Improvements are of communitywide significance (see Section VI for more details).
- D. A financing section, which shall contain all of the following information (see Section VII for more details):
 - 1. A specification of the maximum portion of the incremental tax revenue of the City proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue. The portion may change over time.
 - 2. A projection of the amount of tax revenues expected to be received by the IRFD in each year during which the IRFD will receive tax revenues. **This is a projection and for illustrative purposes only based on currently expected land uses and development schedules; it is not a limit on the amount of tax increment that can be allocated to the IRFD on an annual basis. Actual results may vary.**
 - 3. A plan for financing the IRFD Improvements, including a detailed description of any intention to incur debt.
 - 4. A limit on the total number of tax increment dollars that may be allocated to the IRFD pursuant to this Infrastructure Financing Plan.
 - 5. A date on which the IRFD will cease to exist, by which time all tax allocation, including any allocation of net available revenue, to the IRFD will end. The date shall not be more than 40 years from the date on which the ordinance forming the IRFD is adopted, or a later date, if specified by the ordinance on which the allocation of tax increment will begin. As discussed more completely in Section VII, the IRFD will consist of multiple project areas with varying tax increment commencement dates, so the IRFD will terminate on the same date as the final project area in the IRFD terminates. As set forth herein, the Board reserves the right to amend this Infrastructure Financing Plan to extend the 40-year duration of Project Areas and the period for allocation of tax increment within a Project Area if the IRFD Law is amended to allow a longer period.

No further vote of the qualified electors in the IRFD shall be required if the law is changed and the Board approves such an extension by ordinance. See “Future Amendments of this Infrastructure Financing Plan.”

6. An analysis of the costs to the City of providing facilities and services to the area of the IRFD while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the IRFD. **The analyses described in the two preceding sentences and set forth in this Infrastructure Financing Plan reflect certain assumptions and projections and, accordingly, are merely estimates for illustrative purposes only. Actual results may vary.**
 7. An analysis of the projected fiscal impact of the IRFD and the associated development upon the City. **The analysis described in the preceding sentence and set forth in this Infrastructure Financing Plan reflects certain assumptions and projections and, accordingly, is merely an estimate for illustrative purposes only. Actual results may vary.**
 8. A plan for financing any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the IRFD and qualifies for the Transit Priority Project Program, pursuant to California Government Code Section 65470, including any permit and affordable housing expenses related to the project.
- E. If any dwelling units occupied by persons or families of low or moderate income are proposed to be removed or destroyed in the course of private development or facilities construction within the area of the IRFD, a plan providing for replacement of those units and relocation of those persons or families consistent with the requirements of Section 53369.6 of the IRFD Law. See Section VII for a further discussion of the replacement housing plan.

Future Amendments of this Infrastructure Financing Plan.

1. General. The Board reserves the right, and nothing in this Infrastructure Financing Plan limits the ability of the Board, to update or amend this Infrastructure Financing Plan and the Development Agreements (as defined herein) in accordance with and subject to applicable law.

2. Amendments related to Changes in the IRFD Law. In addition, and in furtherance of the foregoing, the Board reserves the right to amend this Infrastructure Financing Plan by ordinance, and without any public hearing or vote of the qualified electors of the IRFD or other proceedings, for the following purposes:

(a) to extend the 40-year duration of Project Areas and the period for allocation of tax increment within a Project Area, if and to the extent the IRFD Law is amended to allow a longer period;

(b) to increase the maximum amount of bonded indebtedness and other debt for the IRFD based on the increased period of tax increment allocation described in the preceding clause (a);

(c) for the purpose of financing Housing Costs, to allocate to the IRFD (i) any property tax revenue that was not previously allocated to the IRFD, including but not limited to any ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code, if and to the extent the IRFD Law is amended to permit such an allocation, and (ii) subject to compliance with the DDA Financing Plan, the Conditional City Increment;

(d) to adopt any alternative amendment or annexation procedure with respect to the IRFD that is permitted by an amendment to the IRFD Law;

(e) to amend the list of IRFD Facilities as long as the Board finds that the resulting IRFD Facilities are permitted by the IRFD Law, will serve the development in the IRFD and are of communitywide significance; and

(f) to eliminate the requirement for the approval of qualified electors for actions related to the IRFD, the Project Areas and this Infrastructure Financing Plan if the IRFD Law is amended to eliminate any such requirement.

3. Amendments of IRFD and Project Area Boundaries Related to Tax Rate Areas. The Board of Supervisors anticipates that it will need to make future changes to the boundaries of the IRFD and the Project Areas in order to conform to final development parcels approved by the Board so that the California State Board of Equalization can assign tax rate areas to the Project Areas. Accordingly, the Board reserves the right, and nothing in this Infrastructure Financing Plan limits the ability of the Board, to amend the boundaries of the IRFD or the Project Areas by ordinance, and without any public hearing or vote of the qualified electors of the IRFD or other proceedings,

to the extent necessary to provide for the assignment of tax rate areas, as long as an independent fiscal consultant determines that the change will not impair the IRFD's ability to pay debt service on its bonds or, in and of themselves, reduce the debt service coverage on any bonds below the amount required to issue parity debt. For the avoidance of doubt, the authority to change the boundaries of the IRFD and the Project Areas pursuant to this Infrastructure Financing Plan applies to (i) the Initial Project Areas and (ii) each new Project Area created through annexation of property to the IRFD pursuant to Section IV, in each case as amended or expanded as described in this Infrastructure Financing Plan or permitted by the IRFD Law.

II. DESCRIPTION OF TREASURE ISLAND PROJECT

The Treasure Island project (the "**Project**") is currently intended to be comprised of approximately nine future development stages on the islands known as Treasure Island and Yerba Buena Island (collectively, "**Treasure Island**"). As detailed on Table 1, it is currently anticipated that the Project will include up to a total of 5,827 market rate residential units, 2,173 below market rate units, 451,000 square feet of retail, 100,000 square feet of commercial space, and 500 hotel rooms.

Appendix A contains a map of Yerba Buena Island and Treasure Island. It is anticipated that the territory planned to be developed as part of the Project that is not initially part of the IRFD will be annexed to the IRFD in the future, in accordance with the procedures set forth in the IRFD Law, the Resolution of Intention for the IRFD (Board of Supervisors Resolution No. 503-16, adopted by the Board of Supervisors on December 6, 2016 and approved by the Mayor on December 16, 2016), and this Infrastructure Financing Plan. If the anticipated future annexations to the IRFD occur as expected, the ultimate boundaries of the IRFD will encompass the entirety of the development parcels in the Project. A map and the legal description of the property initially contained in the IRFD is set forth in Appendix A, as such map and legal description have been amended.

The Project is being developed by Treasure Island Community Development, LLC, or permitted transferees, as the master developer ("**TICD**" or "**Developer**"). In connection with the development of the Project, (i) TICD and the Treasure Island Development Authority, a California non-profit public benefit corporation ("**TIDA**"), entered into the Disposition and Development Agreement dated June 28, 2011 (the "**TIDA DDA**") and (ii) TICD and the City entered into the Development Agreement dated June 28, 2011 (the "**City DA**" and along with the TIDA DDA, collectively, the "**Development Agreements**"). Attached to both the TIDA DDA and the City DA is the Financing Plan (the "**DDA Financing Plan**"), which discusses, among other things, facilities and Housing Costs (as such term is defined in the DDA Financing Plan) to be financed by the formation of an infrastructure financing district. Although the DDA Financing Plan discusses infrastructure district financing through

legislation that is different than the IRFD Law (because the IRFD Law had not been created at the time), the City finds that the IRFD Law is a better vehicle for financing the Project and all references in the DDA Financing Plan to “IFD” or “IFD Act” shall mean “IRFD” and “IRFD Law,” respectively, and that the IRFD will be used to comply with the requirements of the DDA Financing Plan. Except for the change from IFD to IRFD and from IFD Act to IRFD Law, which has been agreed to by the Developer, nothing in this Infrastructure Financing Plan is intended to amend the Development Agreements.

The entirety of Treasure Island (not including certain lands retained by the U.S. Government) is entitled for development. Development will occur in Major Phases and Sub-Phases, as such terms are defined in and as completed in accordance with the TIDA DDA, as it may be revised from time to time.

Major Phase 1, which includes Yerba Buena, Stage 1, Stage 2, and Stage 3, has been approved by TIDA. The Major Phase application outlines the development plan for approximately 3,474 market rate residential homes, 827 below market rate units, 451,000 square feet of retail, 100,000 square feet of commercial space and 500 hotel rooms. The first two stages of Major Phase 1 – i.e., Yerba Buena and Stage 1 - have received sub-phase approval from TIDA, and development has commenced in these areas. It is these two stages of Major Phase 1 that comprise the Initial Project Areas (as defined herein) of the IRFD.

As Annexation Territory (as defined in Section IV) is annexed to the IRFD, information similar to the paragraph immediately above will be contained in the Annexation Supplement (as defined in Section IV) for each annexation of Annexation Territory.

The scope and timing of future stages are conceptual at this time, and will be determined by the demand for the finished homes on Treasure Island and based on the phasing of development consistent with the Development Agreements.

All new development is anticipated to be complete and fully absorbed by 2035. It is anticipated that there may be an approximate 2-year lag between the date that development is completed and the date the full assessed value of such development is reflected on the tax roll.

Table 1 – Projected Treasure Island Development – Project-Wide

Development*	Market Rate Units ("MRU")	Inclusionary Below Market Rate Units ("Inclusionary BMR")	TIDA Below Market Rate Units ("TIDA BMR")	Anticipated Construction Commencement Date for MRU and Inclusionary BMR (but not TIDA BMR)	Total Residential Square Footage	Hotel Rooms	Retail Square Footage	Commercial Square Footage
Yerba Buena Island	285	15	0	2017	528,000	50		
Stage 1	1825	96	196	2017	2,367,350	200		
Stage 2	745	19	107	2018	990,000	250	451,000	100,000
Stage 3	619	53	341	2019	1,101,800			
Stage 4	416	20	0	2020	479,600			
Stage 5	486	30	353	2022	961,000			
Stage 6	378	16	61	2022	515,500			
Stage 7	527	29	499	2023	1,211,900			
Stage 8	546	29	309	2026	971,400			
Totals	5,827	307	1,866		9,126,550	500	451,000	100,000

* Projected residential and Hotel developments may also include incidental commercial/retail improvements.

THE ANALYSIS DESCRIBED IN THIS SECTION AND SET FORTH IN THIS INFRASTRUCTURE FINANCING PLAN REFLECTS CERTAIN ASSUMPTIONS AND PROJECTIONS AND, ACCORDINGLY, IS MERELY AN ESTIMATE FOR ILLUSTRATIVE PURPOSES ONLY. ACTUAL RESULTS MAY VARY.

THE TYPE OF DEVELOPMENT AND THE NUMBER OF UNITS AND SQUARE FOOTAGE OF RETAIL/COMMERCIAL SPACE ARE BASED ON CURRENT PROJECTIONS; ACTUAL DEVELOPMENT MAY, AND WILL LIKELY, VARY. NOTHING IN THIS INFRASTRUCTURE FINANCING PLAN SHALL LIMIT THE ABILITY OF THE DEVELOPER TO REVISE THE SCOPE AND TIMING OF THE PROJECT.

Project Areas A-E. The IRFD will be initially formed over the property identified in the boundary map attached as Appendix A in five project areas (herein, each a “**Project Area**” and, collectively, the “**Initial Project Areas**”) - Project Area A (consisting of Yerba Buena Island), Project Area B (consisting of part of Treasure Island Stage 1), Project Area C (consisting of part of Treasure Island Stage 1), Project Area D (consisting of part of Treasure Island Stage 1), and Project Area E (consisting of part of Treasure Island Stage 1). The anticipated maximum development in Project Areas A-E is shown in Table 2 below.

Table 2 – Treasure Island Private Development in Project Areas A-E						
	Project Area A (Yerba Buena Island)	Project Area B (Treasure Island Stage 1)	Project Area C (Treasure Island Stage 1)	Project Area D (Treasure Island Stage 1)	Project Area E (Treasure Island Stage 1)	Totals
Townhomes	220	32	0	0	0	252
Low-Rise Residential	0	266	0	0	0	266
Mid-Rise Residential	80	159	0	0	0	239
High-Rise Residential	0	0	556	620	0	1,176
High-Rise Branded Condominiums	0	0	0	0	193	193
Rental Apartments	0	95	0	0	0	95
Total Residential Units	300	552	556	620	193	2,221
Market Rate Units	285 (95%)	497 (90%)	556 (100%)	579 (93%)	193 (100%)	2,110 (95%)
Inclusionary BMR Units ¹	15 (5%)	55 (10%)	0 (0%)	41 (7%)	0 (0%)	111 (5%)
Hotel Rooms	50	0	0	0	200	250
Total Residential Square Footage ²	528,000	616,900	611,600	682,000	241,250	2,679,750

¹ Does not include the projected affordable units to be constructed by TIDA on TIDA-owned land (which will be exempt from taxation).

The numbers in Table 2 represent the current maximum density for the Initial Project Areas. ***The type of development and the number of units and square footage of retail/commercial space are based on current projections; actual development may, and will likely, vary. The Net Available Increment allocated to the IRFD will be based on the actual development within the IRFD.***

As Annexation Territory is annexed to the IRFD, information similar to Table 2 will be contained in the Annexation Supplement for each annexation of Annexation Territory.

III. DESCRIPTION OF THE PROPOSED IRFD

A. Boundaries of the IRFD

The amended map showing the boundaries of the IRFD (the “**Boundary Map**”), including each of the Initial Project Areas, and the amended legal description of the property in the IRFD, are attached hereto as Appendix A.

B. Project Areas

Pursuant to Section 53369.5 of the IRFD Law, the IRFD may be divided into separate Project Areas, each with distinct limitations. As shown on the Boundary Map, the IRFD will initially consist of five (5) Project Areas. Pursuant to Section IV herein, additional Project Areas may be designated in connection with the annexation of additional property to the IRFD.

C. Approval of Boundaries

The boundaries of the IRFD and the Initial Project Areas, and the procedures for amending the boundaries, were approved as described in “Section I - Introduction.”

IV. PROCEDURE FOR ANNEXATION OF PROPERTY TO THE IRFD

A. Authority for Project Areas and Annexation

Section 53369.5(b) of the IRFD Law provides as follows:

A district may include areas that are not contiguous. A district may be divided into project areas, each of which may be subject to distinct limitations established under this chapter. The legislative body may, at any time, add territory to a district or amend this infrastructure financing plan for the district by conducting the same procedures for the formation of a district or approval of bonds, if applicable, as provided pursuant to this chapter.

B. Findings of the Board

The Board hereby finds and determines as follows:

- The IRFD Law allows the annexation of property into an IRFD subsequent to the initial formation of the IRFD.
- The IRFD Law allows the creation of Project Areas within the boundaries of the IRFD that may have distinct limitations, and any tax increment generated from a Project Area is allocated to the IRFD.
- When property is annexed into the IRFD, a vote shall be required of the qualified electors of the territory to be annexed only.
- Property that is annexed into the IRFD may annex into an existing Project Area, in which case it will be subject to the limitations applicable to that Project Area, or into a separate and newly-created Project Area with unique limitations that are set forth in the Annexation Supplement (as defined below).
- This Infrastructure Financing Plan defines the procedures for the annexation of property into the IRFD, and such procedures are consistent with the Resolution of Intention and the IRFD Law.

C. Initiation of Annexation

Annexation of property to the IRFD shall be initiated by a petition executed by the owners of the property desiring to annex into the IRFD (the "**Annexation Territory**"). The petition shall include (i) the name of the owner(s) of the Annexation Territory, (ii) the legal description of the Annexation Territory (which may be by reference to Assessor's Parcel Numbers or lots on a recorded map), (iii) either the identity of the existing Project Area into which the Annexation Territory is to be annexed or a request to designate the Annexation Territory as a new Project Area, (iv) if the Annexation Territory is to be designated as a new Project Area, the Commencement Year (as defined in Section VII) for the new Project Area, (v) the anticipated amount of additional Bonds (as defined herein) that may be issued as a result of the allocation of the tax increment derived from the Annexation Territory, and (vi) authorization to use the Net Available Increment derived from the Annexation Territory and any additional Bond proceeds for purposes of financing the IRFD Improvements described in Section V.

D. Procedures for Annexation

This section summarizes the procedures for annexation of Annexation Territory to the IRFD. The intent of this section is to establish a clear process for each and every annexation of Annexation Territory, subject to any changes in the IRFD Law or any changes to this Infrastructure Financing Plan. Numerous annexations over time are expected.

1. Adopt a Resolution of Intention to Annex. Within sixty (60) days following the receipt of a petition for annexation, the Board shall adopt a resolution of intention to annex the applicable Annexation Territory into the IRFD (the "**Resolution of Intention to Annex**"). Each Resolution of Intention to Annex shall do all of the following:

a. State that annexation of the Annexation Territory to the IRFD is proposed under the terms of the IRFD Law and this Infrastructure Financing Plan and describe the boundaries of the Annexation Territory, which may be accomplished by reference to a map on file in the office of the clerk of the City, and shall include a legal description of the Annexation Territory.

b. Identify the existing Project Area into which the Annexation Territory is proposed to be annexed, or, if the property owners have requested that the Annexation Territory be annexed into the IRFD as a new Project Area, identify the name and location of the new Project Area.

c. Identify the Base Year for determining the Net Available Increment to be derived from the Annexation Territory, which shall be Fiscal Year 2016-17.

d. State that upon annexation of the Annexation Territory to the IRFD, the IRFD Improvements described in this Infrastructure Financing Plan may be financed with the Net Available Increment derived from the Annexation Territory, including any additional Bond proceeds that may be generated as the result of the increased allocation of Net Available Increment derived from the Annexation Territory.

e. If a new Project Area is requested, establish (i) the Commencement Year for when Net Available Increment from the Annexation Territory will commence to be allocated to the IRFD, which shall be the same as the Commencement Year identified in the petition of the landowners, unless the landowners of the Annexation Territory agree in writing to an alternative Commencement Year, and (ii) the termination date, which shall be 40 years after the Commencement Year (or such longer period permitted by the IRFD Law and approved by the Board).

f. Pursuant to resolution, the Board approved the issuance of Bonds for the Initial Project Areas of the IRFD in a maximum principal amount of (i) \$780 million plus (ii) the amount approved by the Board and the qualified electors of the Annexation Territory in connection with each annexation of Annexation Territory to the IRFD. Therefore, each Resolution of Intention to Annex will state that the annexation of the Annexation Territory to the IRFD will include an authorization to issue a maximum additional principal amount of Bonds above the \$780 million authorized for the Initial Project Areas. Such additional Bonds will be issued upon the same terms, and subject to the same limitations, as the Bonds set forth in the resolutions forming the IRFD.

g. State that Annexation Territory, if annexed to the IRFD, will be subject to the appropriations limit established for the IRFD.

h. Fix a time and place for a public hearing on the proposed annexation with the date of the public hearing to be no sooner than 60 days after the proposed Annexation Supplement (as defined below) of this Infrastructure Financing Plan has been sent to the Clerk of the Board.

2. Resolution of Intention to Issue Bonds. For each annexation, the Board shall adopt a resolution stating its intent to issue additional Bonds secured by the Net Available Increment for the IRFD as a whole as a result of the additional bonding capacity derived from the addition of the Annexation Territory. Any bonds issued in the IRFD will be secured by all of the property in the IRFD, including all Project Areas. The resolution shall contain the information described in Section 53369.41 of the IRFD Law.

3. Annexation Supplement. After adopting a Resolution of Intention to Annex, the Board will adopt a resolution designating and directing TIDA to prepare an appendix to this

Infrastructure Financing Plan for the applicable Annexation Territory (each an “**Annexation Supplement**”). Upon its completion, each Annexation Supplement will be sent to each landowner in the Annexation Territory, and the Board, as the legislative body of the only affected taxing entity, will approve such Annexation Supplement, and such Annexation Supplement will be a permanent part of this Infrastructure Financing Plan.

4. Distribution of Copies of Resolution of Intention to Annex; Notice of Public Hearing.

The clerk of the Board shall mail a copy of each Resolution of Intention to Annex to each owner of land within the applicable Annexation Territory and to the Clerk of the Board. In addition, a notice of each public hearing shall be given by publication not less than once a week for four successive weeks in a newspaper of general circulation published in the City. The notice shall state that the IRFD will be used to finance public works, briefly describe the public works, briefly describe the proposed financial arrangements, including the proposed commitment of incremental tax revenue, describe the boundaries of the IRFD and the Annexation Territory and state the day, hour, and place when and where any persons having any objections to the annexation of the Annexation Territory or the proposed Annexation Supplement, or the regularity of any of the prior proceedings, may appear before the Board and object to the annexation of the Annexation Territory or the adoption of the Annexation Supplement by the Board.

5. Conduct Public Hearing. The Board shall conduct a public hearing prior to approving any Annexation Supplement to this Infrastructure Financing Plan and approving the annexation of the Annexation Territory to the IRFD. The public hearing shall be called no sooner than 60 days after the applicable Annexation Supplement has been sent to each owner of property in the Annexation Territory. At the hour set in the required notices, the Board shall proceed to hear and pass upon all written and oral objections. The hearing may be continued from time to time. The Board shall consider all evidence and testimony for and against the annexation of the Annexation Territory and the adoption of the Annexation Supplement.

6. Calling Special Election.

a. At the conclusion of a public hearing on an annexation of Annexation Territory, the Board may adopt a resolution proposing such annexation and proposing adoption of the Annexation Supplement, or it may abandon the proceedings. In the resolution of annexation, the Board will submit the proposal to annex the Annexation Territory to the IRFD, the authorization to issue Bonds for the IRFD (as increased by the inclusion of the Annexation Territory), and the appropriations limit of the IRFD to the qualified electors of the Annexation Territory in an election that complies with Sections 53369.20-53369.22 of the IRFD Law.

b. For each annexation, the qualified electors for the election shall be the qualified electors for the applicable Annexation Territory only, as defined in Section 53369.20 of the IRFD Law.

7. Adoption of an Ordinance. After the canvass of returns of any election on the annexation of property to the IRFD, and if two-thirds of the votes cast by the qualified electors in the Annexation Territory upon the question of annexing the Annexation Territory to the IRFD are in favor of such annexation, the Board shall, by ordinance, adopt the Annexation Supplement and order the annexation of the Annexation Territory to the IRFD with full force and effect of law. The ordinance shall identify the Commencement Year if the Annexation Territory is designated as a new Project Area and the principal amount of the Bonds added to the maximum aggregate principal amount of Bonds for the IRFD as a result of the annexation. If two-thirds of the votes cast by the qualified electors in the Annexation Territory upon the question of annexing the Annexation Territory to the IRFD are not in favor of such annexation, the Board shall take no further action with respect to the proposed annexation of such Annexation Territory for one year from the date of the election.

V. DESCRIPTION OF THE FACILITIES REQUIRED TO SERVE THE PROJECT

Based on the information available to the City as of the date of this Infrastructure Financing Plan and subject to change, the following is a description of the facilities required to serve the Project.

A. Facilities to be Provided by the Private Sector

The Facilities required to serve development that will be provided by the private sector are as follows:

- Improvements to strengthen the perimeter of Treasure Island.
- Interior soil stabilization and raising the level of Treasure Island.
- Public infrastructure on Treasure Island, including roads and highways, curbs and gutters, sidewalks, streetlights, storm drains, water improvements, fire protections, recycled water improvements, storm drains, retaining walls, landscaping, conduit and cables, and other public utilities.
- Open space, parks and shoreline improvements.
- Improvements to the Ferry Terminal.
- Improvements required for development of the Project.

These Facilities are described in more detail in Appendix C.

These Facilities will be constructed throughout Treasure Island as development progresses (currently estimated to continue through 2035).

Some, but not all, of these Facilities are anticipated to be financed or reimbursed through the IRFD, consistent with the DDA Financing Plan. All of the Facilities listed in Appendix C under the caption “Facilities to be Provided by the Private Sector” are to be constructed by the Developer of the Project. To the extent not financed by the IRFD (or other forms of public finance, including Mello-Roos Financings (see subsection C of Section VII)), the costs listed in Appendix C under the caption “Facilities to be Provided by the Private Sector” will be borne by the Developer.

B. Facilities to be Provided by Governmental Entities Without Assistance from the IRFD

The City will construct a Wastewater Treatment Plant on Treasure Island expected to cost approximately \$65 million. This Wastewater Treatment Plan will not be financed with assistance from the IRFD.

C. Facilities to be Financed with Assistance from the Proposed IRFD

The housing to be developed by TIDA and the Facilities required to serve development in the area of the IRFD, including anticipated Annexation Territories, are summarized in Appendix C. The Facilities include both those provided by the private sector and those provided by the public sector, and the Housing Costs include affordable housing to be provided by TIDA.

As set forth in Section VII and the DDA Financing Plan:

- 82.5% of Net Available Increment will be used to finance Facilities (directly or through Bonds);
- 17.5% of the Net Available Increment will be dedicated to TIDA to be used for Housing Costs (directly or through Bonds); and
- Once Developer has been paid or reimbursed for all Qualified Project Costs to which it is entitled for the Project as a whole (not just the Initial Project Areas) as defined in and in accordance with the Development Agreements, the City may dedicate 100% of the Net Available Increment to TIDA for Housing Costs or Facilities set forth on Appendix C as may be updated and approved by the TIDA Board and the City’s Board.

As shown, the total cost of the Facilities for the entire Project to be provided by the private sector in current dollars is estimated at approximately \$1.9 billion.

As shown, the estimated Housing Costs to be incurred by TIDA in current dollars is approximately \$970 million. Housing Costs of affordable housing built by TIDA will be financed out of the 17.5% of the Net Available Increment allocated to TIDA for affordable housing until the Developer has been paid or reimbursed for all Qualified Project Costs to which it is entitled for the Project as a whole (not just the Initial Project Areas) under the Development Agreements; thereafter, 100% of the Net Available Increment may be used to financing Housing Costs to be incurred by TIDA.

As shown, the total cost of Facilities to be provided by TIDA or the City in current dollars is estimated at approximately \$250 million.

By mutual agreement, the City and Developer may agree to issue Facilities-only or affordable housing-only bonds to finance only Facilities or affordable housing, respectively, or divide the allocation in some other manner depending on the timing of construction expenditures, provided the overall allocation must satisfy the requirements of the DDA Financing Plan.

D. Facilities to be Provided Jointly by the Private Sector and Governmental Entities

None.

VI. COMMUNITYWIDE BENEFITS OF IRFD-FUNDED FACILITIES

The IRFD Improvements will substantially benefit not just the immediate Treasure Island neighborhood, but the City as a whole. Treasure Island will be transformed from its current condition into a new and vibrant neighborhood, with all new utility connections, streets, landscaping, passive and active open space, and transportation upgrades, as well as new commercial and residential uses. These new and improved amenities will both support the new community as well as draw visitors from within San Francisco as well as neighboring areas. The Treasure Island neighborhood is unique in that it contains a concentration of streets of citywide and regional importance because of its proximity to the Bay Bridge and the bridge's on- and off-ramps in the neighborhood, in addition to its proximity to the downtown, the City's major job center.

Treasure Island has been targeted as a key part of the City to absorb future growth per the Development Agreements. Funding the IRFD Improvements on Treasure Island will support and catalyze planned growth in the City. Should these IRFD Improvements not be funded and constructed, housing development on Treasure Island will be less robust and will be a less desirable area for growth, pushing development pressures into outlying areas of the City and the region, contrary to existing local and regional policies, which would exacerbate local and regional congestion, greenhouse gas emissions, and job-housing imbalance locally and regionally. By

supporting growth on Treasure Island with necessary public infrastructure and improvements, future residents will be provided the option of taking the ferry or public transit to the East Bay or into the City center, and from there to take Muni, BART, or Caltrans. The transit hub on Treasure Island will be located within walking distance of every residence on Treasure Island and an on-island shuttle will bring residents from around Treasure Island to the Transit Hub, thereby reducing the need for any residents to drive. The construction of affordable housing will serve a significant communitywide benefit in helping to alleviate the regional housing crisis, particularly the significant need for affordable housing located near job centers. The open space program includes a 25-plus acre Sports Park providing flexible-programming athletic fields capable of supporting a variety of active recreational activities and team sports to foster healthy and active lifestyles for residents and visitors as well as providing needed regional service sports facilities and space for large gatherings and events. Additionally, passive uses of open space will be added, including urban farms, walking trails, and parks.

As described above, the construction of affordable housing will serve a significant communitywide benefit in helping to alleviate the regional housing crisis, particularly the significant need for affordable housing located near job centers.

The City and TIDA found that the IRFD Improvements are of community-wide significance in Section 3.2(b) of the DDA Financing Plan. The Board of Supervisors also found that the IRFD Improvements are of community-wide significance in the Resolution of Intention.

VII. FINANCING SECTION

The financing plan delineated in this Infrastructure Financing Plan is based on the best information available regarding the scope, timing, and value of future development. However, given the time horizon for the entire Project development and the conceptual nature of some of the planned developments, actual values may be different than the projections contained herein.

The IRFD will receive incremental property tax revenue that would otherwise be allocated to the City. No other taxing entity is affected by or participating in the IRFD. Consequently, the tax increment revenues as discussed in this Infrastructure Financing Plan means only the City Portion, as shown in Table 3 below. The version of Table 3 that was included in the Original Infrastructure Financing Plan has been amended as shown below in order to conform to existing law.

Table 3 – Distribution of 1% Property Tax Rate Among Taxing Agencies

	<i>Adopted IFP</i>	<i>Proposed Amended IFP</i>
City Portion		
City Pledged Portion IRFD	56.69%	56.588206%
City Portion Not Dedicated to IRFD but Pledged as General Fund (unless needed by the IRFD as set forth in the Conditional City Increment DDA Financing Plan)	8.00%	8.000000%
Total City Portion	64.69%	64.588206%
ERAF Portion		
Education Revenue Augmentation Fund	25.33%	25.330113%
Other Taxing Agencies		
San Francisco Unified School District	7.70%	7.698857%
San Francisco Community College Fund	1.44%	1.444422%
San Francisco County Office of Education		0.097335%
Bay Area Rapid Transit District	0.63%	0.632528%
Bay Area Air Quality Management District	0.21%	0.208539%
Total Other Taxing Agencies	9.98%	10.081681%
Total	100.00%	100.000000%

As used in this Infrastructure Financing Plan, and consistent with the DDA Financing Plan, the “City Pledged Portion” of the property tax amounts that are dedicated to the IRFD and shown in Table 3 above shall be referred to as **“Net Available Increment”** and the City Portion not dedicated to the IRFD but pledged if and as needed to pay debt service on Bonds shall be referred to as the **“Conditional City Increment”**.

The IRFD will be funded solely from a diversion of the Net Available Increment that would otherwise be distributed to the General Fund. However, pursuant to the Development Agreements, the Conditional City Increment is pledged for the payment of Bonds issued by the IRFD to the extent Net Available Increment is not available to make a debt service payment (see Section VIII for a discussion of the pledge of the Conditional City Increment). Tax increment revenues payable to ERAF and the Other Taxing Agencies are not affected by or pledged to the IRFD.

As described herein, there are five Initial Project Areas in the IRFD. Each Project Area has its own limitations under the IRFD Law. The base year for the IRFD and each proposed and future Project Area shall be Fiscal Year 2016-2017, but the tax increment revenues will be allocated to each Project Area commencing in the applicable Commencement Year described below in Table 4 (the **“Commencement Year”**).

The Commencement Year shall be calculated separately for each Project Area. Tax increment shall be allocated to a Project Area on the first day of the fiscal year that follows the fiscal year in which at a certain amount of tax increment (i.e., the **“trigger amount”**) is generated in the Project

Area and received by the City, and ending 40 years thereafter (or such longer period, if permitted by the IRFD Law and approved by the Board). The trigger amount for each Initial Project Area is shown in Table 4.

Table 4 – Project Areas and Limitations

Project Area	Location	Base Year	Commencement Year	Last Year
A	Yerba Buena Island	2016-17	The Fiscal Year that follows the Fiscal Year in which at least \$150,000 of tax increment is generated in the Project Area and received by the City.	40 years ² following the Commencement Year
B	Treasure Island Stage 1	2016-17	The Fiscal Year that follows the Fiscal Year in which at least \$150,000 of tax increment is generated in the Project Area and received by the City.	40 years ³ following the Commencement Year
C	Treasure Island Stage 1	2016-17	The Fiscal Year that follows the Fiscal Year in which at least \$300,000 of tax increment is generated in the Project Area and received by the City.	40 years ³ following the Commencement Year
D	Treasure Island Stage 1	2016-17	The Fiscal Year that follows the Fiscal Year in which at least \$300,000 of tax increment is generated in the Project Area and received by the City.	40 years ³ following the Commencement Year
E	Treasure Island Stage 1	2016-17	The Fiscal Year that follows the Fiscal Year in which at least \$150,000 of tax increment is generated in the Project Area and received by the City.	40 years ³ following the Commencement Year

A table similar to Table 4 shall be set forth in the Annexation Supplement for each annexation of Annexation Territory.

The annual allocation of tax revenues to the IRFD by the City, as the sole affected taxing entity allocating tax revenues to the IRFD, is contingent upon the IRFD's use of such increment to pay

² Or such longer period if allowed by the IRFD Law and approved by the Board.

for the costs of the IRFD Improvements, and to accomplish other authorized IRFD purposes, including to pay debt service on bonds issued to accomplish such purposes. Each annual allocation of tax revenues to the IRFD by the City under this Infrastructure Financing Plan shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated. For the avoidance of doubt, nothing in the paragraph is intended to require the tax revenues to be immediately spent on such authorized IRFD purposes, it being specifically contemplated that tax revenues may be accumulated and spent for authorized IRFD purposes over time as provided in the IRFD Law.

A. Maximum portion of the incremental tax revenue of the City proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue

As shown above in Table 3, the City receives 64.588206% of property tax increment generated within the IRFD, including 56.588206% which it dedicated and pledged in the DDA Financing Plan as Net Available Increment to finance the IRFD Improvements and 8.000000% which is dedicated as Conditional City Increment, but will accrue to the City's General Fund if not required for repayment of Bonds (as defined herein). Separately for each Project Area of the IRFD, property tax increment is calculated by applying the 1% base tax levy to incremental assessed property value³ of the property in a Project Area. Incremental assessed property value is the difference between future assessed value of the property in the Project Area during any year for the Project Area and the aggregate assessed value of the Project Area's properties as shown upon the assessment roll used in connection with the taxation of the property by the City, last equalized prior to the effective date of the ordinance creating the IRFD pursuant to the IRFD Law, and referred to as the base year for the applicable Project Area (as shown in Table 4).

In the Development Agreements and by this Infrastructure Financing Plan, the City has agreed to allocate 100% of the Net Available Increment to the financing of the IRFD Improvements that qualify under the IRFD Law, until all of such IRFD Improvements are financed in full. **Therefore, the maximum portion of incremental tax revenue of the City proposed to be annually committed to the IRFD for each year during which the IRFD will receive incremental tax revenue is 56.588206% of the 1% base property tax levy, as shown above in Table 3 (subject to an additional contribution of the Conditional City Increment if needed as set forth in the DDA Financing Plan).**

³ While the current total property tax rate is 1.18%, voter-approved overrides comprise .18%. Therefore, the taxes that are potentially available for distribution are calculated from the 1% County-wide rate.

Under the DDA Financing Plan, the Developer and the City agreed that 17.5% of the Net Available Increment will be allocated to TIDA for Housing Costs. Section 53369.3 of the IRFD Law allows the financing of Housing Costs from tax increment. Consequently, 17.5% of all tax increment revenues that are allocated to the IRFD (as collected and paid annually and as collected from the proceeds of each sale of Bonds, unless otherwise agreed by the City) shall be put in a segregated account to be used by TIDA for Housing Costs. The remaining 82.5% will be used to finance the private sector improvements constituting a portion of the IRFD Improvements. As set forth above in Section V, once the Developer has been paid or reimbursed for all Qualified Project Costs to which it is entitled for the Project as a whole (not just the Initial Project Areas) under the Development Agreements, the City may dedicate 100% of the Net Available Increment to TIDA for Housing Costs or Facilities set forth on Appendix C approved by the TIDA Board and the City's Board.

For the Initial Project Areas, the base year aggregated assessed value of each Initial Project Area in the IRFD properties is anticipated to be \$0. The new development anticipated within the Initial Project Areas of the IRFD is anticipated to be valued at \$4.24 billion upon build-out in fiscal year 2030-31, resulting in an estimated \$42.4 million of annual property tax increment and \$24.0 million of annual Net Available Increment in fiscal year 2031-32.

82.5% of Net Available Increment will be used to finance Facilities and 17.5% will be available to TIDA for Housing Costs.

As Annexation Territory is annexed to the IRFD, information similar to the preceding paragraphs in this Section will be contained in the Annexation Supplement for each annexation of Annexation Territory.

This Subsection, as set forth in the Original Infrastructure Financing Plan, has been amended to reflect the changes shown in Table 3.

B. Projection of the amount of tax revenues expected to be received by the IRFD in each year during which the IRFD will receive tax revenues

The anticipated incremental assessed value, property tax increment, Net Available Increment, and Conditional City Increment for the Initial Project Areas of the IRFD are summarized in Table 5 below. The anticipated incremental assessed value, property tax increment, Net Available Increment, and Conditional City Increment for each individual Initial Project Area of the IRFD are summarized in Tables 5A – 5E below in nominal dollars.

The amounts shown in Table 5 and in Tables 5A – 5E are based on the best information available regarding the scope, timing, and value of future development. However, given the time horizon for the entire Project development and the conceptual nature of some of the planned developments, actual values may be different than the projections contained herein. In addition, because the commencement years and final years for receiving Net Available Increment is dependent on the timing of generation and receipt of Net Available Increment within each Project Area, the commencement and final years shown in Table 5 and Tables 5A – 5E are estimates only; actual dates for each Project Area may differ.

Table 5 and Tables 5A – 5E, as set forth in the Original Infrastructure Financing Plan, have been amended to reflect the changes shown in Table 3.

Table 5 – Projected IRFD Assessed Value and Allocation of Tax Increment to IRFD

Aggregate - All Project Areas						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1%Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2018/19 (Commencement Yr)	\$26,085	\$261	\$148	\$26	\$122	\$21
2019/20	\$187,965	\$1,880	\$1,064	\$186	\$878	\$150
2020/21	\$517,005	\$5,170	\$2,926	\$512	\$2,414	\$414
2021/22	\$789,244	\$7,892	\$4,466	\$782	\$3,685	\$631
2022/23	\$1,155,480	\$11,555	\$6,539	\$1,144	\$5,394	\$924
2023/24	\$1,572,223	\$15,722	\$8,897	\$1,557	\$7,340	\$1,258
2024/25	\$2,051,977	\$20,520	\$11,612	\$2,032	\$9,580	\$1,642
2025/26	\$2,392,416	\$23,924	\$13,538	\$2,369	\$11,169	\$1,914
2026/27	\$2,818,156	\$28,182	\$15,947	\$2,791	\$13,157	\$2,255
2027/28	\$3,275,178	\$32,752	\$18,534	\$3,243	\$15,290	\$2,620
2028/29	\$3,691,970	\$36,920	\$20,892	\$3,656	\$17,236	\$2,954
2029/30	\$3,989,524	\$39,895	\$22,576	\$3,951	\$18,625	\$3,192
2030/31	\$4,155,143	\$41,551	\$23,513	\$4,115	\$19,398	\$3,324
2031/32	\$4,244,730	\$42,447	\$24,020	\$4,204	\$19,817	\$3,396
2032/33	\$4,336,250	\$43,362	\$24,538	\$4,294	\$20,244	\$3,469
2033/34	\$4,429,744	\$44,297	\$25,067	\$4,387	\$20,680	\$3,544
2034/35	\$4,525,254	\$45,253	\$25,608	\$4,481	\$21,126	\$3,620
2035/36	\$4,622,824	\$46,228	\$26,160	\$4,578	\$21,582	\$3,698
2036/37	\$4,722,499	\$47,225	\$26,724	\$4,677	\$22,047	\$3,778
2037/38	\$4,824,323	\$48,243	\$27,300	\$4,777	\$22,522	\$3,859
2038/39	\$4,928,344	\$49,283	\$27,889	\$4,881	\$23,008	\$3,943
2039/40	\$5,034,609	\$50,346	\$28,490	\$4,986	\$23,504	\$4,028
2040/41	\$5,143,165	\$51,432	\$29,104	\$5,093	\$24,011	\$4,115
2041/42	\$5,254,064	\$52,541	\$29,732	\$5,203	\$24,529	\$4,203
2042/43	\$5,367,354	\$53,674	\$30,373	\$5,315	\$25,058	\$4,294
2043/44	\$5,483,088	\$54,831	\$31,028	\$5,430	\$25,598	\$4,386
2044/45	\$5,601,318	\$56,013	\$31,697	\$5,547	\$26,150	\$4,481
2045/46	\$5,722,098	\$57,221	\$32,380	\$5,667	\$26,714	\$4,578
2046/47	\$5,845,484	\$58,455	\$33,079	\$5,789	\$27,290	\$4,676
2047/48	\$5,971,532	\$59,715	\$33,792	\$5,914	\$27,878	\$4,777
2048/49	\$6,100,298	\$61,003	\$34,520	\$6,041	\$28,479	\$4,880
2049/50	\$6,231,842	\$62,318	\$35,265	\$6,171	\$29,094	\$4,985
2050/51	\$6,366,223	\$63,662	\$36,025	\$6,304	\$29,721	\$5,093
2051/52	\$6,503,503	\$65,035	\$36,802	\$6,440	\$30,362	\$5,203
2052/53	\$6,643,744	\$66,437	\$37,596	\$6,579	\$31,017	\$5,315
2053/54	\$6,787,011	\$67,870	\$38,406	\$6,721	\$31,685	\$5,430
2054/55	\$6,933,368	\$69,334	\$39,235	\$6,866	\$32,369	\$5,547
2055/56	\$7,082,883	\$70,829	\$40,081	\$7,014	\$33,067	\$5,666
2056/57	\$7,235,622	\$72,356	\$40,945	\$7,165	\$33,780	\$5,788
2057/58	\$7,391,657	\$73,917	\$41,828	\$7,320	\$34,508	\$5,913
2058/59	\$6,228,846	\$62,288	\$35,248	\$6,168	\$29,080	\$4,983
2059/60	\$2,815,585	\$28,156	\$15,933	\$2,788	\$13,145	\$2,252
2060/61	\$803,495	\$8,035	\$4,547	\$796	\$3,751	\$643
2061/62	\$820,555	\$8,206	\$4,643	\$813	\$3,831	\$656
Cumulative Total over 44 year IRFD Term	n/a	\$1,906,237	\$1,078,705	\$188,773	\$889,932	\$152,499

Table 5A – Projected IRFD Assessed Value and Allocation of Tax Increment for Project Area A

Project Area A - Yerba Buena Island						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1% Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2018/19 (Commencement Yr)	\$26,085	\$261	\$148	\$26	\$122	\$21
2019/20	\$85,054	\$851	\$481	\$84	\$397	\$68
2020/21	\$245,663	\$2,457	\$1,390	\$243	\$1,147	\$197
2021/22	\$369,072	\$3,691	\$2,089	\$365	\$1,723	\$295
2022/23	\$525,421	\$5,254	\$2,973	\$520	\$2,453	\$420
2023/24	\$628,252	\$6,283	\$3,555	\$622	\$2,933	\$503
2024/25	\$641,750	\$6,417	\$3,632	\$636	\$2,996	\$513
2025/26	\$655,537	\$6,555	\$3,710	\$649	\$3,060	\$524
2026/27	\$669,621	\$6,696	\$3,789	\$663	\$3,126	\$536
2027/28	\$684,007	\$6,840	\$3,871	\$677	\$3,193	\$547
2028/29	\$698,703	\$6,987	\$3,954	\$692	\$3,262	\$559
2029/30	\$713,714	\$7,137	\$4,039	\$707	\$3,332	\$571
2030/31	\$729,049	\$7,290	\$4,126	\$722	\$3,404	\$583
2031/32	\$744,713	\$7,447	\$4,214	\$737	\$3,477	\$596
2032/33	\$760,714	\$7,607	\$4,305	\$753	\$3,551	\$609
2033/34	\$777,058	\$7,771	\$4,397	\$770	\$3,628	\$622
2034/35	\$793,754	\$7,938	\$4,492	\$786	\$3,706	\$635
2035/36	\$810,810	\$8,108	\$4,588	\$803	\$3,785	\$649
2036/37	\$828,231	\$8,282	\$4,687	\$820	\$3,867	\$663
2037/38	\$846,028	\$8,460	\$4,788	\$838	\$3,950	\$677
2038/39	\$864,206	\$8,642	\$4,890	\$856	\$4,035	\$691
2039/40	\$882,776	\$8,828	\$4,995	\$874	\$4,121	\$706
2040/41	\$901,745	\$9,017	\$5,103	\$893	\$4,210	\$721
2041/42	\$921,122	\$9,211	\$5,212	\$912	\$4,300	\$737
2042/43	\$940,916	\$9,409	\$5,324	\$932	\$4,393	\$753
2043/44	\$961,135	\$9,611	\$5,439	\$952	\$4,487	\$769
2044/45	\$981,788	\$9,818	\$5,556	\$972	\$4,584	\$785
2045/46	\$1,002,886	\$10,029	\$5,675	\$993	\$4,682	\$802
2046/47	\$1,024,438	\$10,244	\$5,797	\$1,014	\$4,783	\$820
2047/48	\$1,046,452	\$10,465	\$5,922	\$1,036	\$4,885	\$837
2048/49	\$1,068,941	\$10,689	\$6,049	\$1,059	\$4,990	\$855
2049/50	\$1,091,912	\$10,919	\$6,179	\$1,081	\$5,098	\$874
2050/51	\$1,115,378	\$11,154	\$6,312	\$1,105	\$5,207	\$892
2051/52	\$1,139,349	\$11,393	\$6,447	\$1,128	\$5,319	\$911
2052/53	\$1,163,834	\$11,638	\$6,586	\$1,153	\$5,433	\$931
2053/54	\$1,188,846	\$11,888	\$6,727	\$1,177	\$5,550	\$951
2054/55	\$1,214,397	\$12,144	\$6,872	\$1,203	\$5,669	\$972
2055/56	\$1,240,496	\$12,405	\$7,020	\$1,228	\$5,791	\$992
2056/57	\$1,267,157	\$12,672	\$7,171	\$1,255	\$5,916	\$1,014
2057/58	\$1,294,391	\$12,944	\$7,325	\$1,282	\$6,043	\$1,036
Cumulative Total over 40 IRFD Term	n/a	\$335,454	\$189,827	\$33,220	\$156,608	\$26,836

Table 5B – Projected IRFD Assessed Value and Allocation of Tax Increment for Project Area B

Project Area B - Treasure Island Stage 1						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1%Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2019/20 (Commencement Yr)	\$71,899	\$719	\$407	\$71	\$336	\$58
2020/21	\$190,598	\$1,906	\$1,079	\$189	\$890	\$152
2021/22	\$337,812	\$3,378	\$1,912	\$335	\$1,577	\$270
2022/23	\$445,554	\$4,456	\$2,521	\$441	\$2,080	\$356
2023/24	\$537,685	\$5,377	\$3,043	\$532	\$2,510	\$430
2024/25	\$646,424	\$6,464	\$3,658	\$640	\$3,018	\$517
2025/26	\$660,326	\$6,603	\$3,737	\$654	\$3,083	\$528
2026/27	\$674,528	\$6,745	\$3,817	\$668	\$3,149	\$540
2027/28	\$689,036	\$6,890	\$3,899	\$682	\$3,217	\$551
2028/29	\$703,855	\$7,039	\$3,983	\$697	\$3,286	\$563
2029/30	\$718,994	\$7,190	\$4,069	\$712	\$3,357	\$575
2030/31	\$734,458	\$7,345	\$4,156	\$727	\$3,429	\$588
2031/32	\$750,255	\$7,503	\$4,246	\$743	\$3,503	\$600
2032/33	\$766,392	\$7,664	\$4,337	\$759	\$3,578	\$613
2033/34	\$782,877	\$7,829	\$4,430	\$775	\$3,655	\$626
2034/35	\$799,716	\$7,997	\$4,525	\$792	\$3,733	\$640
2035/36	\$816,917	\$8,169	\$4,623	\$809	\$3,814	\$654
2036/37	\$834,489	\$8,345	\$4,722	\$826	\$3,896	\$668
2037/38	\$852,438	\$8,524	\$4,824	\$844	\$3,980	\$682
2038/39	\$870,774	\$8,708	\$4,928	\$862	\$4,065	\$697
2039/40	\$889,505	\$8,895	\$5,034	\$881	\$4,153	\$712
2040/41	\$908,639	\$9,086	\$5,142	\$900	\$4,242	\$727
2041/42	\$928,184	\$9,282	\$5,252	\$919	\$4,333	\$743
2042/43	\$948,150	\$9,482	\$5,365	\$939	\$4,426	\$759
2043/44	\$968,546	\$9,685	\$5,481	\$959	\$4,522	\$775
2044/45	\$989,381	\$9,894	\$5,599	\$980	\$4,619	\$792
2045/46	\$1,010,665	\$10,107	\$5,719	\$1,001	\$4,718	\$809
2046/47	\$1,032,406	\$10,324	\$5,842	\$1,022	\$4,820	\$826
2047/48	\$1,054,615	\$10,546	\$5,968	\$1,044	\$4,923	\$844
2048/49	\$1,077,303	\$10,773	\$6,096	\$1,067	\$5,029	\$862
2049/50	\$1,100,478	\$11,005	\$6,227	\$1,090	\$5,138	\$880
2050/51	\$1,124,153	\$11,242	\$6,361	\$1,113	\$5,248	\$899
2051/52	\$1,148,337	\$11,483	\$6,498	\$1,137	\$5,361	\$919
2052/53	\$1,173,041	\$11,730	\$6,638	\$1,162	\$5,476	\$938
2053/54	\$1,198,277	\$11,983	\$6,781	\$1,187	\$5,594	\$959
2054/55	\$1,224,057	\$12,241	\$6,927	\$1,212	\$5,715	\$979
2055/56	\$1,250,391	\$12,504	\$7,076	\$1,238	\$5,837	\$1,000
2056/57	\$1,277,292	\$12,773	\$7,228	\$1,265	\$5,963	\$1,022
2057/58	\$1,304,773	\$13,048	\$7,383	\$1,292	\$6,091	\$1,044
2058/59	\$1,332,844	\$13,328	\$7,542	\$1,320	\$6,222	\$1,066
Cumulative Total over 40 IRFD Term	n/a	\$348,261	\$197,074	\$34,488	\$162,586	\$27,861

Table 5C – Projected IRFD Assessed Value and Allocation of Tax Increment for Project Area C

Project Area C - Treasure Island Stage 1						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1%Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2020/21 (Commencement Yr)r	\$36,972	\$370	\$209	\$37	\$173	\$30
2021/22	\$37,711	\$377	\$213	\$37	\$176	\$30
2022/23	\$90,938	\$909	\$515	\$90	\$425	\$73
2023/24	\$221,541	\$2,215	\$1,254	\$219	\$1,034	\$177
2024/25	\$379,388	\$3,794	\$2,147	\$376	\$1,771	\$304
2025/26	\$510,855	\$5,109	\$2,891	\$506	\$2,385	\$409
2026/27	\$740,918	\$7,409	\$4,193	\$734	\$3,459	\$593
2027/28	\$1,021,746	\$10,217	\$5,782	\$1,012	\$4,770	\$817
2028/29	\$1,043,884	\$10,439	\$5,907	\$1,034	\$4,873	\$835
2029/30	\$1,066,502	\$10,665	\$6,035	\$1,056	\$4,979	\$853
2030/31	\$1,089,609	\$10,896	\$6,166	\$1,079	\$5,087	\$872
2031/32	\$1,113,217	\$11,132	\$6,299	\$1,102	\$5,197	\$891
2032/33	\$1,137,337	\$11,373	\$6,436	\$1,126	\$5,310	\$910
2033/34	\$1,161,979	\$11,620	\$6,575	\$1,151	\$5,425	\$930
2034/35	\$1,187,156	\$11,872	\$6,718	\$1,176	\$5,542	\$950
2035/36	\$1,212,877	\$12,129	\$6,863	\$1,201	\$5,662	\$970
2036/37	\$1,239,156	\$12,392	\$7,012	\$1,227	\$5,785	\$991
2037/38	\$1,266,005	\$12,660	\$7,164	\$1,254	\$5,910	\$1,013
2038/39	\$1,293,435	\$12,934	\$7,319	\$1,281	\$6,038	\$1,035
2039/40	\$1,321,459	\$13,215	\$7,478	\$1,309	\$6,169	\$1,057
2040/41	\$1,350,091	\$13,501	\$7,640	\$1,337	\$6,303	\$1,080
2041/42	\$1,379,343	\$13,793	\$7,805	\$1,366	\$6,439	\$1,103
2042/43	\$1,409,229	\$14,092	\$7,975	\$1,396	\$6,579	\$1,127
2043/44	\$1,439,762	\$14,398	\$8,147	\$1,426	\$6,722	\$1,152
2044/45	\$1,470,957	\$14,710	\$8,324	\$1,457	\$6,867	\$1,177
2045/46	\$1,502,827	\$15,028	\$8,504	\$1,488	\$7,016	\$1,202
2046/47	\$1,535,389	\$15,354	\$8,688	\$1,520	\$7,168	\$1,228
2047/48	\$1,568,656	\$15,687	\$8,877	\$1,553	\$7,323	\$1,255
2048/49	\$1,602,643	\$16,026	\$9,069	\$1,587	\$7,482	\$1,282
2049/50	\$1,637,367	\$16,374	\$9,266	\$1,621	\$7,644	\$1,310
2050/51	\$1,672,843	\$16,728	\$9,466	\$1,657	\$7,810	\$1,338
2051/52	\$1,709,088	\$17,091	\$9,671	\$1,692	\$7,979	\$1,367
2052/53	\$1,746,118	\$17,461	\$9,881	\$1,729	\$8,152	\$1,397
2053/54	\$1,783,951	\$17,840	\$10,095	\$1,767	\$8,328	\$1,427
2054/55	\$1,822,603	\$18,226	\$10,314	\$1,805	\$8,509	\$1,458
2055/56	\$1,862,093	\$18,621	\$10,537	\$1,844	\$8,693	\$1,490
2056/57	\$1,902,438	\$19,024	\$10,766	\$1,884	\$8,882	\$1,522
2057/58	\$1,943,658	\$19,437	\$10,999	\$1,925	\$9,074	\$1,555
2058/59	\$1,985,770	\$19,858	\$11,237	\$1,966	\$9,271	\$1,589
2059/60	\$2,028,795	\$20,288	\$11,481	\$2,009	\$9,471	\$1,623
Cumulative Total over 40 IRFD Term	n/a	\$505,263	\$285,919	\$50,036	\$235,883	\$40,421

Table 5D – Projected IRFD Assessed Value and Allocation of Tax Increment for Project Area D

Project Area D - Treasure Island Stage 1						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1%Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2019/20 (Commencement Yr)	\$31,011	\$310	\$175	\$31	\$145	\$25
2020/21	\$43,773	\$438	\$248	\$43	\$204	\$35
2021/22	\$44,648	\$446	\$253	\$44	\$208	\$36
2022/23	\$45,541	\$455	\$258	\$45	\$213	\$36
2023/24	\$46,452	\$465	\$263	\$46	\$217	\$37
2024/25	\$111,750	\$1,118	\$632	\$111	\$522	\$89
2025/26	\$238,487	\$2,385	\$1,350	\$236	\$1,113	\$191
2026/27	\$375,254	\$3,753	\$2,123	\$372	\$1,752	\$300
2027/28	\$478,608	\$4,786	\$2,708	\$474	\$2,234	\$383
2028/29	\$835,222	\$8,352	\$4,726	\$827	\$3,899	\$668
2029/30	\$1,071,304	\$10,713	\$6,062	\$1,061	\$5,001	\$857
2030/31	\$1,174,127	\$11,741	\$6,644	\$1,163	\$5,481	\$939
2031/32	\$1,199,566	\$11,996	\$6,788	\$1,188	\$5,600	\$960
2032/33	\$1,225,557	\$12,256	\$6,935	\$1,214	\$5,722	\$980
2033/34	\$1,252,110	\$12,521	\$7,085	\$1,240	\$5,846	\$1,002
2034/35	\$1,279,239	\$12,792	\$7,239	\$1,267	\$5,972	\$1,023
2035/36	\$1,306,956	\$13,070	\$7,396	\$1,294	\$6,102	\$1,046
2036/37	\$1,335,274	\$13,353	\$7,556	\$1,322	\$6,234	\$1,068
2037/38	\$1,364,204	\$13,642	\$7,720	\$1,351	\$6,369	\$1,091
2038/39	\$1,393,762	\$13,938	\$7,887	\$1,380	\$6,507	\$1,115
2039/40	\$1,423,960	\$14,240	\$8,058	\$1,410	\$6,648	\$1,139
2040/41	\$1,454,813	\$14,548	\$8,233	\$1,441	\$6,792	\$1,164
2041/42	\$1,486,334	\$14,863	\$8,411	\$1,472	\$6,939	\$1,189
2042/43	\$1,518,538	\$15,185	\$8,593	\$1,504	\$7,089	\$1,215
2043/44	\$1,551,439	\$15,514	\$8,779	\$1,536	\$7,243	\$1,241
2044/45	\$1,585,054	\$15,851	\$8,970	\$1,570	\$7,400	\$1,268
2045/46	\$1,619,397	\$16,194	\$9,164	\$1,604	\$7,560	\$1,296
2046/47	\$1,654,484	\$16,545	\$9,362	\$1,638	\$7,724	\$1,324
2047/48	\$1,690,331	\$16,903	\$9,565	\$1,674	\$7,891	\$1,352
2048/49	\$1,726,955	\$17,270	\$9,773	\$1,710	\$8,062	\$1,382
2049/50	\$1,764,372	\$17,644	\$9,984	\$1,747	\$8,237	\$1,411
2050/51	\$1,802,600	\$18,026	\$10,201	\$1,785	\$8,415	\$1,442
2051/52	\$1,841,656	\$18,417	\$10,422	\$1,824	\$8,598	\$1,473
2052/53	\$1,881,559	\$18,816	\$10,647	\$1,863	\$8,784	\$1,505
2053/54	\$1,922,326	\$19,223	\$10,878	\$1,904	\$8,974	\$1,538
2054/55	\$1,963,976	\$19,640	\$11,114	\$1,945	\$9,169	\$1,571
2055/56	\$2,006,529	\$20,065	\$11,355	\$1,987	\$9,368	\$1,605
2056/57	\$2,050,004	\$20,500	\$11,601	\$2,030	\$9,570	\$1,640
2057/58	\$2,094,421	\$20,944	\$11,852	\$2,074	\$9,778	\$1,676
2058/59	\$2,139,800	\$21,398	\$12,109	\$2,119	\$9,990	\$1,712
Cumulative Total over 40 IRFD Term	n/a	\$500,314	\$283,119	\$49,546	\$233,573	\$40,025

Table 5E – Projected IRFD Assessed Value and Allocation of Tax Increment for Project Area E

Project Area E - Treasure Island Stage 1						
<i>Fiscal Year</i>	Estimated Incremental Assessed Value (\$000)	1% Tax Increment (\$000)	Net Available Increment - 100% of City Pledged Portion (\$000)	Net Available Increment to be Used for Housing Costs- 17.5% (\$000)	Net Available Increment to be Used for Facilities - 82.5% (\$000)	Conditional City Increment Available for Bond Debt Service Coverage - 8.00% of TI (\$000)
2022/23 (Commencement Yr)	\$48,026	\$480	\$272	\$48	\$224	\$38
2023/24	\$138,292	\$1,383	\$783	\$137	\$646	\$111
2024/25	\$272,665	\$2,727	\$1,543	\$270	\$1,273	\$218
2025/26	\$327,210	\$3,272	\$1,852	\$324	\$1,528	\$262
2026/27	\$357,835	\$3,578	\$2,025	\$354	\$1,671	\$286
2027/28	\$401,781	\$4,018	\$2,274	\$398	\$1,876	\$321
2028/29	\$410,305	\$4,103	\$2,322	\$406	\$1,916	\$328
2029/30	\$419,010	\$4,190	\$2,371	\$415	\$1,956	\$335
2030/31	\$427,900	\$4,279	\$2,421	\$424	\$1,998	\$342
2031/32	\$436,979	\$4,370	\$2,473	\$433	\$2,040	\$350
2032/33	\$446,250	\$4,463	\$2,525	\$442	\$2,083	\$357
2033/34	\$455,719	\$4,557	\$2,579	\$451	\$2,128	\$365
2034/35	\$465,389	\$4,654	\$2,634	\$461	\$2,173	\$372
2035/36	\$475,264	\$4,753	\$2,689	\$471	\$2,219	\$380
2036/37	\$485,349	\$4,853	\$2,747	\$481	\$2,266	\$388
2037/38	\$495,648	\$4,956	\$2,805	\$491	\$2,314	\$397
2038/39	\$506,166	\$5,062	\$2,864	\$501	\$2,363	\$405
2039/40	\$516,908	\$5,169	\$2,925	\$512	\$2,413	\$414
2040/41	\$527,878	\$5,279	\$2,987	\$523	\$2,464	\$422
2041/42	\$539,081	\$5,391	\$3,051	\$534	\$2,517	\$431
2042/43	\$550,521	\$5,505	\$3,115	\$545	\$2,570	\$440
2043/44	\$562,205	\$5,622	\$3,181	\$557	\$2,625	\$450
2044/45	\$574,138	\$5,741	\$3,249	\$569	\$2,680	\$459
2045/46	\$586,324	\$5,863	\$3,318	\$581	\$2,737	\$469
2046/47	\$598,768	\$5,988	\$3,388	\$593	\$2,795	\$479
2047/48	\$611,478	\$6,115	\$3,460	\$606	\$2,855	\$489
2048/49	\$624,457	\$6,245	\$3,534	\$618	\$2,915	\$500
2049/50	\$637,712	\$6,377	\$3,609	\$632	\$2,977	\$510
2050/51	\$651,249	\$6,512	\$3,685	\$645	\$3,040	\$521
2051/52	\$665,073	\$6,651	\$3,764	\$659	\$3,105	\$532
2052/53	\$679,192	\$6,792	\$3,843	\$673	\$3,171	\$543
2053/54	\$693,610	\$6,936	\$3,925	\$687	\$3,238	\$555
2054/55	\$708,335	\$7,083	\$4,008	\$701	\$3,307	\$567
2055/56	\$723,373	\$7,234	\$4,093	\$716	\$3,377	\$579
2056/57	\$738,730	\$7,387	\$4,180	\$732	\$3,449	\$591
2057/58	\$754,414	\$7,544	\$4,269	\$747	\$3,522	\$604
2058/59	\$770,432	\$7,704	\$4,360	\$763	\$3,597	\$616
2059/60	\$786,789	\$7,868	\$4,452	\$779	\$3,673	\$629
2060/61	\$803,495	\$8,035	\$4,547	\$796	\$3,751	\$643
2061/62	\$820,555	\$8,206	\$4,643	\$813	\$3,831	\$656
Cumulative Total over 40 IRFD Term	n/a	\$216,945	\$122,765	\$21,484	\$101,281	\$17,356

The Board will allocate the Net Available Increment to the IRFD, which will be applied to meet all of its obligations, including: (A) for 82.5% of the Net Available Increment (i) accumulation and expenditure on Facilities, and (ii) payment of debt service, debt service coverage requirements, and replenishment of any debt service reserve fund for Bonds secured by the 82.5% of the Net Available Increment; and (B) for 17.5% of the Net Available Increment (i) accumulation and expenditure on Housing Costs, and (ii) payment of debt service, debt service coverage requirements, and replenishment of any debt service reserve fund for Bonds secured by the 17.5% of the Net Available Increment.

As Annexation Territory is annexed into the IRFD, the Annexation Supplement shall contain a table similar to the tables above for the tax increment revenues expected from each annexation of Annexation Territory.

C. Plan for financing the IRFD Improvements, including a detailed description of any intention to incur debt

The IRFD Improvements will be financed through a combination of annual tax increment revenue allocated to the IRFD (in the manner permitted by the IRFD Law, including, without limitation, Section 53369.2), as well as indebtedness (herein, “**Bonds**”) secured by the property tax increment committed to the IRFD.

Under proceedings to form the IRFD, the IRFD is authorized to issue, in one or more series, up to (i) \$780 million in Bonds, plus (ii) the amount approved by the Board and the qualified electors of the Annexation Territory in connection with each annexation of Annexation Territory to the IRFD. Pursuant to the IRFD Law, the Board intends to issue Bonds, in one or more series, secured by the Net Available Increment generated from all Project Areas in the IRFD. The Bonds may be taxable or tax-exempt, and may be current-interest bonds, capital appreciation bonds, fixed-rate bonds, or variable-rate bonds. Pursuant to Section 53369.14(d)(5) of the IRFD Law, the Board may issue Bonds with a final maturity date of up to 30 years from the date of issuance.

As Annexation Territory is annexed to the IRFD, the Annexation Supplement for each annexation shall estimate the additional bond capacity that results from the tax increment revenue to be generated by the Annexation Territory.

D. Limit on the total number of dollars of taxes that may be allocated to the IRFD pursuant to this Infrastructure Financing Plan

It is estimated that:

- a total of \$1.079 billion of Net Available Increment and \$152 million of Conditional City Increment⁴ will be generated within the Initial Project Areas of the IRFD over the life of the IRFD to finance the IRFD Improvements,
- plus additional amounts of Net Available Increment and Conditional City Increment generated from Annexation Territory annexed to the IRFD following approval of such annexation by the Board and the qualified electors within such Annexation Territory.

The amount generated within the Initial Project Areas represents 100% of the total tax increment that would otherwise be allocated to the General Fund of the City from the properties in the Initial Project Areas of the IRFD over the life of the IRFD. This amount is necessary to fund debt service on the Bonds used to fund the private sector Facilities and is expected to be sufficient to pay any pay-as-you-go administrative and capital expenses for the Initial Project Areas.

The annual allocation of tax increment to the IRFD for purposes of Section 53369.30(b) of the IRFD Law shall be the amount appropriated by the Board for deposit in the special fund or funds established for the IRFD; provided, however, that the Board hereby commits to appropriate and, therefore, allocate Net Available Increment from the Initial Project Areas to (i) to pay debt service on any Bonds issued for the IRFD and to comply with any other covenants related to Bonds issued for the IRFD as set forth in the Development Agreements and the approval actions relating to each Bond issuance and (ii) reimburse the Developer in accordance with the DDA Financing Plan.

After providing an allowance for variations in future inflation, it has been determined that the total nominal number of tax increment dollars to be allocated to the Initial Project Areas of the IRFD over the life of the IRFD shall not exceed \$1.53 billion of Net Available Increment and \$216 million of Conditional City Increment. The combined total of Net Available Increment and Conditional City Increment allocated to the Initial Projects Areas of the IRFD shall not exceed \$1.75 billion. The IRFD cash flow projection assuming these factors is set forth in Appendix D, Table 1 (Net Available Increment) and Table 2 (Conditional City Increment). This Subsection and Appendix D, as set forth in the Original Infrastructure Financing Plan, have been amended to reflect the changes shown in Table 3.

⁴ The use of Conditional City Increment is restricted as described in Section VIII.

As Annexation Territory is annexed to the IRFD, the increase in the allocation of tax increment dollars to the IRFD as a result of the annexation of Annexation Territory, along with information similar to that set forth above, shall be included in the Annexation Supplement for each annexation of the Annexation Territory.

E. IRFD termination date by Project Area

Each Initial Project Area of the IRFD will terminate forty (40) years (or such longer period as allowed by the IRFD Law and approved by the Board) from the date specified as the Commencement Year, as shown in Table 4 and in any corresponding table in an Annexation Supplement. As additional land is annexed to the IRFD into its own Project Area, the termination date will be the fortieth (40th) year (or such longer period as allowed by the IRFD Law and approved by the Board) from the date specified in the Annexation Supplement as the Commencement Year (which may be any year selected by the land owner annexing into the IRFD). See Table 4 for a list of the termination dates for the Initial Project Areas.

As Annexation Territory is annexed to the IRFD, a table similar to Table 4 shall be included in the Annexation Supplement for each annexation of Annexation Territory. The IRFD will terminate on the same date as the final Project Area (as may be created by annexation of Annexation Territory) in the IRFD terminates.

F. Analysis of City service costs and revenues to be generated by the Project

An assessment of the annual revenue and cost impacts of the entire Project on the City is presented in Appendix B. As shown, net of revenues allocated to the IRFD, the Project is expected to generate an annual surplus to the City (i.e., the General Fund, the MTA Fund, the Library Fund, and the Children's Fund) during construction and upon buildout. The diversion of revenues to the IRFD is not anticipated to adversely impact the City's ability to provide services to the area. Upon stabilization, the IRFD properties are anticipated to annually generate a net surplus of \$11.1 million to the City after the diversion to the IRFD and payment of all Bonds. The annual surplus upon stabilization to the City's General Fund is anticipated to total \$7.4 million.

The fiscal impact analysis attached to this Infrastructure Financing Plan as Appendix B has been amended from the version attached to the Original Infrastructure Financing Plan only to reflect the reduced amount of tax increment allocated to the IRFD in order to conform to existing law, as shown in Table 3.

G. Analysis of fiscal impact of IRFD on each affected taxing entity

The only taxing entity that is affected by the IRFD is the City. The impacts on the General Fund of the City are detailed in the fiscal impact analysis provided as Appendix B. The fiscal impact analysis attached to this Infrastructure Financing Plan as Appendix B has been amended from

the version attached to the Original Infrastructure Financing Plan only to reflect the reduced amount of tax increment allocated to the IRFD in order to conform to existing law, as shown in Table 3. See Appendix B and subsection F above.

H. Transit Priority Project Program analysis

As part of the Project entitlements, the City created an innovative and robust transit and transportation program designed to reduce private automobile use. The parameters of the development, including building heights, densities, the affordable housing program and the transportation program, were approved as an integrated whole in June 2011. The City does not currently intend to provide any increase in densities under the Transit Priority Project Program set forth in Government Code Section 65470(c). To the extent that the City and Developer may apply for state or federal funds as a transit priority project under Government Code Section 65470 or any other state or federal law, nothing in this subsection H shall prevent such application or award.

I. Replacement Housing

The plan providing for the replacement of dwelling units occupied by persons or families of low or moderate income proposed to be removed or destroyed in the course of private development or facilities construction within the area of the IRFD and the relocation of such persons or families consistent with Section 53369.6 of the IRFD Law is set forth in the TIDA DDA Housing Plan (the “**Housing Plan**”), which is shown as Exhibit E to the TIDA DDA. Furthermore, in order to comply with Sections 53369.6(d) and 53369.6(e) of the IRFD Law and other applicable laws, TIDA adopted the Transition Housing Rules and Regulations (the “**THRRs**”) to provide certain benefits to households legally occupying the housing units at the time they are required to move in connection with the Project, including for pre-DDA households the opportunity to occupy transition units, moving benefits, and down-payment assistance. All occupants are also provided with advisory services in accordance with applicable law. The TIDA DDA provides that, as a mutual condition to close on any Sub-Phase and transfer from TIDA to Developer, the THRRs must be implemented as to all units in that Sub-Phase. Finally, the Housing Plan provides that the Developer shall not have the right to demolish any existing occupied residential units on Yerba Buena Island or Treasure Island until the Transition Requirements, as defined in Section 10.3.3(h) of the TIDA DDA have been satisfied. For the complete terms of the foregoing provisions, reference is hereby made to the TIDA DDA and the Housing Plan.

Those portions of the Initial Project Areas that are not currently owned by TIDA were transferred to the Developer by TIDA on February 22, 2016. The Developer commenced demolition of improvements in the Initial Project Areas in March, 2016. Demolition on Yerba Buena Island was completed in August, 2016; demolition on Treasure Island is expected to be completed in December, 2016. In the Initial Project Areas, a total of 70 residential units were demolished. These 70 units are the total units demolished in the Initial Project Areas – both market and low-income units. None of these 70 units were occupied at the time of demolition.

Under the Housing Plan, in the Initial Project Areas, the Developer is constructing approximately 111 low-income units, and TIDA is expected to construct approximately 196 low-income units. Accordingly, the number of low-income units being constructed in the Initial Project Areas far exceeds the number of low-income units demolished in such area. A minimum of 70 replacement units will be constructed prior to the end of the 4-year time period required by Section 53369.6 of the IRFD Law.

The Board finds that the satisfaction of the conditions for demolition and replacement housing in the Housing Plan, including the THRRs, satisfies Section 53369.6 of the IRFD Law as it relates to the Initial Project Areas.

As used in this section, the term “**low-income unit**” means a unit occupied by persons or families of low or moderate income at affordable housing cost (as defined in California Health and Safety Code Section 50052.5) or affordable rent (as defined in California Health and Safety Code Section 50053).

As Annexation Territory is annexed to the IRFD, if dwelling units are to be demolished, a section similar to this subsection I shall be included in the Annexation Supplement for each annexation of Annexation Territory.

VIII. MISCELLANEOUS PROVISIONS

A. *Conditional City Increment*

Under Section 3.3(e) of the DDA Financing Plan, the Developer and the City agreed that the City would allocate the "Conditional City Increment" to the IRFD for the limited purpose of paying debt service on Bonds in the event that the Net Available Increment is insufficient for that purpose. The Conditional City Increment is identified in Table 3.

In connection with the issuance of Bonds, the Conditional City Increment shall be added to the Net Available Increment when determining coverage on the Bonds and such amounts shall be pledged to the payment of debt service on the Bonds. However, in any given year, should the Net Available Increment be sufficient to cover the debt service on the Bonds, the Conditional City Increment shall not be remitted to the IRFD, or, if previously remitted to the IRFD, shall be returned to the City.

If the Conditional City Increment is ever used to pay debt service on Bonds, then in future years after first paying or setting aside amounts needed for debt service due during such Fiscal Year on Bonds for the IRFD secured by or payable from Net Available Increment, the IRFD shall repay the City out of Net Available Increment for any Conditional City Increment used to pay debt service on Bonds in an amount equal to the Conditional City Increment used to pay debt service on the Bonds plus interest through the date of repayment of the amount of Conditional City Increment

used to pay debt service on the Bonds at the Default Interest Rate (as defined in the DDA Financing Plan).

B. *Limitations on Receipt of Tax Increment Revenues*

The Developer agreed to certain restrictions on the receipt of Net Available Increment under certain circumstances. Accordingly, the limitations on receipt of Net Available Increment described in Sections 3.8 and 3.9 of the DDA Financing Plan are incorporated into this Infrastructure Financing Plan.

C. *Mello-Roos Financing*

Under the DDA Financing Plan, the City and the Developer agreed to form one or more community facilities districts (each a "**CFD**") under the Mello-Roos Community Facilities Act of 1982 (the "**CFD Act**") to finance various facilities. Some of the Facilities are also eligible for financing by the CFD. The Developer and the City intend to use both the CFDs and the IRFD to fund all of the eligible facilities required to be constructed for the Project. In addition, the TIDA Board and the Board may authorize Net Available Increment be used to pay debt service on one or more CFDs.

D. *Validation*

In Case No. CGC-17-557496, the Superior Court of the State of California issued a judgment on May 9, 2018, as to the validity of the Original Infrastructure Financing Plan, including any amendments of the Original Infrastructure Financing Plan consistent with the IRFD Law.

The amendments of the Original Infrastructure Financing Plan set forth in this Infrastructure Financing Plan are consistent with the IRFD Law and, therefore, this Infrastructure Financing Plan is legal, valid and binding.

APPENDIX A: Amended Boundary Map and Legal Description of the IRFD

Legal Description:

Project Area A

- Legal for 1Y (APN NO. 8948-001)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 19 AS SHOWN ON FINAL TRANSFER MAP NO. 8674, FILED FOR RECORD ON DECEMBER 7, 2015 IN BOOK FF OF SURVEY MAPS AT PAGES 177 THROUGH 192, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for 2Y-H (APN NO. 8949-002)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 2 AS SHOWN ON FINAL MAP 9228, FILED FOR RECORD ON APRIL 19, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 7 TO 23, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for 3Y (APN NO. 8952-001)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 003 AS SHOWN ON FINAL MAP NO. 9856, FILED FOR RECORD ON JULY 10, 2020 IN BOOK 1 OF FINAL MAPS AT PAGES 48 TO 63, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for 4Y (APN NOS.: 8954-004, 8954-005)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOTS 001 AND 002 AS SHOWN ON FINAL MAP NO. 9856, FILED FOR RECORD ON JULY 10, 2020 IN BOOK 1 OF FINAL MAPS AT PAGES 48 TO 63, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

Project Area B

- Legal for B1-A (APN NOS.: 8901-003, 8901-004)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOTS 13 AND 14 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 170 TO 179, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for C2.2 (APN NO. 8903-004)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 8 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 170 TO 179, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for C2.3 (APN NO. 8904-004)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 3 AS SHOWN ON FINAL MAP NO. 10297, FILED FOR RECORD ON APRIL 4, 2021 IN BOOK 1 OF FINAL MAPS AT PAGES 187 TO 191, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for C3.3 and C3.4 (APN NOS.: 8906-005 & 8906-006 or 8906-009)

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 1 AS SHOWN ON FINAL MAP NO. 10297, FILED FOR RECORD ON APRIL 4, 2021 IN BOOK 1 OF FINAL MAPS AT PAGES 187 TO 191, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

Project Area C

- Legal for C1.1 and C1.2 (APN NO. 8902-004)
All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 12 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 170 TO 179, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

Project Area D

- Legal for C2.1 (APN NO. 8902-003)
All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 7 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 170 TO 179, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for C3.5 (APN NOS.: 8906-007, 8906-008)
All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOTS 2 AND 6 AS SHOWN ON FINAL MAP NO. 10297, FILED FOR RECORD ON APRIL 4, 2021 IN BOOK 1 OF FINAL MAPS AT PAGES 187 TO 191, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

Project Area E

- Legal for C2.4 (APN NO.: 8904-005)
All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 10 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 170 TO 179, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for C2-H (APN NO.: 8904-006)
All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT 11 AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 7 TO 23, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for APN NO. 1939-107

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT F AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 7 TO 23, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for APN NO. 1939-111

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

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- Legal for APN NO. 1939-112

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

ALL OF LOT K AS SHOWN ON FINAL MAP NO. 9235, FILED FOR RECORD ON SEPTEMBER 13, 2018 IN BOOK 134 OF CONDOMINIUM MAPS AT PAGES 7 TO 23, OFFICIAL RECORDS OF SAN FRANCISCO COUNTY.

- Legal for APN NO. 1939-116

All that real property situate in the City and County of San Francisco, State of California and being more particularly described as follows:

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Amended Boundary Map:



APPENDIX B: Fiscal Impact Analysis of City
(Amended to reflect amended Table 3)



KEYSER MARSTON ASSOCIATES

DRAFT

**ASSESSMENT OF FISCAL IMPACTS
TO THE CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND / YERBA BUENA ISLAND
DEVELOPMENT PROJECT**

Prepared for
City and County of San Francisco

Prepared by
Keyser Marston Associates, Inc.

**August 2016
Amended October 27, 2021**

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I. EXECUTIVE SUMMARY

The City and County of San Francisco (CCSF), is considering adopting an Infrastructure and Revitalization Financing District (IRFD) to fund a portion of the cost of developing public facilities and affordable housing that will support the Treasure Island/Yerba Buena Island Development Project (the Project). The process for adopting an IRFD is governed by California Government Code Sections 53369 -53369.49. The fiscal impact analysis presented in this report has been prepared to meet the requirements of Section 53369.14 (d) (6), specifically addressing the following:

“The costs to the city of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city as a result of expected development in the area of the district.”¹

The Project consists of the development of a mixed use community on Treasure Island and Yerba Buena Island to be undertaken by Treasure Island Community Development LLC (TICD) and the Treasure Island Development Authority (TIDA). It is anticipated that the Project will include 8,000 housing units, two hotels totaling 250 rooms, 451,000 square feet of retail and 100,000 square feet of office. The Project will also contain over 300 acres of privately maintained parks and open space, among other community amenities. Completion and full occupancy of the Project is anticipated by FY2031/32 (16 years). Upon buildout, the Project’s service population is projected to reach 16,326 residents and 2,544 employees.

The IRFD will initially include a portion of the Project, with an estimated 2,221 market rate and inclusionary units and 250 hotel rooms. It is anticipated that additional properties will be added to the IRFD over time. Because City services to the Islands generally cannot be apportioned to the various individual components of the Project, this fiscal impact analysis addresses the impacts of the anticipated entire Project. The analysis reflects the anticipated development program and phasing schedule provided by TICD in March 2016 (27.2% affordable scenario), as well as current fiscal information derived from CCSF’s FY 2015/16 Budget and Appropriation Ordinance.

This analysis updates the fiscal impact estimates contained in the “Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project” prepared by Economic & Planning Systems, Inc. (EPS) in May 2011. The 2011 analysis was approved as part of the approval of the Project’s Development Agreement between TICD and TIDA. Consistent with the approach of the May 2011 analysis, this fiscal analysis addresses the additional General Fund service costs to be generated by the Project beyond the cost of General Fund services that are currently being provided to the Islands. There are some differences in approach, however, which are detailed in Section IIC.

¹ The CCSF is the only taxing agency that is proposed to participate in the IRFD. Therefore, this fiscal analysis addresses only the impacts on the CCSF.

It is anticipated that the IRFD for the entire Project will be comprised of several project areas. Each project area will have a 40-year term, with a start date conditioned upon achievement of an assessed valuation threshold, selected specifically for each project area. Given that the overall term of the IRFD is not known at this time, this fiscal analysis evaluates the impacts of the entire Project over an extended period of time to ensure that the potential aggregate of 40-year terms is captured by the analysis. A 52-year term, extending from FY 2015/16 through FY 2067/68 has been evaluated.

The analysis evaluates the cumulative and annual fiscal impacts on the CCSF General Fund, the Municipal Transit Agency (MTA) Fund ("MTA Fund"), and the Library Preservation Fund ("Library Fund"). The analysis assumes the diversion of 100% of the General Fund's 56.588206% share of annual property tax increment to the IRFD throughout the entire study period.²

The analysis is presented in the attached Tables 1 through 26, Appendix Tables A-1 through A-4 and in Section III of this report.

A. Net Fiscal impacts to the General Fund

The Project is anticipated to generate a cumulative surplus to the City's General Fund over the anticipated window of the term of the IRFD. It is estimated that the cumulative surplus to the City's General Fund from FY 2015/16 through FY 2067/68 will total approximately \$688.2 million in nominal dollars or \$328.7 million in current (2016) dollars (3% discount rate). The Project is anticipated to generate an annual General Fund surplus throughout the study period, with an estimated annual surplus upon stabilization of \$12.2 million in nominal dollars or \$6.8 million in current (2016) dollars.

Exhibit 1 – Net General Fund Impacts				
	Cumulative Impacts (FY 2015/16 – FY 2067/68)		Annual Impacts Upon Build-out / Stabilization (FY 2035/36)	
	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions
Revenues*	\$981.2	\$2,426.7	\$21.9	\$39.5
Expenditures	(\$652.6)	(\$1,738.5)	(\$15.1)	(\$27.3)
Net Surplus (Expense)	\$328.7	\$688.2	\$6.8	\$12.2

* Includes annual recurring and construction-related revenues

² This is a conservative assumption. A portion of property tax revenue will likely be retained by the City prior to and following the 40-year terms of the individual IRFD project areas.

B. Net Fiscal Impacts to MTA and Library Preservation Funds

The Project is anticipated to generate a cumulative surplus and ongoing annual surpluses after build-out to the MTA and Library Preservation Funds. The sum of operating revenues and General Fund transfers (required by the City's Charter) to be generated by the Project are anticipated to exceed the estimated cost to the funds of providing enhanced services in all fiscal years and result in a cumulative surplus. The cumulative surplus is estimated to total \$201 million (2016\$). The annual surplus upon stabilization is estimated to total \$3.8 million (2016\$).

Exhibit 2 – Net MTA and Library Fund Impacts				
	Cumulative Impacts (FY 2015/16 – FY 2067/68)		Annual Impacts Upon Buildout / Stabilization (FY 2035/36)	
	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions
Revenues	\$277.8	\$718.6	\$6.4	\$11.6
Expenditures	(\$76.8)	(\$222.8)	(\$2.7)	(\$4.8)
Net Surplus (Expense)	\$201.0	\$495.8	\$3.8	\$6.8

C. Aggregate Net Fiscal Impacts to General Fund, MTA Fund and Library Preservation Fund

The Project's aggregate impact on the General Fund, MTA Fund and Library Preservation Fund is anticipated to be positive on a cumulative basis and on an annual basis throughout the study period. The cumulative city surplus is estimated to total \$529.6 million (2016\$). The annual city surplus upon stabilization is estimated to total \$10.5 million (2016\$).

Exhibit 3 – Net General Fund, MTA and Library Fund Impacts				
	Cumulative Impacts (FY 2015/16 – FY 2067/68)		Annual Impacts Upon Buildout / Stabilization (FY 2035/36)	
	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions
Revenues	\$1,259.0	\$3,145.3	\$28.3	\$51.1
Expenditures	(\$729.4)	(\$1,961.3)	(\$17.8)	(\$32.1)
Net Surplus (Expense)	\$529.6	\$1,184.0	\$10.5	\$19.0

D. Other City Revenues to be Generated by the Project

The Project will generate additional revenues to the City. These include traditional sources of revenue as well as revenues resulting from the terms of the Development Agreement. Traditional sources include building permit fees, development impact fees and ongoing revenues that are "restricted" to specific purposes. Ongoing "restricted" revenues include General Fund transfers to the Children's Services Fund, as well as franchise fees, fines, licenses and forfeiture revenues to be generated by the Project. These revenues are presented in Table 2A.

Project specific revenue sources include: a subsidy payment for affordable housing totaling \$17,500 per market rate unit, funding for parks and open space maintenance, funding for community facilities, and funding for transportation. Given that these are limited revenue contributions that will not be available on a recurring basis, and some are payments to mitigate impacts generated by the Project, they have not been quantified and included in this fiscal analysis.

II. INTRODUCTION

The City and County of San Francisco (CCSF), is considering adopting an Infrastructure and Revitalization Financing District (IRFD) to fund a portion of the cost of developing public facilities and affordable housing that will support the Treasure Island/Yerba Buena Island Development Project (the Project). The process for adopting an IRFD is governed by California Government Code Sections 53369 -53369.49. The fiscal impact analysis presented in this report has been prepared to meet the requirements of Section 53369.14 (d) (6), specifically addressing the following:

“The costs to the city of providing facilities and services to the area of the district while the area is being developed and after the area is developed. The plan shall also include an analysis of the tax, fee, charge, and other revenues expected to be received by the city as a result of expected development in the area of the district.”³

A. Project Description

The subject Project consists of the development of a 360-acre site on Yerba Buena and Treasure Island (the Islands) with residential, commercial and hotel uses, in addition to 300 acres of privately maintained parks and open space. The developer, Treasure Island Community Development LLC (TICD), anticipates the Project to reach completion and full occupancy by FY 2031/32, or within the next 16 years. Exhibit 4 summarizes the anticipated development program, which includes:

- 8,000 housing units, including:
 - 5,521 for sale units, of which 223 are Below Market Rate (BMR) units
 - 613 rental units, of which 84 are BMR units
 - 1,866 additional BMR rental units to be built on sites owned by TIDA and the Treasure Island Homeless Development Initiative (TIHDI)
- Two hotels with a total of 250 rooms
- 451,000 square feet of retail
- 100,000 square feet of office

Pricing of for-sale residential units is anticipated to range from \$1.1 million to \$1.8 million for market rate units and \$175,000 to \$353,000 for BMR units (Exhibit 5).

³ The CCSF is the only taxing agency that is proposed to participate in the IRFD. Therefore, this fiscal analysis addresses only the impacts on the CCSF.

Exhibit 4 – Proposed Development Program (27.2% Affordable scenario)				
Land Use			Total	
Residential				
TIDI Units	<u>Market</u>	<u>BMR</u>		
For Sale	5,298	223	5,521	DU
For Rent	529	84	613	DU
	5,827	307	6,134	
TIDA/TIHDI Units				DU
			8,000	DU
Hotel				
Full Service Hotel			200	Rms
Spa Hotel			50	Rms
			250	Rms
Commercial				
Retail			451,000	Sq Ft
Office			100,000	Sq Ft
			551,000	Sq Ft

Exhibit 5 –Targeted Pricing of For-Sale Units				
Unit Type	Market Units	Market Sale Price (2016\$)	BMR Units	BMR Sale Price (2016\$)
YBI Townhomes	200	\$1,790,000	10	\$347,000
TI Townhomes	271	\$1,410,000	0	\$353,000
Flats	2,044	\$1,037,000	117	\$288,000
Neighborhood Tower	1,771	\$1,202,000	96	\$226,000
Branded Condo	895	\$1,377,000	0	\$226,000
Highrise	117	\$1,140,000	0	\$175,000
Total Units	5,298		223	

B. Service Population

Upon buildout, the Project's service population is projected to reach 16,326 residents and 2,544 employees (Exhibit 6). Density factors used for estimating employment are referenced in the table below. The total residential population is estimated by unit type based on average household size information from the American Community Survey (2014) for comparable census block groups in San Francisco. The average household size of the Project reflects a factor of 2.04 residents per household, which is slightly below the San Francisco average of 2.10 (Appendix Table A-4). The service population is equivalent to the sum of the resident and employee population (day and evening population).

Exhibit 6 – Project Demographics		
Service Population	Measure	Estimate
Households	<i>99.8% occupied</i>	7,984
Residents	<i>Appendix Table A-4</i>	16,326
Employees		
Retail	<i>3.3 emp/1,000 sf</i>	1,371
Office	<i>3.1 emp/1,000 sf</i>	281
Hotel	<i>0.80 emp/rm</i>	200
Other Employment	<i>Table 8</i>	159
Residential Employment	<i>0.07 emp/du</i>	533
		2,544
Service Population: Day & Evening Population	<i>pop + emp.</i>	18,869

C. Approach

The subject analysis evaluates the marginal impacts of the Project on the CCSF General Fund, Municipal Transit Agency (MTA) Fund, and Library Preservation Fund. The analysis runs from FY 2015/16 through FY 2067/68, which encompasses the full construction period and the duration of the IRFD.⁴

The fiscal impacts are presented net of General Fund tax increment to be diverted to the IRFD. The analysis assumes the diversion of 100% of the General Fund's 56.588206% share of annual property tax increment for the duration of the study period to the IRFD.⁵

This analysis updates the fiscal impact estimates contained in the "Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project" prepared by Economic & Planning Systems, Inc. (EPS) in May 2011. The 2011 analysis was approved as part of the approval of the Project's Development Agreement between TICD and TIDA. Consistent with the approach of the May 2011 analysis, this fiscal analysis addresses the marginal additional General Fund service costs to be generated by the Project beyond the cost of General Fund services that are

⁴ The IRFD is comprised of multiple project areas. Each project area will have a term of 40 years, with start and termination dates specific to each project area. The termination dates have not yet been established for any of the project areas, but it is likely that none will extend beyond 2067/68.

⁵ This is a conservative assumption. A portion of property tax revenue will likely be retained by the City during the study period, prior to and following the 40-year terms of the individual IRFD project areas.

currently being provided to the Islands. The approach of the subject analysis does, however, differ from the previous analysis in several respects:

1. *Charter-required transfers of aggregate discretionary revenues from the General Fund to the MTA Fund, Children's Services Fund and Library Preservation Fund.* While the previous analysis considered only the General Fund transfer to MTA, the subject analysis reflects the impacts to the General Fund net of the three transfers. The baseline revenue transfers reflected in the analysis are as follows:
 - MTA Fund – 9.19% of General Fund Aggregate Discretionary Revenue (ADR)
 - Library Preservation Fund – 2.29% of ADR
 - Children's Services Fund – 8.76% of ADR
2. *Property tax set-asides from the General Fund to the Open Space Fund, Children's Services Fund and Library Preservation Fund.* In the subject analysis, property tax set-asides to the Open Space Fund, Children's Services Fund and Library Preservation Fund, representing 8% of the base property tax increment, are assumed to be retained by the General Fund to fund General Fund services. Pursuant to the Development Agreement, this revenue shall be available to meet debt coverage requirements for IRFD bonds. The prior analysis apportioned 8% of base property tax increment to the foregoing funds.
3. *Policy changes.* The subject analysis reflects policy changes that have taken effect following the completion of the prior analysis. Proposition B, passed by voters in 2014, stipulates that the baseline revenue transfer amount to the MTA Fund must be adjusted annually to reflect the change in the CCSF service population. This population-based adjustment to the citywide General Fund transfer is calculated as a General Fund expense in the subject analysis. In addition, the subject analysis reflects changes to the allocation of Transit Occupancy Tax (TOT) revenues. TOT revenues that were diverted to the Convention Facilities Fund at the time of the 2011 analysis are now assumed to be retained by the General Fund, per the FY 2015/16 Adopted Budget.
4. *Exclusion of certain General Fund revenue sources.* The subject analysis excludes two revenue categories that were included as General Fund revenues in the 2011 analysis. The Controller's Office has indicated that General Fund revenues categorized as Licenses, Permits and Fees and Fines, Forfeitures and Penalties are generally restricted for specific expenditures not available to fund General Fund service costs. These revenues have been estimated, but not included as General Fund revenues.

Projections contained in the subject analysis are based on a combination of project-specific estimating sources and on average revenue and cost factors derived from the CCSF budget

ordinance. Project-specific estimating sources are derived from information provided by the Developer, such as improvement values, and/or input from CCSF departments regarding the service needs of the Project. Average revenue and cost factors are derived per resident, per employee or per service population unit (residents and employees combined) for the City as a whole and applied to the corresponding population of the Project (as shown on Exhibit 6).

The IRFD will initially include a portion of the Project, with an estimated 2,221 market rate and inclusionary units and 250 hotel rooms. It is anticipated that additional properties will be added to the IRFD over time. Because City services to the Islands generally cannot be apportioned to the various individual components of the Project, this fiscal impact analysis addresses the impacts of the anticipated entire Project. The analysis reflects the anticipated development program and phasing schedule provided by TICD in March 2016 (27.2% affordable scenario), as well as current fiscal information derived from CCSF's FY 2015/16 Budget and Appropriation Ordinance.

The assessed valuation schedule reflected in the subject fiscal analysis does not precisely mirror the schedule contained in the main body of the IRFD's Infrastructure Financing Plan (IFP) because: 1) the IFP projection reflects only a portion of the Project while the fiscal impact analysis reflects the entire project; 2) the IFP reflects a "maximum density" development scenario for the initial five project areas while the fiscal analysis reflects a somewhat lower density scenario for the initial five areas; and 3) the IFP reflects specific 40-year terms for each of the five project areas while the fiscal analysis addresses impacts over a longer time period in order to capture the potential window for all of the project areas to ultimately be annexed to the IRFD.

With the exception of property-based revenues, revenue and service cost factors are assumed to increase at an annual rate of 3% per year. Assessed property values for the purposes of estimating VLF and property tax revenues are based on IRFD assessed value projections. Assessed values are assumed to increase at the Proposition 13 statutory rate of 2% per year.

Annual projections contained in the attached tables are presented in nominal (inflated) dollars, unless otherwise noted. Current (2016) dollar figures are calculated based on a 3% per year discount rate and are included in summary tables for comparison purposes.

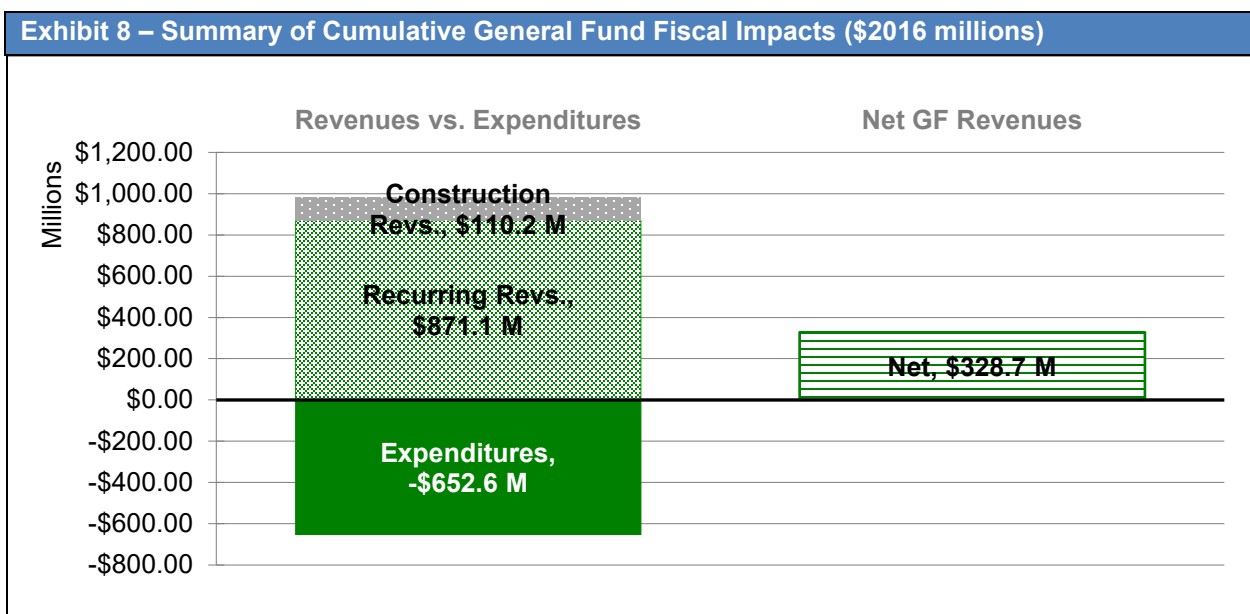
III. FISCAL IMPACTS

A. Summary of Net Fiscal Impacts to the General Fund

Exhibits 7 and 8 and Table 1 (attached) present the revenue and service cost impacts of the Project on the CCSF General Fund after the expected diversion of tax increment to the IRFD.

The Project is anticipated to generate a surplus to the City's General Fund, amounting to \$328.7 million (2016\$) over the full 52-year study period. Per Exhibit 7, the net surplus in stabilized year FY 2035/36 would total \$6.8 million (2016\$).

Exhibit 7 – Summary of General Fund Fiscal Impacts				
General Fund Impact	Cumulative FY 2015/16 – FY 2067/68		Stabilized Year FY 2035/36	
	\$2016 millions	\$nominal	\$2016 millions	\$nominal
Recurring Revenues/Expenditures				
Revenues	\$871.1	\$2,284.4	\$21.9	\$39.5
Expenditures	<u>\$652.6</u>	<u>\$1,738.5</u>	<u>\$15.1</u>	<u>\$27.3</u>
Net Recurring	\$218.5	\$545.9	\$6.8	\$12.2
Construction-Related Revenues				
	<u>\$110.2</u>	<u>\$142.3</u>	<u>\$0.0</u>	<u>\$0.0</u>
Net General Fund Impact	\$328.7	\$688.2	\$6.8	\$12.2



B. General Fund Revenues

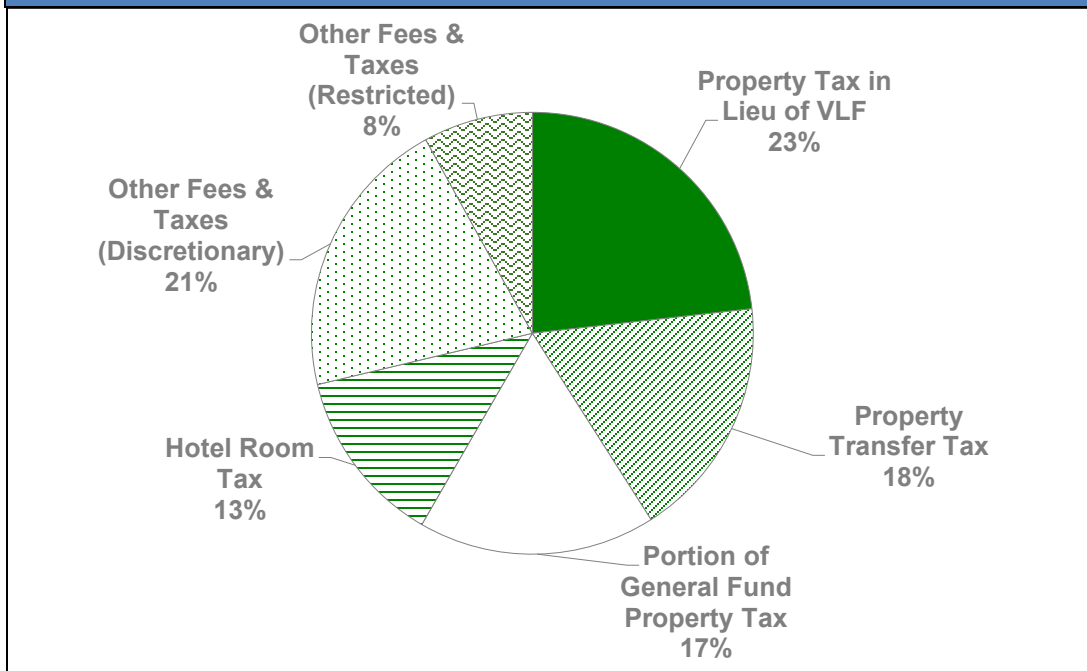
Exhibits 9 through 12 and Tables 2-A and 2-B (attached) provide additional information on the revenue impacts of the Project on the CCSF General Fund after the expected diversion of tax increment to the IRFD. Detailed assumptions are provided on Table 10 and calculations are provided on Tables 11A through 15 (recurring revenues) and Tables 24 through 26 (construction-related revenues).

1. Recurring Revenues

Cumulative recurring General Fund revenues are estimated to total \$871.1 million (2016\$). Upon stabilization, the Project is estimated to generate approximately \$21.9 million in annual General Fund revenues by year FY 2035/36 (2016\$). VLF revenues are expected to be the leading category (23%), followed by property transfer taxes (18%), and the 8% General Fund share of base property taxes (17%). Public Safety Sales Tax revenues are a restricted revenue source; remaining revenue sources are assumed to be discretionary.

Exhibit 9 – Recurring General Fund Revenues					
General Fund Revenues	Cumulative FY 2015/16 - FY 2067/68		Stabilized Year FY 2035/36		% Share
	\$2016 millions	\$nominal	\$2016 millions	\$nominal	
Recurring Revenues					
Portion of General Fund Property Tax	\$125.5	\$305.2	\$3.8	\$6.9	17%
Property Tax in Lieu of VLF	\$186.8	\$489.5	\$5.1	\$9.2	23%
Property Transfer Tax	\$162.6	\$439.0	\$3.9	\$7.0	18%
Sales and Use Tax	\$117.4	\$316.9	\$2.8	\$5.1	13%
Telephone Users Tax	\$21.8	\$58.2	\$0.5	\$0.9	2%
Access Line Tax	\$20.2	\$53.9	\$0.5	\$0.8	2%
Water Users Tax	\$0.5	\$1.4	\$0.0	\$0.0	0%
Gas Electric Steam Users Tax	\$5.7	\$15.3	\$0.1	\$0.2	1%
Gross Receipts Tax	\$24.3	\$65.3	\$0.6	\$1.0	3%
Business License Tax	\$1.7	\$4.6	\$0.0	\$0.1	0%
Hotel Room Tax	<u>\$130.9</u>	<u>\$336.6</u>	<u>\$2.8</u>	<u>\$5.1</u>	<u>13%</u>
Subtotal-Discretionary	\$797.5	\$2,085.8	\$20.1	\$36.4	92%
Public Safety Sales Tax	<u>\$73.6</u>	<u>\$198.6</u>	<u>\$1.8</u>	<u>\$3.2</u>	<u>8%</u>
TOTAL	\$871.1	\$2,284.4	\$21.9	\$39.5	100%

Exhibit 10 – Recurring Revenues by Source in Stabilized Year FY 2035/36



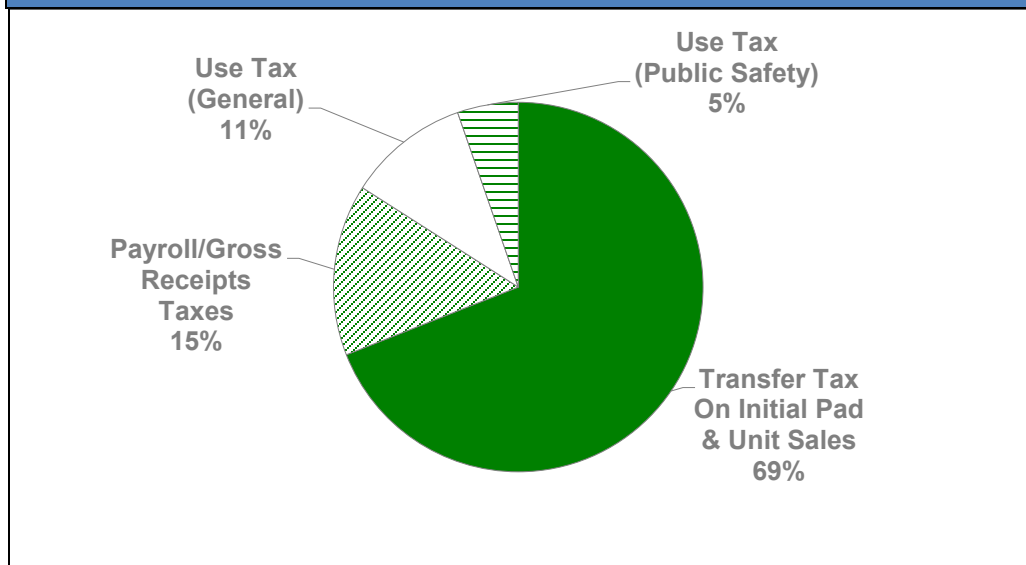
2. One-Time Construction Revenues

In addition to recurring revenues, the Project will generate one-time, construction-related revenues amounting to \$110.2 million (2016\$) through buildout (Exhibit 11). Exhibit 9 illustrates the distribution of cumulative construction-related revenues. Transfer taxes on initial pad and unit sales account for 69% of revenues, followed by gross receipts taxes paid by contractors (15%) and use tax revenues from purchases of construction materials, including unrestricted use tax revenues (11%) and use tax revenues for public safety purposes (5%). The estimate of gross receipts taxes includes a small amount of payroll taxes to be paid by contractors before the payroll tax fully phases out in 2018.

Exhibit 11 – Construction-Related Revenues			
General Fund Revenues (Construction-Related)	Cumulative		% Share
	FY 2015/16 - FY 2031/32		
	\$2016 millions	\$nominal	
Construction Revenues			
Transfer Tax On Initial Pad & Unit Sales	\$76.1	\$99.2	69%
Gross Receipts Taxes / Construction	\$16.0	\$20.3	15%
Payroll Tax / Construction	\$0.6	\$0.6	1%
Construction Sales Tax (General)	\$11.7	\$14.8	11%
Subtotal-Discretionary	\$104.3	\$134.9	95%
Construction Sales Tax (Public Safety)	<u>\$5.9</u>	<u>\$7.4</u>	<u>5%</u>
Total Construction Revenues	\$110.2	\$142.3	100%

* Payroll tax is phased out in 2018.

Exhibit 12 – Cumulative Construction Revenues by Source (FY 2016 – FY 2032)



3. Property Tax In-Lieu of Motor Vehicle License Fees (VLF) Revenues

Pursuant to SB 1096, the City receives subvention revenues from the State in the form of an allocation of property tax revenues to replace a large portion of the motor vehicle license fee revenues that were distributed proportionate to population prior to the adoption of the legislation in 2004. These subvention payments are based on the growth in assessed value relative to the Citywide assessed value as of 2004/05. Under the State's formula, the City receives \$1.07 per \$1,000 of growth in assessed property values. Revenue from the Project is based on the Project's contribution to growth in assessed values (Tables 10, 11A).

4. Property Transfer Tax Revenues

The CCSF collects a property transfer tax of \$6.80 per \$1,000 of transferred value on transactions between \$250,000 and \$1 million, \$7.50 per \$1,000 on transactions up to \$5 million, \$20.00 per \$1,000 on transactions of up to \$10 million, and \$25.00 per \$1,000 on transactions of \$10 million or more. This analysis estimates property transfer taxes based on sales values of the initial site acquisition, completed pads and residential units, absorption rates, and the assumption that for-sale homes will be resold, on average, every 10 years. The resale value of market rate and below market units is assumed to increase annually by 1% and 3%, respectively. A tax rate of \$20 per \$1,000 is assumed for initial site acquisition and residential pad sales; a rate of \$7.50 per \$1,000 is assumed for hotel pad sales and market rate residential units; finally, a rate of \$6.80 per \$1,000 is assumed for sales of BMR units. Rental and commercial buildings are assumed to be subject to extensive hold periods (Tables 10, 15, 25).

5. 8% Portion of General Fund Property Tax Increment – 8% of 1% Base Property Tax Levy

100% of the General Fund's 56.588206% share of annual property tax increment will be diverted to the IRFD over the life of the IRFD and will not be available to fund General Fund service costs. The General Fund receives an additional 8% of the 1% base tax levy. While the 8% portion of the base tax levy is traditionally set aside for the Open Space Fund, Children's Services Fund and Library Preservation Fund, it is assumed that this "8% Portion of General Fund tax increment" is retained by the General Fund and is used to fund city services. The share of property taxes retained by the General Fund is anticipated to total \$125.5 million through FY2067/68 (2016\$), including \$3.8 million (2016\$) annually upon stabilization.

The property's assessed value in FY 2015/16 is assumed to be \$0. Future assessed values are estimated based on values projected in TICD's pro forma. Values of residential units reflect targeted sales prices presented on Exhibit 2. Assessed values are assumed to increase at the Prop. 13 statutory rate of 2% per year and readjust to market values upon sale (Tables 10, 11A).

6. Transient Occupancy Tax ("Hotel Tax")

Hotel tax revenues reflect room rates and occupancy rates to be achieved by the 50-room hotel on Yerba Buena Island and the 200-room hotel on Treasure Island, based on information provided by TICD and analysis of the performance of competitive hotels in the market place. Based on this information, the Yerba Buena Island hotel would generate approximately \$178,000 in annual revenue per room, assuming an average daily rate of \$650 and stabilized occupancy of 75%. The Treasure Island hotel would generate approximately \$82,000 in annual revenue per room, assuming an average daily rate of \$300 and stabilized occupancy of 75%. The hotel tax rate in San Francisco is 14%, resulting in annual TOT revenues per room of approximately \$11,500 for the Treasure Island hotel and \$25,000 for the Yerba Buena Island hotel. One hundred percent of TOT revenues are assumed to accrue to the General Fund, pursuant to the FY2015/16 Adopted Budget (Tables 10, 11A).

7. Sales and Use Tax Revenues

The CCSF General Fund receives 1% of taxable sales. Recurring sales tax revenues will be generated from on-site retail sales and through spending by Project residents within the City. Construction-related sales tax revenues comprise business-to-business sales generated from the purchase of construction materials. Consistent with the 2011 EPS study, business-to-business taxable sales generated by office tenants are not considered, and employee spending is assumed to be reflected in on-site retail sales. Specific sales tax assumptions by source are summarized below:

- **Retailer-generated:** Taxable sales generated by on-site retailers are estimated assuming gross (taxable and non-taxable) sales productivity of \$600 per rentable square foot, with

80% of sales being taxable. The anticipated sales performance of the Project aligns with that of competitive Class A retail space in San Francisco, such as Stonestown Galleria. Consistent with the 2011 EPS study, on-site sales are reduced by 25% to avoid double-counting of on-site resident expenditures (Tables 10, 13).

- *Hotel-generated:* Non-room revenues are assumed to comprise one-third of total hotel revenues and half of these sales are assumed to be taxable, consistent with the 2011 EPS study. Based on projected room rates, taxable sales per room are estimated to be \$21,000 for the Treasure Island hotel and \$44,000 for the Yerba Buena Island hotel (Tables 10, 13).
- *Resident-generated:* Taxable sales generated by new residents are implied from the estimated household incomes by unit type of Project residents and consumer expenditure data published by the Bureau of Labor Statistics. Estimates are reduced to account for expenditures that are anticipated to occur outside of San Francisco based on the City's existing capture rate of retail expenditure potential, derived from California Board of Equalization and U.S. Census data (Tables 10, 12).
- *Construction-generated:* Use tax revenues generated by construction contractors are estimated based on development costs provided in the TICD development pro forma and typical relationships between "hard" and "soft" development costs and material and labor costs. The revenue estimate reflects the assumption that San Francisco is designated as the point of sale by the general and sub-contractors for 50% of materials purchased for the construction of the Project (Tables 10, 25).

8. Public Safety Sales Tax Revenues

Unlike other General Fund revenue sources included in this analysis, Public Safety Sales Tax revenues are restricted to specific public safety uses. The City and County receives an annual allocation of the half-cent statewide Public Safety Sales Tax (Proposition 172) in proportion to its share of statewide taxable sales. For purposes of this analysis it is assumed that the CCSF disbursement will grow proportionally to the increase in taxable sales supported by the Project (Tables 10, 11, 26). For taxable sales assumptions, refer to the discussion of the general (1%) sales and use tax, above.

9. Payroll/ Gross Receipts Tax Revenues

Passed by voters in November 2012, the gross receipts tax replaces the City and County's payroll tax, and phases in from 2014 to 2018. Consequently, construction contractors are the only businesses expected to generate payroll taxes (Table 10).

Per the San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax, the tax rate varies by business type and by the amount of gross receipts generated. Businesses generating less than \$1 million each year in gross receipts are exempt from the tax.

Average retail and hotel gross receipts are based on the sales productivity levels used to estimate sales and hotel taxes. Construction and rental and leasing gross receipts are based on the TICD pro forma. Tax rates are assigned to these businesses by selecting the applicable industry and size category from the rate schedule. For office tenants, gross receipts taxes are estimated based on 2015 gross receipts tax revenue generated per employee by all San Francisco firms, adjusted to account for phase-in factors that apply to gross receipts tax rates through 2018 (Tables 10, 14, 25).

Payroll tax rates for fiscal years 2015/16 through 2018/19 are determined in accordance with San Francisco Business and Tax Regulations Code, Article 12-A: Payroll Expense Tax Ordinance. It is assumed that payroll constitutes 40% of construction hard costs and that 25% of payroll expenditures are exempt from taxation (Tables 10, 25).

10. Business Registration Fee Revenues

Per the San Francisco Business and Tax Regulations Code, Article 12: Business Registration, the fee per business is charged by tier based on the level of gross receipts generated. The number of businesses at the project is calculated assuming 3,000 square feet per retail business and 5,000 square feet per office business. Two hotels are assumed. Average gross receipts for office, retail and hotel businesses used to determine applicable fee rates are consistent with gross receipts tax estimating assumptions (Tables 10, 14).

11. Utility Users Tax Revenues

The City and County of San Francisco imposes a 7.5% tax on charges for certain utilities services. These include non-residential telephone, electricity, natural gas, steam, and water services, and both residential and non-residential cellular telephone services. For purposes of this analysis, the utility users tax has been estimated based on CCSF budget factors for FY 2015/16. The budget factors have been calculated on a per employee basis for electricity, natural gas, steam, and water taxes, and on a per service population basis for telephone services (Tables 10, 11).

12. Access Line Tax Revenues

Access line taxes are levied against residential and commercial users. For purposes of this analysis, the access tax is estimated based on CCSF budget factors for FY 2015/16. The budget factors have been calculated on a per service population basis. Based on the City's 2015/16 budget, access line tax revenues total approximately \$31.25 per resident/employee (Tables 10, 11).

13. Licenses, Permits and Franchise Fees and Fines, Forfeitures and Penalties

Licenses, permits, and franchise fees, and fines, forfeitures, and penalties are excluded from the General Fund revenue sources. The Controller's Office has indicated that these revenue

categories are comprised primarily of restricted revenues dedicated to specific expenditures that have not been included in the analysis. For informational purposes, Table 2-A estimates total revenues to be generated by the Project for each category of restricted revenues.

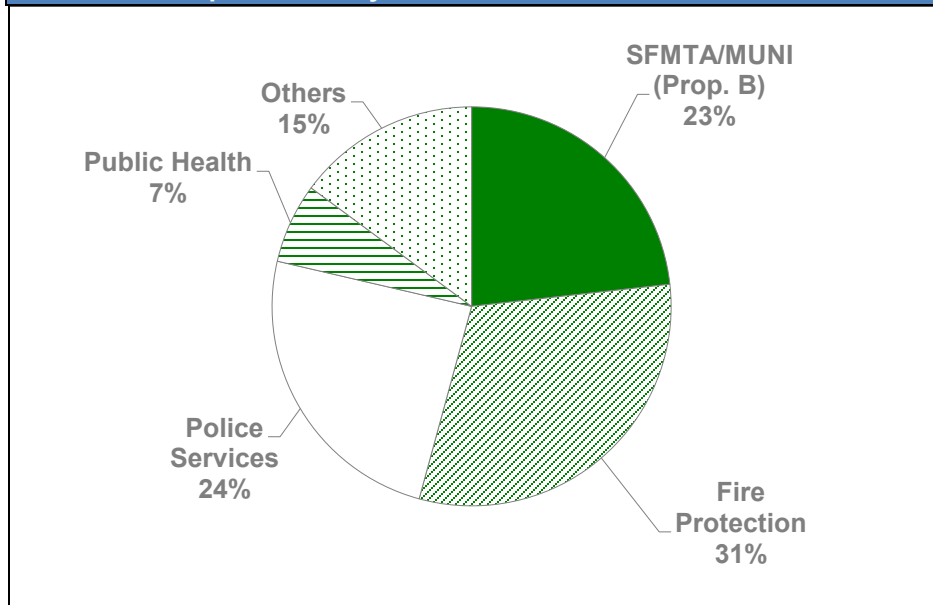
C. General Fund Expenses

Exhibits 13 and 14 and Tables 2-A and 2-B provide information on the expense impacts of the Project on the CCSF General Fund after the expected diversion of tax increment to the IRFD. Detailed expense assumptions are provided on Table 16 and calculations are provided on Tables 17 through 23.

Cumulative General Fund expenses are estimated to total \$652.6 million (2016\$). The Project is estimated to generate approximately \$15.1 million in General Fund expenditures in stabilized year FY 2035/36 (2016\$). Exhibit 14 illustrates the distribution of recurring General Fund expenditures. Fire Protection is expected to be the leading expense category (31%), followed by Police Services (24%) and the population-based transfer to MTA required under Proposition B (23%).

Exhibit 13 – General Fund Expenditures					
General Fund Expenditures – \$2016 millions	Cumulative FY 2015/16 - FY 2067/68		Stabilized Year FY 2035/36		% Share
	\$2016 millions	\$nominal	\$2016 millions	\$nominal	
Recurring Expenditures					
Elections	\$12.1	\$32.2	\$0.3	\$0.5	2%
Assessor/Recorder	\$6.5	\$16.3	\$0.1	\$0.2	1%
311	\$3.6	\$9.5	\$0.1	\$0.1	1%
Police Services	\$151.6	\$414.0	\$3.7	\$6.7	24%
Fire Protection	\$208.7	\$547.9	\$4.7	\$8.5	31%
911 Emergency Response	\$18.4	\$49.0	\$0.4	\$0.8	3%
Public Health	\$42.3	\$112.6	\$1.0	\$1.8	6%
Public Works	\$40.5	\$108.6	\$1.0	\$1.7	6%
Library/Community Facilities	\$17.9	\$45.4	\$0.4	\$0.7	2%
MTA/MUNI (Prop. B)	<u>\$151.0</u>	<u>\$402.9</u>	<u>\$3.5</u>	<u>\$6.3</u>	<u>23%</u>
Total	\$652.6	\$1,738.5	\$15.1	\$27.3	100%

Exhibit 14 – Expenditures by Source in Stabilized Year FY 2035/36



1. General Fund Transfer to MTA Fund

For purposes of ensuring adequate funding for public transit, the San Francisco Charter requires an annual transfer from the General Fund to the MTA Fund. The base transfer amount is equivalent to 9.193% of aggregate General Fund discretionary revenues. Proposition B, passed by voters in 2014, stipulates that the base transfer amount must be adjusted annually to reflect the change in the CCSF service population. In this analysis, the baseline transfer is deducted from gross revenues to be generated by the Project, while the Proposition B transfer is calculated as a General Fund expense. The annual Proposition B transfer from the General Fund to MTA is calculated by applying the current transfer amount per service population unit to the Project's service population (Tables 16, 21-A).

Per the San Francisco Charter, a supplementary transfer may be required to compensate MTA for increases in transit service. KMA compared the net costs of enhanced transit services on Treasure Island to the projected base transfer (including Proposition B) to determine the need for additional General Fund support. Based on this analysis, as presented on Table 21-A, base General Fund transfers, as well as MTA operating revenue and intergovernmental transfers to be generated by the Project are anticipated to exceed the estimated cost to MTA of providing enhanced services in all fiscal years. Based on this assessment, no supplementary General Fund transfer to MTA has been assumed.

2. Fire Department Expenditures

The San Francisco Fire Department anticipates that upon buildout, the Project will require two engine trucks, two ladder trucks, two ambulances, and a battalion chief. In addition, the 2011 EPS report indicates that there is currently one engine, one ladder truck, one ambulance, and

one hose tender on the Islands. The estimate of marginal expenditures therefore reflects the addition of one engine, one ladder truck, one ambulance, the battalion chief, as well as the phasing out of the hose tender. Personnel costs are based on the 2015-16 Salary Ordinance and staffing ratios by apparatus provided in the 2011 EPS report. Capital costs by apparatus reflect cost estimates from the 2011 EPS report, adjusted for inflation. All capital costs are annualized based on their useful life, per the EPS report. Based on the most recent TICD Schedule of Performance (June 2016), it is assumed that new fire expenses will be phased in upon completion of the new fire station on Treasure Island in FY 2023-24 (Tables 16, 18, 19).

3. Police Department Expenditures

Based on a service level of 1.7 sworn officers per 1,000 residents and employees as determined in the 2011 EPS report, the Project is anticipated to require 32 officers upon buildout. In addition, the EPS report indicates that there are currently 11 sworn officers serving the Treasure Island station. Therefore, the marginal cost of the Project reflects the addition of 21 sworn officers. The factor for total Police expenditures on Treasure Island is \$297 per unit of service population, which has been extrapolated from the targeted service level and the staffing cost per sworn officer estimated by the San Francisco Office of the Controller in 2015. Existing service costs are estimated based on the same study of staffing costs and are netted out from the total public safety cost to determine the marginal impact of the Project (Tables 16, 17).

4. 911/ Emergency Communications

The factor for Emergency Communications expenditures is \$25 per resident, in accordance with a service level of 1.18 emergency calls per resident. The service level is based on the 2011 EPS study, while staffing costs are derived from the 2015 Adopted Salary Ordinance (Tables 16, 17).

5. Public Health

The factor for Public Health expenditures is \$60 per resident, which reflects modifications to the analysis of public health costs contained in the 2011 EPS study. The prior analysis estimates Public Health costs based on average usage of emergency room and inpatient services per low to moderate income resident, and the cost to the General Fund to provide these services. In the present analysis, the service cost per low to moderate income resident is adjusted for inflation and applied to the population of low and moderate income residents upon buildout of the Project. The total cost is divided by the total resident population to determine the Public Health cost per resident (Tables 16, 17).

6. Public Works

Public Works expenses include maintenance of street infrastructure built by the Project. The Project will add 1,849,420 square feet of streets which will be publicly maintained. The annual cost per mile for street sweeping and for capital repairs is based on the EPS report and adjusted

for inflation. Maintenance costs of new street infrastructure are phased in over the development program as specific population thresholds are met (Tables 16, 20). It is also assumed that private sources will share in maintenance costs during the construction period. A portion of new Public Works expenses will be offset by restricted Public Works revenues generated by the Project:

- *Gas Tax* – The CCSF Gas Tax fund is anticipated to receive revenues proportional to the Project’s residential population as a percentage of the City’s current population. The current factor for Gas Tax revenues is \$20 per resident based on the CCSF FY 2015/16 budget (Table 10);
- *Prop. K Sales Tax* – Public Works receives a portion of the half-cent local sales tax for transportation capital projects approved by voters in 2003. In accordance with the Proposition K expenditure plan, it is assumed that Public Works will receive 10% of tax revenues for street maintenance and renovation projects (Table 10).

Currently, TIDA funds Public Works work orders on Treasure Island related to street cleaning, street repair, urban forestry, and building repair through lease revenues. Based on conversations with TIDA staff, it is assumed that these expenditures will phase out over the course of the development or continue to be funded through lease revenues.

7. *Library / Community Facilities*

Per the 2011 EPS report, the Project is anticipated to include certain community facility expenses to be supported by the General Fund and/or other funds. These facilities may include: a community center, a library, and senior and youth services. It is assumed that Library expenditures will be funded by baseline transfers to the Library Preservation Fund, while Community facility expenditures will be funded by the General Fund. Operations costs and the initial cost of furnishings, fixtures, and equipment for planned facilities are based on estimates from the 2011 EPS report, adjusted for inflation. Initial capital costs are amortized over five years with a five percent interest rate, starting in FY 2021/22 (Table 23).

8. *Elections*

The factor for Elections expenditures is \$17 per resident, based on a service level of 800 voters per polling place, per the 2011 EPS study. The average cost per polling place reflects the EPS estimate, adjusted for inflation (Tables 16, 17).

9. *Assessor-Recorder*

The Project will require one full-time equivalent position in the Office of the Assessor Recorder, per the 2011 EPS study. The staffing cost is derived from the 2015 Adopted Salary Ordinance (Tables 16, 17).

10. 311

The factor for 311 Call Center expenditures is \$5 per resident, based on a service level of 4.59 calls per resident, per the 2011 EPS study, and staffing costs derived from the 2015 Adopted Salary Ordinance. The expenditure factor has been reduced to reflect transfers from enterprise funds which reimburse half of the Call Center's costs, according to the CCSF FY2015/16 budget (Tables 16, 17).

11. Open Space

It is assumed that property owners will be responsible for maintaining the Project's 300 acres of open space.

12. Other General Fund Expenditures

Consistent with the 2011 study, the Project is assumed to have no impact on remaining General Fund program areas, including: Culture and Recreation, Human Welfare and Neighborhood Development, Economic Development and other General Administration programs (Table 16).

D. Summary of Fiscal Impacts to Baseline Funds

Under current City policies, approximately 20% of aggregate discretionary revenues (ADR) are transferred from the General Fund to the MTA, Library Preservation and Children's Services Funds, as detailed on Exhibit 15. The Project is anticipated generate additional General Fund discretionary revenues to be transferred to the foregoing funds, as well as additional costs to the funds to provide enhanced services on the Islands.

Exhibit 15 – General Fund Set-Asides		
Fund	Set-aside %	
MTA*	9.19%	of ADR
Library Preservation	2.29%	of ADR
Children's Services	8.76%	of ADR

* Baseline transfer only. Proposition B population adjustment still calculated as expense. ADR = Aggregate General Fund Discretionary Revenues

The sum of operating revenues and General Fund transfers to be generated by the Project to the MTA and Library Preservation Funds are anticipated to exceed the estimated cost of providing enhanced services in all fiscal years and result in a cumulative surplus. The cumulative surplus is anticipated to total \$201 million (2016\$) through FY2067/68 (Exhibit 16). Per Exhibit 17, the annual surplus upon stabilization in FY 2035/36 is anticipated to be \$3.8 million (2016\$). While

corresponding service costs have not been estimated, General Fund transfers to the Children's Services Fund are anticipated to total \$96.7 million through FY2067/68 (Exhibit 18).

Exhibit 16 – Cumulative Fiscal Impact on MTA and Library Preservation Funds						
FY2015-16 to FY2067/68	Fund Revenues		Fund Expense		Net Fund Impact	
	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions
MTA	\$252.5	\$655.7	(\$66.2)	(\$195.9)	\$186.3	\$459.8
Library Preservation	<u>\$25.2</u>	<u>\$62.9</u>	<u>(\$10.6)</u>	<u>(\$26.9)</u>	<u>\$14.6</u>	<u>\$36.0</u>
Net Surplus	\$277.8	\$718.6	(\$76.8)	(\$222.8)	\$201.0	\$495.8

Exhibit 17 – Annual Fiscal Impact on MTA and Library Preservation Funds: Stabilized Year FY2035/36						
FY2015-16	Fund Revenues		Fund Expense		Net Fund Impact	
	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions	\$2016 millions	\$nominal millions
MTA	\$5.8	\$10.5	(\$2.4)	(\$4.4)	\$3.4	\$6.1
Library Preservation	<u>\$0.6</u>	<u>\$1.0</u>	<u>(\$0.2)</u>	<u>(\$0.4)</u>	<u>\$0.4</u>	<u>\$0.6</u>
Net Surplus	\$6.4	\$11.6	(\$2.7)	(\$4.8)	\$3.8	\$6.8

Exhibit 18 – Fiscal Revenues to Children's Services Fund				
Children's Services Fund Revenues	Cumulative FY 2015/16 - FY 2067/68		Stabilized Year FY 2035/36	
	\$2016 millions	\$nominal	\$2016 millions	\$nominal
Total General Fund Transfers	\$96.7	\$240.8	\$2.2	\$4.0

1. Net Impact On MTA Fund

The Project's total net impact on MTA consists of: (1) the base share of General Fund revenues generated by the Project to be transferred to MTA; (2) the increase in the citywide base transfer amount attributable to growth in the Project's service population (per Proposition B); and (3) the net service cost to MTA to provide enhanced service to Treasure Island. While the San Francisco Charter provides for a supplementary transfer to MTA to fund changes in service levels, no such transfer is included in the subject analysis, based on the finding that baseline transfers to the MTA are anticipated to exceed the marginal service costs in all fiscal years.

The estimate of net service costs is based on the "Enhanced Level of Service scenario" analyzed in the 2011 EPS fiscal report and the Transportation Implementation Plan (2011), which includes the implementation of the proposed Civic Center line. The scenario reflects eight phases reaching total annual ridership of approximately 3 million and 10 buses in service upon buildout, representing an increase of approximately 2.5 million annual passengers and 6 buses over the

current condition. The following MTA revenue and expenditure inputs are used to estimate net service costs of enhanced transit service, as shown on Tables 21A through 22B:

MTA Expenditures

- *Operating costs:* Operating costs for the eight phases of the Transportation Plan are based on the 2011 EPS study and adjusted for inflation (Table 22-A).
- *Other MTA costs:* According to the 2011 EPS report, other MTA costs will include annual maintenance of stop signs, signals and bike lines. The cost of these services upon buildout is based upon the EPS study and adjusted for inflation. The buildout cost is phased in over the development period based on annual growth in the service population (Table 22-B).
- *Capital costs*
 - *Vehicles:* The cost per articulated bus is extrapolated from MTA's 2014 procurement contract with New Flyer of America Inc. to purchase 61 articulated low floor buses, including an allowance for tax, warranty, and consultant support. Per the 2011 EPS report, 20% of new vehicle costs are assumed to be covered by the Project Developer; the remaining costs are amortized over a 14-year period with a 5% interest rate (Tables 21-B, 22-B).
 - *Bus Facility:* The cost of storage and maintenance space for new buses is assumed to be approximately \$768,000 per vehicle. The facility cost per bus is extrapolated from the capital cost of the Islais Motor Creek Facility, which is capable of storing 165 motor coaches. Phase I of the \$126 million project containing the bus yard was completed in 2013, while construction of Phase II's operations and maintenance facility is currently underway. Facility costs are amortized over a 30-year period with a 5% interest rate, consistent with the 2011 EPS report (Tables 21-B, 22-B).

MTA Revenues (in addition to baseline transfers)

- *Farebox revenue:* MTA is assumed to generate farebox revenue of \$0.86 per passenger trip. Revenue per trip is extrapolated from fare revenues reported in the FY 2015-2016 MTA Operating Budget and monthly MTA ridership reported by the National Transit Database. Cable cars have been excluded from the estimate (Table 22-B).
- *Advertising:* Net advertising revenue is assumed to be \$3,500 per vehicle. The estimate is derived from total advertising revenue budgeted for FY 2015-2016 and the average number of MTA vehicles operating at peak demand reported by the National Transit Database. Per the 2011 EPS report, gross revenues are reduced by 50% to account for administrative expenses (Table 22-B).
- *Proposition K sales tax:* MTA receives a portion of the half-cent local sales tax for transportation capital projects approved by voters in 2003. Consistent with the prior EPS report, Proposition K sales tax revenues are estimated based on taxable sales generated by the project and the share of Proposition K revenues available for transit system

maintenance and renovation. According to the Proposition K expenditure plan, 37% of Proposition K tax revenues are allocated for these purposes (Table 22-B).

- *State sales tax (AB 1107):* Taxable sales from the Project will generate AB 1107 sales tax revenue. AB 1107 is a half-cent sales tax which provides funding support to BART, MTA and AC Transit. AB 1107 sales tax revenues are estimated according to taxable sales generated by the Project and MUNI's share of the tax. Pursuant to MTC policy, MTA receives 12.5% of AB 1107 tax revenues (Table 22-B).
- *State Transit Assistance:* Under the State Transit Assistance (STA) program, MTA receives a portion of state gasoline tax revenues, which are allocated based on population and total local revenues spent on transit. The estimate of marginal STA revenues generated by the Project is based on average STA revenues per resident, as derived from MTA's FY 15/16 Adopted Budget and current demographics for San Francisco (Table 22-B).
- *Transportation Development Act sales tax:* Under the Transportation Development Act (TDA) of 1971, MTA receives one-quarter percent of the state sales tax for sales occurring within the City and County of San Francisco. TDA tax revenues are estimated based on the Project's taxable sales and the TDA portion of the state tax rate (Table 22-B).

2. Net Impact on the Library Preservation Fund

The Project's impact on the Library Preservation Fund consists of: (1) the base share of General Fund revenues generated by the Project to be transferred to MTA, and (2) the net service cost to Library to operate a reading room planned for Treasure Island. Operations costs and the initial cost of furnishings, fixtures, and equipment for the planned library facility on Treasure Island are based on estimates from the 2011 EPS report, adjusted for inflation. Initial capital costs are amortized over five years with a five percent interest rate, starting in FY 2021/22 (Table 23).

3. Children's Services Fund Revenues

The analysis has not evaluated costs to the Children's Services Fund to service the project. The estimate of total revenues to be transferred from the General Fund to the Children's Services Fund can be found on Exhibit 18 and Table 2-C in the Appendix.

E. Aggregate Net Fiscal Impacts to City and County of San Francisco

The Project's aggregate impact on the General Fund, MTA Fund and Library Preservation Fund is anticipated to be significantly positive both on a cumulative basis and on an annual basis both preceding and following full build-out. Per Exhibits 19 and 20, the cumulative surplus through FY2067/68 is projected to be \$529.6 million (2016\$). The aggregate annual surplus to all funds upon stabilization is \$10.5 million (2016\$). The net surplus does not include additional restricted revenues to be generated by the Project to the Children's Services Fund (Exhibit 18).

Exhibit 19 – Summary of Aggregate Fiscal Impact on General Fund, MTA Fund and Library Preservation Fund

All Funds Impact - \$2016 millions	Cumulative FY 2015/16 - FY 2067/68		Stabilized Year FY 2035/36	
	\$2016 millions		\$nominal	\$2016 millions
City and County				
Aggregate Revenues	\$1,259.0	\$3,145.3	\$28.3	\$51.1
Aggregate Expenditures	(\$729.4)	(\$1,961.3)	(\$17.8)	(\$32.1)
Total Net Impact - City and County	\$529.6	\$1,184.0	\$10.5	\$19.0
Net Impact - General Fund	\$328.7	\$688.2	\$6.8	\$12.2
Net Impact - Baseline Funds	\$201.0	\$495.8	\$3.8	\$6.8

Exhibit 20 – Cumulative Fiscal Impact on All Funds (\$2016 millions)

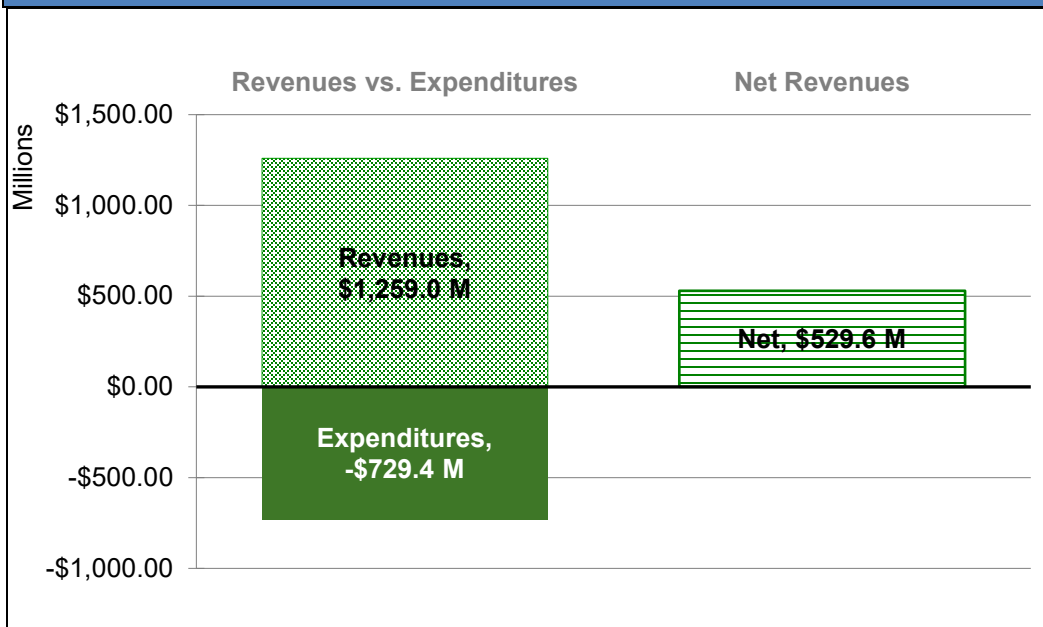


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Appendix Table A - 4	Household Size Assumptions

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	Fiscal Year July 1-June 30 2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
		3% discount	3% discount									
A. GENERAL FUND IMPACT²												
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	0	0	0	31,000	330,000	1,017,000	4,437,000	5,918,000	9,069,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	0	0	0	39,000	382,000	774,000	1,599,000	2,460,000	6,257,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	0	0	0	-8,000	-52,000	243,000	2,838,000	3,458,000	2,812,000
Construction-Related Revenue	142,272,000	110,175,000	0	375,000	1,894,000	4,412,000	5,959,000	7,454,000	10,773,000	9,299,000	10,045,000	13,295,000
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	375,000	1,894,000	4,412,000	5,951,000	7,402,000	11,016,000	12,137,000	13,503,000	16,107,000
				<i>Cumulative</i>	<i>2,269,000</i>	<i>6,681,000</i>	<i>12,632,000</i>	<i>20,034,000</i>	<i>31,050,000</i>	<i>43,187,000</i>	<i>56,690,000</i>	<i>72,797,000</i>
B. IMPACT ON OTHER FUNDS												
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	71,000	288,000	645,000	946,000	1,453,000	2,027,000	2,816,000	3,954,000	5,047,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	8,000	40,000	95,000	128,000	165,000	262,000	203,000	129,000	162,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	79,000	328,000	740,000	1,074,000	1,618,000	2,289,000	3,019,000	4,083,000	5,209,000
				<i>Cumulative</i>	<i>407,000</i>	<i>1,147,000</i>	<i>2,221,000</i>	<i>3,839,000</i>	<i>6,128,000</i>	<i>9,147,000</i>	<i>13,230,000</i>	<i>18,439,000</i>
C. TOTAL CITYWIDE IMPACT												
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	375,000	1,894,000	4,412,000	5,951,000	7,402,000	11,016,000	12,137,000	13,503,000	16,107,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	79,000	328,000	740,000	1,074,000	1,618,000	2,289,000	3,019,000	4,083,000	5,209,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	454,000	2,222,000	5,152,000	7,025,000	9,020,000	13,305,000	15,156,000	17,586,000	21,316,000
				<i>Cumulative</i>	<i>2,676,000</i>	<i>7,828,000</i>	<i>14,853,000</i>	<i>23,873,000</i>	<i>37,178,000</i>	<i>52,334,000</i>	<i>69,920,000</i>	<i>91,236,000</i>
D. OTHER RESTRICTED REVENUE												
Children's Services Fund	240,797,000	96,688,000	2,210,000	29,000	155,000	363,000	489,000	633,000	1,003,000	1,236,000	1,423,000	2,044,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	0	0	0	4,000	23,000	59,000	116,000	173,000	226,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	0	0	0	1,000	4,000	10,000	20,000	30,000	39,000

Notes¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
 FISCAL IMPACT ANALYSIS
 TREASURE ISLAND REDEVELOPMENT
 CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
		3% discount	3% discount									
A. GENERAL FUND IMPACT²												
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	11,701,000	13,893,000	16,723,000	20,870,000	23,763,000	28,477,000	31,207,000	33,697,000	35,829,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	10,991,000	13,125,000	14,889,000	17,108,000	19,560,000	21,651,000	23,310,000	24,274,000	25,002,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	710,000	768,000	1,834,000	3,762,000	4,203,000	6,826,000	7,897,000	9,423,000	10,827,000
Construction-Related Revenue	142,272,000	110,175,000	0	14,056,000	12,606,000	14,292,000	12,357,000	9,970,000	7,525,000	6,120,000	1,840,000	0
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	14,766,000	13,374,000	16,126,000	16,119,000	14,173,000	14,351,000	14,017,000	11,263,000	10,827,000
				87,563,000	100,937,000	117,063,000	133,182,000	147,355,000	161,706,000	175,723,000	186,986,000	197,813,000
B. IMPACT ON OTHER FUNDS												
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	4,248,000	6,819,000	8,176,000	9,654,000	10,788,000	5,607,000	6,129,000	5,354,000	5,499,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	236,000	253,000	362,000	503,000	518,000	574,000	610,000	569,000	575,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	4,484,000	7,072,000	8,538,000	10,157,000	11,306,000	6,181,000	6,739,000	5,923,000	6,074,000
				22,923,000	29,995,000	38,533,000	48,690,000	59,996,000	66,177,000	72,916,000	78,839,000	84,913,000
C. TOTAL CITYWIDE IMPACT												
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	14,766,000	13,374,000	16,126,000	16,119,000	14,173,000	14,351,000	14,017,000	11,263,000	10,827,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	4,484,000	7,072,000	8,538,000	10,157,000	11,306,000	6,181,000	6,739,000	5,923,000	6,074,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	19,250,000	20,446,000	24,664,000	26,276,000	25,479,000	20,532,000	20,756,000	17,186,000	16,901,000
				110,486,000	130,932,000	155,596,000	181,872,000	207,351,000	227,883,000	248,639,000	265,825,000	282,726,000
D. OTHER RESTRICTED REVENUE												
Children's Services Fund	240,797,000	96,688,000	2,210,000	2,366,000	2,466,000	2,915,000	3,143,000	3,239,000	3,490,000	3,665,000	3,552,000	3,615,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	303,000	389,000	466,000	544,000	635,000	713,000	787,000	825,000	850,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	52,000	67,000	80,000	93,000	109,000	122,000	135,000	142,000	146,000

Notes

¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
		3% discount	3% discount									
A. GENERAL FUND IMPACT²												
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	37,553,000	38,525,000	39,518,000	40,543,000	41,596,000	42,680,000	43,788,000	44,927,000	46,092,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	25,751,000	26,524,000	27,320,000	28,140,000	28,984,000	29,854,000	30,750,000	31,672,000	32,621,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	11,802,000	12,001,000	12,198,000	12,403,000	12,612,000	12,826,000	13,038,000	13,255,000	13,471,000
Construction-Related Revenue	142,272,000	110,175,000	0	0	0	0	0	0	0	0	0	0
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	11,802,000	12,001,000	12,198,000	12,403,000	12,612,000	12,826,000	13,038,000	13,255,000	13,471,000
				209,615,000	221,616,000	233,814,000	246,217,000	258,829,000	271,655,000	284,693,000	297,948,000	311,419,000
B. IMPACT ON OTHER FUNDS												
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	5,771,000	5,957,000	6,148,000	6,345,000	6,545,000	7,439,000	7,654,000	7,873,000	8,100,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	611,000	625,000	639,000	654,000	669,000	684,000	700,000	715,000	732,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	6,382,000	6,582,000	6,787,000	6,999,000	7,214,000	8,123,000	8,354,000	8,588,000	8,832,000
				91,295,000	97,877,000	104,664,000	111,663,000	118,877,000	127,000,000	135,354,000	143,942,000	152,774,000
C. TOTAL CITYWIDE IMPACT												
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	11,802,000	12,001,000	12,198,000	12,403,000	12,612,000	12,826,000	13,038,000	13,255,000	13,471,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	6,382,000	6,582,000	6,787,000	6,999,000	7,214,000	8,123,000	8,354,000	8,588,000	8,832,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	18,184,000	18,583,000	18,985,000	19,402,000	19,826,000	20,949,000	21,392,000	21,843,000	22,303,000
				300,910,000	319,493,000	338,478,000	357,880,000	377,706,000	398,655,000	420,047,000	441,890,000	464,193,000
D. OTHER RESTRICTED REVENUE												
Children's Services Fund	240,797,000	96,688,000	2,210,000	3,795,000	3,892,000	3,991,000	4,093,000	4,198,000	4,306,000	4,416,000	4,529,000	4,645,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	876,000	902,000	929,000	957,000	986,000	1,015,000	1,046,000	1,077,000	1,109,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	150,000	155,000	160,000	164,000	169,000	174,000	180,000	185,000	191,000

Notes¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
 FISCAL IMPACT ANALYSIS
 TREASURE ISLAND REDEVELOPMENT
 CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
		3% discount	3% discount									
A. GENERAL FUND IMPACT²												
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	47,293,000	48,529,000	49,798,000	51,097,000	52,434,000	53,806,000	55,216,000	56,663,000	58,150,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	33,602,000	34,608,000	35,648,000	36,716,000	37,818,000	38,954,000	40,121,000	41,325,000	42,567,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	13,691,000	13,921,000	14,150,000	14,381,000	14,616,000	14,852,000	15,095,000	15,338,000	15,583,000
Construction-Related Revenue	142,272,000	110,175,000	0	0	0	0	0	0	0	0	0	0
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	13,691,000	13,921,000	14,150,000	14,381,000	14,616,000	14,852,000	15,095,000	15,338,000	15,583,000
				325,110,000	339,031,000	353,181,000	367,562,000	382,178,000	397,030,000	412,125,000	427,463,000	443,046,000
B. IMPACT ON OTHER FUNDS												
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	8,331,000	8,729,000	8,972,000	9,225,000	9,487,000	9,751,000	10,028,000	10,306,000	10,598,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	749,000	766,000	784,000	801,000	820,000	839,000	858,000	878,000	898,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	9,080,000	9,495,000	9,756,000	10,026,000	10,307,000	10,590,000	10,886,000	11,184,000	11,496,000
				161,854,000	171,349,000	181,105,000	191,131,000	201,438,000	212,028,000	222,914,000	234,098,000	245,594,000
C. TOTAL CITYWIDE IMPACT												
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	13,691,000	13,921,000	14,150,000	14,381,000	14,616,000	14,852,000	15,095,000	15,338,000	15,583,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	9,080,000	9,495,000	9,756,000	10,026,000	10,307,000	10,590,000	10,886,000	11,184,000	11,496,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	22,771,000	23,416,000	23,906,000	24,407,000	24,923,000	25,442,000	25,981,000	26,522,000	27,079,000
				486,964,000	510,380,000	534,286,000	558,693,000	583,616,000	609,058,000	635,039,000	661,561,000	688,640,000
D. OTHER RESTRICTED REVENUE												
Children's Services Fund	240,797,000	96,688,000	2,210,000	4,765,000	4,888,000	5,013,000	5,143,000	5,275,000	5,412,000	5,552,000	5,695,000	5,842,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	1,143,000	1,177,000	1,212,000	1,249,000	1,286,000	1,325,000	1,364,000	1,405,000	1,447,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	196,000	202,000	208,000	215,000	221,000	228,000	234,000	241,000	249,000

Notes

¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60
		3% discount	3% discount									
A. GENERAL FUND IMPACT²												
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	59,676,000	61,247,000	62,858,000	64,515,000	66,216,000	67,961,000	69,759,000	71,600,000	72,578,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	43,841,000	45,158,000	46,512,000	47,905,000	49,345,000	50,824,000	52,348,000	53,921,000	55,538,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	15,835,000	16,089,000	16,346,000	16,610,000	16,871,000	17,137,000	17,411,000	17,679,000	17,040,000
Construction-Related Revenue	142,272,000	110,175,000	0	0	0	0	0	0	0	0	0	0
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	15,835,000	16,089,000	16,346,000	16,610,000	16,871,000	17,137,000	17,411,000	17,679,000	17,040,000
				458,881,000	474,970,000	491,316,000	507,926,000	524,797,000	541,934,000	559,345,000	577,024,000	594,064,000
B. IMPACT ON OTHER FUNDS												
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	10,897,000	11,204,000	11,520,000	12,310,000	12,643,000	12,985,000	13,339,000	13,704,000	13,969,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	919,000	939,000	961,000	984,000	1,007,000	1,030,000	1,053,000	1,078,000	1,077,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	11,816,000	12,143,000	12,481,000	13,294,000	13,650,000	14,015,000	14,392,000	14,782,000	15,046,000
				257,410,000	269,553,000	282,034,000	295,328,000	308,978,000	322,993,000	337,385,000	352,167,000	367,213,000
C. TOTAL CITYWIDE IMPACT												
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	15,835,000	16,089,000	16,346,000	16,610,000	16,871,000	17,137,000	17,411,000	17,679,000	17,040,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	11,816,000	12,143,000	12,481,000	13,294,000	13,650,000	14,015,000	14,392,000	14,782,000	15,046,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	27,651,000	28,232,000	28,827,000	29,904,000	30,521,000	31,152,000	31,803,000	32,461,000	32,086,000
				716,291,000	744,523,000	773,350,000	803,254,000	833,775,000	864,927,000	896,730,000	929,191,000	961,277,000
D. OTHER RESTRICTED REVENUE												
Children's Services Fund	240,797,000	96,688,000	2,210,000	5,994,000	6,150,000	6,309,000	6,473,000	6,642,000	6,815,000	6,992,000	7,175,000	7,262,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	1,491,000	1,536,000	1,582,000	1,629,000	1,678,000	1,728,000	1,780,000	1,834,000	1,889,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	256,000	264,000	272,000	280,000	288,000	297,000	306,000	315,000	324,000

Notes¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 1

NET FISCAL IMPACT ON ALL FUNDS¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
		3% discount	3% discount								
A. GENERAL FUND IMPACT²											
Recurring General Fund Revenue	2,284,390,000	871,062,000	21,880,000	72,249,000	73,322,000	74,511,000	74,238,000	75,491,000	75,568,000	77,647,000	79,784,000
Recurring General Fund Expense	1,738,460,000	652,551,000	15,126,000	57,202,000	58,918,000	60,686,000	62,508,000	64,384,000	66,317,000	68,304,000	70,353,000
Net Recurring Revenue (Expense)	545,930,000	218,510,000	6,754,000	15,047,000	14,404,000	13,825,000	11,730,000	11,107,000	9,251,000	9,343,000	9,431,000
Construction-Related Revenue	142,272,000	110,175,000	0	0	0	0	0	0	0	0	0
TOTAL NET GENERAL FUND REVENUE (EXPENSE)	688,202,000	328,686,000	6,754,000	15,047,000	14,404,000	13,825,000	11,730,000	11,107,000	9,251,000	9,343,000	9,431,000
				609,111,000	623,515,000	637,340,000	649,070,000	660,177,000	669,428,000	678,771,000	688,202,000
B. IMPACT ON OTHER FUNDS											
Net MTA Revenue (Expense)	459,829,000	186,321,000	3,404,000	14,093,000	14,380,000	14,685,000	14,827,000	15,152,000	15,346,000	15,778,000	16,217,000
Net Library Revenue (Expense)	35,954,000	14,639,000	354,000	1,038,000	1,038,000	1,040,000	999,000	1,001,000	969,000	991,000	1,016,000
TOTAL NET REVENUE (EXPENSE) TO OTHER CCSF FUNDS	495,783,000	200,960,000	3,758,000	15,131,000	15,418,000	15,725,000	15,826,000	16,153,000	16,315,000	16,769,000	17,233,000
				382,344,000	397,762,000	413,487,000	429,313,000	445,466,000	461,781,000	478,550,000	495,783,000
C. TOTAL CITYWIDE IMPACT											
General Fund Revenue/(Expense)	688,202,000	328,686,000	6,754,000	15,047,000	14,404,000	13,825,000	11,730,000	11,107,000	9,251,000	9,343,000	9,431,000
Other Funds Revenue (Expense)	495,783,000	200,960,000	3,758,000	15,131,000	15,418,000	15,725,000	15,826,000	16,153,000	16,315,000	16,769,000	17,233,000
TOTAL NET REVENUE (EXPENSE) TO ALL CCSF FUNDS	1,183,985,000	529,646,000	10,512,000	30,178,000	29,822,000	29,550,000	27,556,000	27,260,000	25,566,000	26,112,000	26,664,000
				991,455,000	1,021,277,000	1,050,827,000	1,078,383,000	1,105,643,000	1,131,209,000	1,157,321,000	1,183,985,000
D. OTHER RESTRICTED REVENUE											
Children's Services Fund	240,797,000	96,688,000	2,210,000	7,204,000	7,300,000	7,408,000	7,355,000	7,469,000	7,453,000	7,656,000	7,864,000
Licenses, Permits and Fees	59,063,000	59,063,000	514,000	1,945,000	2,004,000	2,064,000	2,126,000	2,189,000	2,255,000	2,323,000	2,392,000
Fines, Forfeitures and Penalties	10,145,000	10,145,000	89,000	334,000	344,000	355,000	365,000	376,000	387,000	399,000	411,000

Notes¹ See Tables 2-A through 2-C for detail.² Excludes 56.588206% of base property tax levy, which is dedicated to funding infrastructure and affordable housing.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	Fiscal Year: July 1 - June 30								
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
		3% discount	3% discount									
A. RECURRING GENERAL FUND IMPACTS												
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹												
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	0	0	0	0	50,000	156,000	313,000	603,000	1,044,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	0	0	0	0	67,000	209,000	418,000	806,000	1,397,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	0	0	0	0	42,000	234,000	530,000	889,000	1,220,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	0	0	0	14,000	77,000	185,000	384,000	542,000	729,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	0	0	0	4,000	22,000	54,000	111,000	161,000	211,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	0	0	0	3,000	20,000	50,000	102,000	149,000	195,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	0	0	0	0	0	1,000	2,000	2,000	3,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	0	0	0	1,000	4,000	7,000	22,000	27,000	34,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	0	0	0	0	0	5,000	112,000	132,000	182,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	0	0	0	0	0	0	12,000	12,000	14,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	0	0	0	0	0	0	2,190,000	2,256,000	3,583,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	0	0	0	22,000	282,000	901,000	4,196,000	5,579,000	8,612,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	0	0	0	9,000	48,000	116,000	241,000	339,000	457,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	0	0	0	31,000	330,000	1,017,000	4,437,000	5,918,000	9,069,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³												
Elections	\$32,234,000	\$12,101,000	\$281,000	0	0	0	2,000	13,000	32,000	63,000	94,000	124,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	0	0	0	0	150,000	155,000	160,000	164,000	169,000
311	\$9,502,000	\$3,568,000	\$82,000	0	0	0	1,000	4,000	9,000	19,000	28,000	36,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	0	0	0	0	0	0	0	0	0
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	0	0	0	0	0	0	0	0	2,970,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	0	0	0	3,000	19,000	49,000	96,000	143,000	188,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	0	0	0	7,000	44,000	112,000	221,000	329,000	431,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	0	0	0	0	0	42,000	69,000	168,000	239,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	0	0	0	0	0	0	205,000	418,000	641,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	0	0	0	26,000	152,000	375,000	766,000	1,116,000	1,459,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	0	0	0	39,000	382,000	774,000	1,599,000	2,460,000	6,257,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	0	0	0	(8,000)	(52,000)	243,000	2,838,000	3,458,000	2,812,000
				<i>Cumulative</i>	<i>0</i>	<i>0</i>	<i>(8,000)</i>	<i>(60,000)</i>	<i>183,000</i>	<i>3,021,000</i>	<i>6,479,000</i>	<i>9,291,000</i>
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	375,000	1,894,000	4,412,000	5,959,000	7,454,000	10,773,000	9,299,000	10,045,000	13,295,000
				<i>Cumulative</i>	<i>2,269,000</i>	<i>6,681,000</i>	<i>12,640,000</i>	<i>20,094,000</i>	<i>30,867,000</i>	<i>40,166,000</i>	<i>50,211,000</i>	<i>63,506,000</i>
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	375,000	1,894,000	4,412,000	5,951,000	7,402,000	11,016,000	12,137,000	13,503,000	16,107,000
				<i>Cumulative</i>	<i>2,269,000</i>	<i>6,681,000</i>	<i>12,632,000</i>	<i>20,034,000</i>	<i>31,050,000</i>	<i>43,187,000</i>	<i>56,690,000</i>	<i>72,797,000</i>
D. OTHER RESTRICTED GENERAL FUND REVENUES¹												
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	0	0	0	4,000	23,000	59,000	116,000	173,000	226,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	0	0	0	1,000	4,000	10,000	20,000	30,000	39,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-2033
		3% discount	3% discount									
A. RECURRING GENERAL FUND IMPACTS												
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹												
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	1,460,000	1,891,000	2,590,000	3,145,000	3,804,000	4,417,000	4,991,000	5,554,000	6,134,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	1,952,000	2,529,000	3,464,000	4,207,000	5,088,000	5,908,000	6,675,000	7,428,000	8,204,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	1,677,000	2,245,000	2,857,000	3,479,000	4,109,000	4,750,000	5,425,000	6,089,000	6,422,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	1,235,000	1,441,000	1,636,000	2,529,000	2,773,000	4,064,000	4,319,000	4,487,000	4,622,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	291,000	368,000	436,000	533,000	615,000	710,000	778,000	814,000	839,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	270,000	341,000	404,000	494,000	570,000	658,000	722,000	755,000	778,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	6,000	6,000	7,000	13,000	13,000	18,000	19,000	20,000	21,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	64,000	69,000	76,000	135,000	143,000	199,000	209,000	215,000	223,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	261,000	278,000	290,000	674,000	712,000	867,000	893,000	920,000	948,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	22,000	22,000	23,000	44,000	45,000	61,000	63,000	65,000	67,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	3,689,000	3,800,000	3,914,000	4,032,000	4,153,000	4,277,000	4,406,000	4,537,000	4,674,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	10,927,000	12,990,000	15,697,000	19,285,000	22,025,000	25,929,000	28,500,000	30,884,000	32,932,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	774,000	903,000	1,026,000	1,585,000	1,738,000	2,548,000	2,707,000	2,813,000	2,897,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	11,701,000	13,893,000	16,723,000	20,870,000	23,763,000	28,477,000	31,207,000	33,697,000	35,829,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³												
Elections	\$32,234,000	\$12,101,000	\$281,000	165,000	212,000	254,000	297,000	347,000	389,000	430,000	450,000	464,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	174,000	180,000	185,000	191,000	196,000	202,000	208,000	214,000	221,000
311	\$9,502,000	\$3,568,000	\$82,000	49,000	63,000	75,000	88,000	102,000	115,000	127,000	133,000	137,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	708,000	1,479,000	2,165,000	3,154,000	3,981,000	4,944,000	5,614,000	5,923,000	6,101,000
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	6,119,000	6,303,000	6,492,000	6,687,000	6,887,000	7,094,000	7,307,000	7,526,000	7,752,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	251,000	322,000	387,000	451,000	527,000	591,000	653,000	685,000	705,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	577,000	741,000	888,000	1,037,000	1,211,000	1,358,000	1,501,000	1,573,000	1,620,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	279,000	611,000	736,000	977,000	1,497,000	1,473,000	1,494,000	1,527,000	1,572,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	655,000	670,000	685,000	536,000	552,000	569,000	586,000	603,000	621,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	2,014,000	2,544,000	3,022,000	3,690,000	4,260,000	4,916,000	5,390,000	5,640,000	5,809,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	10,991,000	13,125,000	14,889,000	17,108,000	19,560,000	21,651,000	23,310,000	24,274,000	25,002,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	710,000 <i>10,001,000</i>	768,000 <i>10,769,000</i>	1,834,000 <i>12,603,000</i>	3,762,000 <i>16,365,000</i>	4,203,000 <i>20,568,000</i>	6,826,000 <i>27,394,000</i>	7,897,000 <i>35,291,000</i>	9,423,000 <i>44,714,000</i>	10,827,000 <i>55,541,000</i>
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	14,056,000 <i>77,562,000</i>	12,606,000 <i>90,168,000</i>	14,292,000 <i>104,460,000</i>	12,357,000 <i>116,817,000</i>	9,970,000 <i>126,787,000</i>	7,525,000 <i>134,312,000</i>	6,120,000 <i>140,432,000</i>	1,840,000 <i>142,272,000</i>	0 <i>142,272,000</i>
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	14,766,000 <i>87,563,000</i>	13,374,000 <i>100,937,000</i>	16,126,000 <i>117,063,000</i>	16,119,000 <i>133,182,000</i>	14,173,000 <i>147,355,000</i>	14,351,000 <i>161,706,000</i>	14,017,000 <i>175,723,000</i>	11,263,000 <i>186,986,000</i>	10,827,000 <i>197,813,000</i>
D. OTHER RESTRICTED GENERAL FUND REVENUES¹												
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	303,000	389,000	466,000	544,000	635,000	713,000	787,000	825,000	850,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	52,000	67,000	80,000	93,000	109,000	122,000	135,000	142,000	146,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
		3% discount	3% discount									
A. RECURRING GENERAL FUND IMPACTS												
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹												
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	6,596,000	6,729,000	6,863,000	7,000,000	7,140,000	7,283,000	7,429,000	7,578,000	7,729,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	8,823,000	9,000,000	9,179,000	9,363,000	9,550,000	9,742,000	9,936,000	10,135,000	10,337,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	6,614,000	6,811,000	7,014,000	7,224,000	7,440,000	7,662,000	7,891,000	8,126,000	8,370,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	4,762,000	4,904,000	5,050,000	5,202,000	5,358,000	5,519,000	5,685,000	5,856,000	6,031,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	864,000	890,000	916,000	944,000	972,000	1,002,000	1,031,000	1,062,000	1,094,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	801,000	825,000	849,000	875,000	901,000	928,000	956,000	985,000	1,015,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	21,000	22,000	22,000	23,000	24,000	25,000	26,000	26,000	26,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	229,000	236,000	242,000	250,000	258,000	266,000	274,000	282,000	290,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	976,000	1,006,000	1,036,000	1,066,000	1,099,000	1,132,000	1,166,000	1,200,000	1,236,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	69,000	71,000	73,000	75,000	77,000	80,000	82,000	85,000	87,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	4,814,000	4,958,000	5,108,000	5,260,000	5,418,000	5,581,000	5,748,000	5,921,000	6,097,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	34,569,000	35,452,000	36,352,000	37,282,000	38,237,000	39,220,000	40,224,000	41,256,000	42,312,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	2,984,000	3,073,000	3,166,000	3,261,000	3,359,000	3,460,000	3,564,000	3,671,000	3,780,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	37,553,000	38,525,000	39,518,000	40,543,000	41,596,000	42,680,000	43,788,000	44,927,000	46,092,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³												
Elections	\$32,234,000	\$12,101,000	\$281,000	478,000	492,000	507,000	522,000	538,000	554,000	571,000	588,000	605,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	227,000	234,000	241,000	249,000	256,000	264,000	272,000	280,000	288,000
311	\$9,502,000	\$3,568,000	\$82,000	141,000	145,000	149,000	154,000	159,000	163,000	168,000	173,000	178,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	6,284,000	6,472,000	6,666,000	6,866,000	7,073,000	7,285,000	7,503,000	7,728,000	7,960,000
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	7,984,000	8,224,000	8,470,000	8,724,000	8,986,000	9,256,000	9,533,000	9,819,000	10,114,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	726,000	748,000	771,000	794,000	817,000	842,000	867,000	893,000	920,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	1,669,000	1,719,000	1,771,000	1,824,000	1,878,000	1,935,000	1,993,000	2,053,000	2,114,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	1,619,000	1,668,000	1,718,000	1,770,000	1,823,000	1,877,000	1,935,000	1,992,000	2,051,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	640,000	659,000	679,000	699,000	720,000	742,000	764,000	787,000	811,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	5,983,000	6,163,000	6,348,000	6,538,000	6,734,000	6,936,000	7,144,000	7,359,000	7,580,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	25,751,000	26,524,000	27,320,000	28,140,000	28,984,000	29,854,000	30,750,000	31,672,000	32,621,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	11,802,000	12,001,000	12,198,000	12,403,000	12,612,000	12,826,000	13,038,000	13,255,000	13,471,000
	67,343,000	79,344,000	91,542,000	103,945,000	116,557,000	129,383,000	142,421,000	155,676,000	169,147,000			
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	0	0	0	0	0	0	0	0	0
	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	11,802,000	12,001,000	12,198,000	12,403,000	12,612,000	12,826,000	13,038,000	13,255,000	13,471,000
	209,615,000	221,616,000	233,814,000	246,217,000	258,829,000	271,655,000	284,693,000	297,948,000	311,419,000			
D. OTHER RESTRICTED GENERAL FUND REVENUES¹												
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	876,000	902,000	929,000	957,000	986,000	1,015,000	1,046,000	1,077,000	1,109,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	150,000	155,000	160,000	164,000	169,000	174,000	180,000	185,000	191,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
		3% discount	3% discount									
A. RECURRING GENERAL FUND IMPACTS												
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹												
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	7,884,000	8,041,000	8,202,000	8,366,000	8,533,000	8,704,000	8,879,000	9,056,000	9,237,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	10,544,000	10,755,000	10,971,000	11,190,000	11,413,000	11,642,000	11,874,000	12,112,000	12,355,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	8,619,000	8,877,000	9,143,000	9,415,000	9,697,000	9,987,000	10,285,000	10,593,000	10,909,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	6,212,000	6,398,000	6,590,000	6,788,000	6,992,000	7,201,000	7,417,000	7,639,000	7,869,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	1,127,000	1,161,000	1,196,000	1,232,000	1,269,000	1,307,000	1,346,000	1,386,000	1,428,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	1,045,000	1,076,000	1,109,000	1,142,000	1,177,000	1,212,000	1,248,000	1,285,000	1,324,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	27,000	28,000	30,000	30,000	31,000	32,000	33,000	34,000	35,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	298,000	308,000	317,000	326,000	336,000	346,000	357,000	367,000	378,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	1,274,000	1,312,000	1,351,000	1,392,000	1,433,000	1,476,000	1,521,000	1,567,000	1,613,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	89,000	93,000	95,000	98,000	101,000	104,000	107,000	110,000	113,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	6,281,000	6,469,000	6,663,000	6,863,000	7,070,000	7,281,000	7,500,000	7,725,000	7,957,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	43,400,000	44,518,000	45,667,000	46,842,000	48,052,000	49,292,000	50,567,000	51,874,000	53,218,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	3,893,000	4,011,000	4,131,000	4,255,000	4,382,000	4,514,000	4,649,000	4,789,000	4,932,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	47,293,000	48,529,000	49,798,000	51,097,000	52,434,000	53,806,000	55,216,000	56,663,000	58,150,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³												
Elections	\$32,234,000	\$12,101,000	\$281,000	624,000	642,000	662,000	681,000	702,000	723,000	745,000	767,000	790,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	297,000	306,000	315,000	324,000	334,000	344,000	354,000	365,000	376,000
311	\$9,502,000	\$3,568,000	\$82,000	184,000	189,000	195,000	201,000	207,000	213,000	219,000	226,000	233,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	8,199,000	8,445,000	8,699,000	8,959,000	9,228,000	9,505,000	9,790,000	10,084,000	10,387,000
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	10,417,000	10,730,000	11,052,000	11,383,000	11,725,000	12,077,000	12,439,000	12,812,000	13,197,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	948,000	976,000	1,005,000	1,036,000	1,067,000	1,099,000	1,132,000	1,166,000	1,200,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	2,178,000	2,243,000	2,310,000	2,380,000	2,451,000	2,525,000	2,600,000	2,678,000	2,759,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	2,113,000	2,176,000	2,242,000	2,309,000	2,377,000	2,450,000	2,523,000	2,599,000	2,677,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	835,000	860,000	886,000	912,000	940,000	968,000	997,000	1,027,000	1,058,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	7,807,000	8,041,000	8,282,000	8,531,000	8,787,000	9,050,000	9,322,000	9,601,000	9,890,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	33,602,000	34,608,000	35,648,000	36,716,000	37,818,000	38,954,000	40,121,000	41,325,000	42,567,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	13,691,000	13,921,000	14,150,000	14,381,000	14,616,000	14,852,000	15,095,000	15,338,000	15,583,000
	182,838,000	196,759,000	210,909,000	225,290,000	239,906,000	254,758,000	269,853,000	285,191,000	300,774,000			
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	0	0	0	0	0	0	0	0	0
	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	13,691,000	13,921,000	14,150,000	14,381,000	14,616,000	14,852,000	15,095,000	15,338,000	15,583,000
	325,110,000	339,031,000	353,181,000	367,562,000	382,178,000	397,030,000	412,125,000	427,463,000	443,046,000			
D. OTHER RESTRICTED GENERAL FUND REVENUES¹												
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	1,143,000	1,177,000	1,212,000	1,249,000	1,286,000	1,325,000	1,364,000	1,405,000	1,447,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	196,000	202,000	208,000	215,000	221,000	228,000	234,000	241,000	249,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61
		3% discount	3% discount										
A. RECURRING GENERAL FUND IMPACTS													
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹													
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	9,422,000	9,610,000	9,802,000	9,998,000	10,199,000	10,402,000	10,610,000	10,822,000	10,125,000	8,071,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	12,602,000	12,853,000	13,111,000	13,373,000	13,640,000	13,913,000	14,192,000	14,476,000	14,764,000	15,060,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	11,235,000	11,571,000	11,918,000	12,274,000	12,640,000	13,019,000	13,408,000	13,810,000	14,222,000	14,648,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	8,105,000	8,348,000	8,599,000	8,856,000	9,122,000	9,396,000	9,678,000	9,967,000	10,267,000	10,575,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	1,471,000	1,515,000	1,560,000	1,607,000	1,656,000	1,705,000	1,756,000	1,809,000	1,863,000	1,919,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	1,363,000	1,405,000	1,446,000	1,490,000	1,535,000	1,581,000	1,628,000	1,677,000	1,727,000	1,779,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	36,000	37,000	38,000	39,000	41,000	41,000	43,000	44,000	45,000	47,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	389,000	401,000	413,000	426,000	439,000	451,000	465,000	479,000	494,000	508,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	1,661,000	1,712,000	1,763,000	1,816,000	1,870,000	1,926,000	1,985,000	2,044,000	2,105,000	2,168,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	116,000	120,000	124,000	128,000	132,000	136,000	140,000	144,000	148,000	152,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	8,195,000	8,442,000	8,694,000	8,956,000	9,224,000	9,501,000	9,787,000	10,080,000	10,382,000	10,693,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	54,595,000	56,014,000	57,468,000	58,963,000	60,498,000	62,071,000	63,692,000	65,352,000	66,142,000	65,620,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	5,081,000	5,233,000	5,390,000	5,552,000	5,718,000	5,890,000	6,067,000	6,248,000	6,436,000	6,629,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	59,676,000	61,247,000	62,858,000	64,515,000	66,216,000	67,961,000	69,759,000	71,600,000	72,578,000	72,249,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³													
Elections	\$32,234,000	\$12,101,000	\$281,000	814,000	838,000	863,000	889,000	916,000	943,000	971,000	1,001,000	1,031,000	1,062,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	387,000	399,000	411,000	423,000	436,000	449,000	462,000	476,000	491,000	505,000
311	\$9,502,000	\$3,568,000	\$82,000	240,000	247,000	254,000	262,000	270,000	278,000	286,000	295,000	304,000	313,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	10,698,000	11,019,000	11,350,000	11,689,000	12,041,000	12,402,000	12,774,000	13,157,000	13,552,000	13,958,000
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	13,592,000	14,000,000	14,420,000	14,853,000	15,298,000	15,757,000	16,230,000	16,717,000	17,218,000	17,735,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	1,237,000	1,274,000	1,312,000	1,351,000	1,392,000	1,433,000	1,476,000	1,521,000	1,566,000	1,613,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	2,841,000	2,927,000	3,014,000	3,105,000	3,198,000	3,294,000	3,393,000	3,495,000	3,599,000	3,707,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	2,757,000	2,840,000	2,925,000	3,012,000	3,103,000	3,196,000	3,292,000	3,391,000	3,493,000	3,597,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	1,089,000	1,122,000	1,156,000	1,190,000	1,226,000	1,263,000	1,301,000	1,340,000	1,380,000	1,421,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	10,186,000	10,492,000	10,807,000	11,131,000	11,465,000	11,809,000	12,163,000	12,528,000	12,904,000	13,291,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	43,841,000	45,158,000	46,512,000	47,905,000	49,345,000	50,824,000	52,348,000	53,921,000	55,538,000	57,202,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	15,835,000	16,089,000	16,346,000	16,610,000	16,871,000	17,137,000	17,411,000	17,679,000	17,040,000	15,047,000
	316,609,000	332,698,000	349,044,000	365,654,000	382,525,000	399,662,000	417,073,000	434,752,000	451,792,000	466,839,000			
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	0	0	0	0	0	0	0	0	0	0
	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	15,835,000	16,089,000	16,346,000	16,610,000	16,871,000	17,137,000	17,411,000	17,679,000	17,040,000	15,047,000
	458,881,000	474,970,000	491,316,000	507,926,000	524,797,000	541,934,000	559,345,000	577,024,000	594,064,000	609,111,000			
D. OTHER RESTRICTED GENERAL FUND REVENUES¹													
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	1,491,000	1,536,000	1,582,000	1,629,000	1,678,000	1,728,000	1,780,000	1,834,000	1,889,000	1,945,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	256,000	264,000	272,000	280,000	288,000	297,000	306,000	315,000	324,000	334,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-A

**NET GENERAL FUND IMPACT: RECURRING AND TOTAL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
		3% discount	3% discount							
A. RECURRING GENERAL FUND IMPACTS										
RECURRING GENERAL FUND REVENUE - NEW FROM PROJECT ¹										
Portion of General Fund Property Tax ²	\$305,197,000	\$125,512,000	\$3,800,000	7,369,000	6,736,000	4,586,000	3,912,000	2,004,000	2,044,000	2,084,000
Property Tax in Lieu of VLF	\$489,456,000	\$186,843,000	\$5,082,000	15,361,000	15,668,000	15,982,000	16,301,000	16,628,000	16,960,000	17,299,000
Property Transfer Tax	\$438,962,000	\$162,638,000	\$3,883,000	15,087,000	15,538,000	16,002,000	16,481,000	16,975,000	17,483,000	18,006,000
Sales and Use Tax	\$316,887,000	\$117,370,000	\$2,796,000	10,893,000	11,219,000	11,556,000	11,903,000	12,260,000	12,627,000	13,006,000
Telephone Users Tax	\$58,182,000	\$21,809,000	\$507,000	1,977,000	2,036,000	2,097,000	2,160,000	2,225,000	2,292,000	2,360,000
Access Line Tax	\$53,935,000	\$20,216,000	\$470,000	1,832,000	1,887,000	1,944,000	2,002,000	2,063,000	2,124,000	2,188,000
Water Users Tax	\$1,405,000	\$521,000	\$12,000	48,000	49,000	51,000	53,000	54,000	56,000	57,000
Gas Electric Steam Users Tax	\$15,263,000	\$5,664,000	\$134,000	523,000	539,000	555,000	572,000	589,000	607,000	625,000
Gross Receipts Tax	\$65,292,000	\$24,284,000	\$574,000	2,233,000	2,300,000	2,370,000	2,440,000	2,513,000	2,589,000	2,667,000
Business License Tax	\$4,602,000	\$1,716,000	\$40,000	157,000	162,000	167,000	171,000	177,000	182,000	187,000
Hotel Room Tax	\$336,572,000	\$130,915,000	\$2,828,000	11,014,000	11,344,000	11,684,000	12,035,000	12,396,000	12,768,000	13,152,000
Subtotal-Discretionary	\$2,085,753,000	\$797,490,000	\$20,127,000	66,494,000	67,478,000	66,994,000	68,030,000	67,884,000	69,732,000	71,631,000
Public Safety Sales Tax	\$198,637,000	\$73,572,000	\$1,753,000	6,828,000	7,033,000	7,244,000	7,461,000	7,684,000	7,915,000	8,153,000
TOTAL	\$2,284,390,000	\$871,062,000	\$21,880,000	73,322,000	74,511,000	74,238,000	75,491,000	75,568,000	77,647,000	79,784,000
RECURRING GENERAL FUND EXPENSE - NEW FROM PROJECT ³										
Elections	\$32,234,000	\$12,101,000	\$281,000	1,093,000	1,126,000	1,160,000	1,195,000	1,231,000	1,268,000	1,306,000
Assessor/Recorder	\$16,321,000	\$6,546,000	\$133,000	520,000	536,000	552,000	569,000	586,000	603,000	621,000
311	\$9,502,000	\$3,568,000	\$82,000	322,000	332,000	342,000	352,000	363,000	374,000	385,000
Police Services	\$414,006,000	\$151,573,000	\$3,691,000	14,377,000	14,808,000	15,253,000	15,710,000	16,182,000	16,667,000	17,167,000
Fire Protection	\$547,871,000	\$208,697,000	\$4,690,000	18,267,000	18,815,000	19,380,000	19,961,000	20,560,000	21,177,000	21,812,000
911 Emergency Response	\$48,985,000	\$18,389,000	\$427,000	1,662,000	1,712,000	1,763,000	1,816,000	1,870,000	1,926,000	1,984,000
Public Health	\$112,564,000	\$42,257,000	\$981,000	3,819,000	3,933,000	4,051,000	4,173,000	4,298,000	4,427,000	4,560,000
Public Works	\$108,600,000	\$40,454,000	\$951,000	3,705,000	3,816,000	3,931,000	4,049,000	4,171,000	4,295,000	4,424,000
Library/Community Facilities	\$45,431,000	\$17,924,000	\$376,000	1,464,000	1,508,000	1,553,000	1,600,000	1,648,000	1,697,000	1,748,000
SFMTA/MUNI (Prop. B)	\$402,946,000	\$151,041,000	\$3,515,000	13,689,000	14,100,000	14,523,000	14,959,000	15,408,000	15,870,000	16,346,000
TOTAL	\$1,738,460,000	\$652,551,000	\$15,126,000	58,918,000	60,686,000	62,508,000	64,384,000	66,317,000	68,304,000	70,353,000
NET RECURRING GENERAL FUND REVENUE (EXPENSE)	\$545,930,000	\$218,510,000	\$6,754,000	14,404,000 <i>481,243,000</i>	13,825,000 <i>495,068,000</i>	11,730,000 <i>506,798,000</i>	11,107,000 <i>517,905,000</i>	9,251,000 <i>527,156,000</i>	9,343,000 <i>536,499,000</i>	9,431,000 <i>545,930,000</i>
B. NET CONSTRUCTION-RELATED REVENUE (EXPENSE)⁴	\$142,272,000	\$110,175,000	\$0	0 <i>142,272,000</i>	0 <i>142,272,000</i>	0 <i>142,272,000</i>	0 <i>142,272,000</i>	0 <i>142,272,000</i>	0 <i>142,272,000</i>	0 <i>142,272,000</i>
C. TOTAL NET GENERAL FUND REVENUE (EXPENSE)	\$688,202,000	\$328,686,000	\$6,754,000	14,404,000 <i>623,515,000</i>	13,825,000 <i>637,340,000</i>	11,730,000 <i>649,070,000</i>	11,107,000 <i>660,177,000</i>	9,251,000 <i>669,428,000</i>	9,343,000 <i>678,771,000</i>	9,431,000 <i>688,202,000</i>
D. OTHER RESTRICTED GENERAL FUND REVENUES¹										
Licenses, Permits and Fees	\$59,063,000	\$22,173,000	\$514,000	2,004,000	2,064,000	2,126,000	2,189,000	2,255,000	2,323,000	2,392,000
Fines, Fofeitures and Penalties	\$10,145,000	\$3,809,000	\$89,000	344,000	355,000	365,000	376,000	387,000	399,000	411,000

Notes:¹ Excluding baseline transfers. See Table 11-A.² Reflects 8% of base 1% tax levy. The balance of General Fund Property tax revenues are dedicated to funding infrastructure and affordable housing.³ Table 17.⁴ Table 2-B.

Table 2-B

NET GENERAL FUND IMPACT: CONSTRUCTION-RELATED
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Fiscal Year: July 1 - June 30										
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
		3% discount											
NET CONSTRUCTION REVENUES													
Transfer Tax On Initial Pad & Unit Sales	\$99,174,000	\$76,053,000	116,000	1,118,000	2,826,000	3,644,000	4,095,000	8,133,000	6,693,000	5,460,000	8,997,000	9,764,000	8,337,000
Gross Receipts Taxes / Construction	\$20,294,000	\$15,979,000	28,000	175,000	554,000	1,115,000	1,619,000	1,275,000	1,256,000	2,215,000	2,078,000	2,072,000	2,064,000
Payroll Tax / Construction	\$574,000	\$554,000	111,000	226,000	237,000	0	0	0	0	0	0	0	0
Construction Sales Tax (General)	<u>\$14,820,000</u>	<u>\$11,726,000</u>	<u>80,000</u>	<u>250,000</u>	<u>530,000</u>	<u>800,000</u>	<u>1,160,000</u>	<u>910,000</u>	<u>900,000</u>	<u>1,580,000</u>	<u>1,480,000</u>	<u>1,480,000</u>	<u>1,470,000</u>
Subtotal-Discretionary	\$134,862,000	\$104,312,000	335,000	1,769,000	4,147,000	5,559,000	6,874,000	10,318,000	8,849,000	9,255,000	12,555,000	13,316,000	11,871,000
Construction Sales Tax (Public Safety)	\$7,410,000	\$5,863,000	40,000	125,000	265,000	400,000	580,000	455,000	450,000	790,000	740,000	740,000	735,000
TOTAL	<u>\$142,272,000</u>	<u>\$110,175,000</u>	375,000	1,894,000	4,412,000	5,959,000	7,454,000	10,773,000	9,299,000	10,045,000	13,295,000	14,056,000	12,606,000
			Cumulative	2,269,000	6,681,000	12,640,000	20,094,000	30,867,000	40,166,000	50,211,000	63,506,000	77,562,000	90,168,000

Notes:

¹ Excluding baseline transfers. See Table 24.

Table 2-B

NET GENERAL FUND IMPACT: CONSTRUCTION-RELATED
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-2033	2033-34	2034-35	2035-36
		3% discount										
NET CONSTRUCTION REVENUES												
Transfer Tax On Initial Pad & Unit Sales	\$99,174,000	\$76,053,000	10,381,000	8,672,000	6,491,000	6,487,000	6,120,000	1,840,000	0	0	0	0
Gross Receipts Taxes / Construction	\$20,294,000	\$15,979,000	1,886,000	1,780,000	1,679,000	498,000	0	0	0	0	0	0
Payroll Tax / Construction	\$574,000	\$554,000	0	0	0	0	0	0	0	0	0	0
Construction Sales Tax (General)	<u>\$14,820,000</u>	<u>\$11,726,000</u>	<u>1,350,000</u>	<u>1,270,000</u>	<u>1,200,000</u>	<u>360,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-Discretionary	\$134,862,000	\$104,312,000	13,617,000	11,722,000	9,370,000	7,345,000	6,120,000	1,840,000	0	0	0	0
Construction Sales Tax (Public Safety)	\$7,410,000	\$5,863,000	675,000	635,000	600,000	180,000	0	0	0	0	0	0
TOTAL	<u>\$142,272,000</u>	<u>\$110,175,000</u>	<u>14,292,000</u>	<u>12,357,000</u>	<u>9,970,000</u>	<u>7,525,000</u>	<u>6,120,000</u>	<u>1,840,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
			104,460,000	116,817,000	126,787,000	134,312,000	140,432,000	142,272,000	142,272,000	142,272,000	142,272,000	142,272,000

Notes:

¹ Excluding baseline transfers. See Table 24.

Table 2-C

**IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	Fiscal Year: July 1 - June 30								
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
		3% discount	3% discount									
CONSTRUCTION-RELATED TRANSFERS ¹												
Baseline Transfers (Deducted from Revenues)												
MTA	\$12,398,000	\$9,590,000	\$0	31,000	163,000	381,000	511,000	632,000	949,000	813,000	851,000	1,154,000
Library	\$3,082,000	\$2,384,000	\$0	8,000	40,000	95,000	127,000	157,000	236,000	202,000	212,000	287,000
TOTAL	\$15,480,000	\$11,974,000	\$0	39,000	203,000	476,000	638,000	789,000	1,185,000	1,015,000	1,063,000	1,441,000
RECURRING TRANSFERS												
Baseline Transfers (Deducted from Revenues) ²												
MTA	\$240,389,000	\$91,913,000	\$2,320,000	0	0	0	2,000	32,000	104,000	484,000	643,000	993,000
Library	\$59,780,000	\$22,857,000	\$577,000	0	0	0	1,000	8,000	26,000	120,000	160,000	247,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	0	0	0	3,000	40,000	130,000	604,000	803,000	1,240,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0									
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	0	0	0	26,000	152,000	375,000	766,000	1,116,000	1,459,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	0	0	0	29,000	192,000	505,000	1,370,000	1,919,000	2,699,000
TOTAL TRANSFERS IN												
MTA	\$655,733,000	\$252,543,000	\$5,835,000	31,000	163,000	381,000	539,000	816,000	1,428,000	2,063,000	2,610,000	3,606,000
Library	\$62,862,000	\$25,241,000	\$577,000	8,000	40,000	95,000	128,000	165,000	262,000	322,000	372,000	534,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	39,000	203,000	476,000	667,000	981,000	1,690,000	2,385,000	2,982,000	4,140,000
NET OPERATIONAL (EXPENSE)/REVENUES												
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	40,000	125,000	264,000	407,000	637,000	599,000	753,000	1,344,000	1,441,000
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	0	0	0	0	0	0	(119,000)	(243,000)	(372,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	40,000	125,000	264,000	407,000	637,000	599,000	634,000	1,101,000	1,069,000
NET FUND BALANCES ⁵												
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	71,000	288,000	645,000	946,000	1,453,000	2,027,000	2,816,000	3,954,000	5,047,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	8,000	40,000	95,000	128,000	165,000	262,000	203,000	129,000	162,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	79,000	328,000	740,000	1,074,000	1,618,000	2,289,000	3,019,000	4,083,000	5,209,000
CHILDREN'S SERVICES FUND REVENUES ⁵												
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	29,000	155,000	363,000	487,000	602,000	904,000	775,000	810,000	1,099,000
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	0	0	0	2,000	31,000	99,000	461,000	613,000	945,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	29,000	155,000	363,000	489,000	633,000	1,003,000	1,236,000	1,423,000	2,044,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 2-C

**IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-2033
		3% discount	3% discount									
CONSTRUCTION-RELATED TRANSFERS ¹												
Baseline Transfers (Deducted from Revenues)												
MTA	\$12,398,000	\$9,590,000	\$0	1,224,000	1,091,000	1,252,000	1,078,000	861,000	675,000	563,000	169,000	0
Library	\$3,082,000	\$2,384,000	\$0	304,000	271,000	311,000	268,000	214,000	168,000	140,000	42,000	0
TOTAL	\$15,480,000	\$11,974,000	\$0	1,528,000	1,362,000	1,563,000	1,346,000	1,075,000	843,000	703,000	211,000	0
RECURRING TRANSFERS												
Baseline Transfers (Deducted from Revenues) ²												
MTA	\$240,389,000	\$91,913,000	\$2,320,000	1,259,000	1,497,000	1,809,000	2,223,000	2,538,000	2,988,000	3,285,000	3,560,000	3,795,000
Library	\$59,780,000	\$22,857,000	\$577,000	313,000	372,000	450,000	553,000	631,000	743,000	817,000	885,000	944,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	1,572,000	1,869,000	2,259,000	2,776,000	3,169,000	3,731,000	4,102,000	4,445,000	4,739,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0									
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	2,014,000	2,544,000	3,022,000	3,690,000	4,260,000	4,916,000	5,390,000	5,640,000	5,809,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	3,586,000	4,413,000	5,281,000	6,466,000	7,429,000	8,647,000	9,492,000	10,085,000	10,548,000
TOTAL TRANSFERS IN												
MTA	\$655,733,000	\$252,543,000	\$5,835,000	4,497,000	5,132,000	6,083,000	6,991,000	7,659,000	8,579,000	9,238,000	9,369,000	9,604,000
Library	\$62,862,000	\$25,241,000	\$577,000	617,000	643,000	761,000	821,000	845,000	911,000	957,000	927,000	944,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	5,114,000	5,775,000	6,844,000	7,812,000	8,504,000	9,490,000	10,195,000	10,296,000	10,548,000
NET OPERATIONAL (EXPENSE)/REVENUES												
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	(249,000)	1,687,000	2,093,000	2,663,000	3,129,000	(2,972,000)	(3,109,000)	(4,015,000)	(4,105,000)
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	(381,000)	(390,000)	(399,000)	(318,000)	(327,000)	(337,000)	(347,000)	(358,000)	(369,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	(630,000)	1,297,000	1,694,000	2,345,000	2,802,000	(3,309,000)	(3,456,000)	(4,373,000)	(4,474,000)
NET FUND BALANCES ⁵												
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	4,248,000	6,819,000	8,176,000	9,654,000	10,788,000	5,607,000	6,129,000	5,354,000	5,499,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	236,000	253,000	362,000	503,000	518,000	574,000	610,000	569,000	575,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	4,484,000	7,072,000	8,538,000	10,157,000	11,306,000	6,181,000	6,739,000	5,923,000	6,074,000
CHILDREN'S SERVICES FUND REVENUES ⁵												
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	1,166,000	1,040,000	1,192,000	1,026,000	821,000	643,000	536,000	161,000	0
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	1,200,000	1,426,000	1,723,000	2,117,000	2,418,000	2,847,000	3,129,000	3,391,000	3,615,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	2,366,000	2,466,000	2,915,000	3,143,000	3,239,000	3,490,000	3,665,000	3,552,000	3,615,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 2-C

IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
		3% discount	3% discount									
CONSTRUCTION-RELATED TRANSFERS ¹												
Baseline Transfers (Deducted from Revenues)												
MTA	\$12,398,000	\$9,590,000	\$0	0	0	0	0	0	0	0	0	0
Library	\$3,082,000	\$2,384,000	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$15,480,000	\$11,974,000	\$0	0	0	0	0	0	0	0	0	0
RECURRING TRANSFERS												
Baseline Transfers (Deducted from Revenues) ²												
MTA	\$240,389,000	\$91,913,000	\$2,320,000	3,984,000	4,086,000	4,190,000	4,297,000	4,407,000	4,520,000	4,636,000	4,755,000	4,877,000
Library	\$59,780,000	\$22,857,000	\$577,000	991,000	1,016,000	1,042,000	1,069,000	1,096,000	1,124,000	1,153,000	1,182,000	1,213,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	4,975,000	5,102,000	5,232,000	5,366,000	5,503,000	5,644,000	5,789,000	5,937,000	6,090,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0									
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	5,983,000	6,163,000	6,348,000	6,538,000	6,734,000	6,936,000	7,144,000	7,359,000	7,580,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	10,958,000	11,265,000	11,580,000	11,904,000	12,237,000	12,580,000	12,933,000	13,296,000	13,670,000
TOTAL TRANSFERS IN												
MTA	\$655,733,000	\$252,543,000	\$5,835,000	9,967,000	10,249,000	10,538,000	10,835,000	11,141,000	11,456,000	11,780,000	12,114,000	12,457,000
Library	\$62,862,000	\$25,241,000	\$577,000	991,000	1,016,000	1,042,000	1,069,000	1,096,000	1,124,000	1,153,000	1,182,000	1,213,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	10,958,000	11,265,000	11,580,000	11,904,000	12,237,000	12,580,000	12,933,000	13,296,000	13,670,000
NET OPERATIONAL (EXPENSE)/REVENUES												
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	(4,196,000)	(4,292,000)	(4,390,000)	(4,490,000)	(4,596,000)	(4,017,000)	(4,126,000)	(4,241,000)	(4,357,000)
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	(380,000)	(391,000)	(403,000)	(415,000)	(427,000)	(440,000)	(453,000)	(467,000)	(481,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	(4,576,000)	(4,683,000)	(4,793,000)	(4,905,000)	(5,023,000)	(4,457,000)	(4,579,000)	(4,708,000)	(4,838,000)
NET FUND BALANCES ⁵												
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	5,771,000	5,957,000	6,148,000	6,345,000	6,545,000	7,439,000	7,654,000	7,873,000	8,100,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	611,000	625,000	639,000	654,000	669,000	684,000	700,000	715,000	732,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	6,382,000	6,582,000	6,787,000	6,999,000	7,214,000	8,123,000	8,354,000	8,588,000	8,832,000
CHILDREN'S SERVICES FUND REVENUES ⁵												
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	0	0	0	0	0	0	0	0	0
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	3,795,000	3,892,000	3,991,000	4,093,000	4,198,000	4,306,000	4,416,000	4,529,000	4,645,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	3,795,000	3,892,000	3,991,000	4,093,000	4,198,000	4,306,000	4,416,000	4,529,000	4,645,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 2-C

IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
	3% discount	3% discount										
CONSTRUCTION-RELATED TRANSFERS ¹												
Baseline Transfers (Deducted from Revenues)												
MTA	\$12,398,000	\$9,590,000	\$0	0	0	0	0	0	0	0	0	0
Library	\$3,082,000	\$2,384,000	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$15,480,000	\$11,974,000	\$0	0	0	0	0	0	0	0	0	0
RECURRING TRANSFERS												
Baseline Transfers (Deducted from Revenues) ²												
MTA	\$240,389,000	\$91,913,000	\$2,320,000	5,002,000	5,131,000	5,263,000	5,399,000	5,538,000	5,681,000	5,828,000	5,978,000	6,133,000
Library	\$59,780,000	\$22,857,000	\$577,000	1,244,000	1,276,000	1,309,000	1,342,000	1,377,000	1,413,000	1,449,000	1,487,000	1,525,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	6,246,000	6,407,000	6,572,000	6,741,000	6,915,000	7,094,000	7,277,000	7,465,000	7,658,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0									
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	7,807,000	8,041,000	8,282,000	8,531,000	8,787,000	9,050,000	9,322,000	9,601,000	9,890,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	14,053,000	14,448,000	14,854,000	15,272,000	15,702,000	16,144,000	16,599,000	17,066,000	17,548,000
TOTAL TRANSFERS IN												
MTA	\$655,733,000	\$252,543,000	\$5,835,000	12,809,000	13,172,000	13,545,000	13,930,000	14,325,000	14,731,000	15,150,000	15,579,000	16,023,000
Library	\$62,862,000	\$25,241,000	\$577,000	1,244,000	1,276,000	1,309,000	1,342,000	1,377,000	1,413,000	1,449,000	1,487,000	1,525,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	14,053,000	14,448,000	14,854,000	15,272,000	15,702,000	16,144,000	16,599,000	17,066,000	17,548,000
NET OPERATIONAL (EXPENSE)/REVENUES												
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	(4,478,000)	(4,443,000)	(4,573,000)	(4,705,000)	(4,838,000)	(4,980,000)	(5,122,000)	(5,273,000)	(5,425,000)
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	(495,000)	(510,000)	(525,000)	(541,000)	(557,000)	(574,000)	(591,000)	(609,000)	(627,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	(4,973,000)	(4,953,000)	(5,098,000)	(5,246,000)	(5,395,000)	(5,554,000)	(5,713,000)	(5,882,000)	(6,052,000)
NET FUND BALANCES ⁵												
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	8,331,000	8,729,000	8,972,000	9,225,000	9,487,000	9,751,000	10,028,000	10,306,000	10,598,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	749,000	766,000	784,000	801,000	820,000	839,000	858,000	878,000	898,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	9,080,000	9,495,000	9,756,000	10,026,000	10,307,000	10,590,000	10,886,000	11,184,000	11,496,000
CHILDREN'S SERVICES FUND REVENUES ⁵												
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	0	0	0	0	0	0	0	0	0
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	4,765,000	4,888,000	5,013,000	5,143,000	5,275,000	5,412,000	5,552,000	5,695,000	5,842,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	4,765,000	4,888,000	5,013,000	5,143,000	5,275,000	5,412,000	5,552,000	5,695,000	5,842,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 2-C

IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60
	3% discount	3% discount										
CONSTRUCTION-RELATED TRANSFERS ¹												
Baseline Transfers (Deducted from Revenues)												
MTA	\$12,398,000	\$9,590,000	\$0	0	0	0	0	0	0	0	0	0
Library	\$3,082,000	\$2,384,000	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$15,480,000	\$11,974,000	\$0	0	0	0	0	0	0	0	0	0
RECURRING TRANSFERS												
Baseline Transfers (Deducted from Revenues) ²												
MTA	\$240,389,000	\$91,913,000	\$2,320,000	6,292,000	6,456,000	6,623,000	6,796,000	6,972,000	7,154,000	7,341,000	7,532,000	7,623,000
Library	\$59,780,000	\$22,857,000	\$577,000	1,565,000	1,605,000	1,647,000	1,690,000	1,734,000	1,779,000	1,825,000	1,873,000	1,896,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	7,857,000	8,061,000	8,270,000	8,486,000	8,706,000	8,933,000	9,166,000	9,405,000	9,519,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0									
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	10,186,000	10,492,000	10,807,000	11,131,000	11,465,000	11,809,000	12,163,000	12,528,000	12,904,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	18,043,000	18,553,000	19,077,000	19,617,000	20,171,000	20,742,000	21,329,000	21,933,000	22,423,000
TOTAL TRANSFERS IN												
MTA	\$655,733,000	\$252,543,000	\$5,835,000	16,478,000	16,948,000	17,430,000	17,927,000	18,437,000	18,963,000	19,504,000	20,060,000	20,527,000
Library	\$62,862,000	\$25,241,000	\$577,000	1,565,000	1,605,000	1,647,000	1,690,000	1,734,000	1,779,000	1,825,000	1,873,000	1,896,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	18,043,000	18,553,000	19,077,000	19,617,000	20,171,000	20,742,000	21,329,000	21,933,000	22,423,000
NET OPERATIONAL (EXPENSE)/REVENUES												
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	(5,581,000)	(5,744,000)	(5,910,000)	(5,617,000)	(5,794,000)	(5,978,000)	(6,165,000)	(6,356,000)	(6,558,000)
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	(646,000)	(666,000)	(686,000)	(706,000)	(727,000)	(749,000)	(772,000)	(795,000)	(819,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	(6,227,000)	(6,410,000)	(6,596,000)	(6,323,000)	(6,521,000)	(6,727,000)	(6,937,000)	(7,151,000)	(7,377,000)
NET FUND BALANCES ⁵												
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	10,897,000	11,204,000	11,520,000	12,310,000	12,643,000	12,985,000	13,339,000	13,704,000	13,969,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	919,000	939,000	961,000	984,000	1,007,000	1,030,000	1,053,000	1,078,000	1,077,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	11,816,000	12,143,000	12,481,000	13,294,000	13,650,000	14,015,000	14,392,000	14,782,000	15,046,000
CHILDREN'S SERVICES FUND REVENUES ⁵												
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	0	0	0	0	0	0	0	0	0
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	5,994,000	6,150,000	6,309,000	6,473,000	6,642,000	6,815,000	6,992,000	7,175,000	7,262,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	5,994,000	6,150,000	6,309,000	6,473,000	6,642,000	6,815,000	6,992,000	7,175,000	7,262,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 2-C

**IMPACT ON OTHER FUNDS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	Cumulative TOTAL NOMINAL \$	Cumulative TOTAL 2016\$	Annual FY2035-2036 2016\$	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
		3% discount	3% discount								
CONSTRUCTION-RELATED TRANSFERS ¹											
Baseline Transfers (Deducted from Revenues)											
MTA	\$12,398,000	\$9,590,000	\$0	0	0	0	0	0	0	0	0
Library	\$3,082,000	\$2,384,000	\$0	0	0	0	0	0	0	0	0
TOTAL	\$15,480,000	\$11,974,000	\$0	0	0	0	0	0	0	0	0
RECURRING TRANSFERS											
Baseline Transfers (Deducted from Revenues) ²											
MTA	\$240,389,000	\$91,913,000	\$2,320,000	7,563,000	7,664,000	7,777,000	7,721,000	7,841,000	7,824,000	8,037,000	8,256,000
Library	\$59,780,000	\$22,857,000	\$577,000	1,881,000	1,906,000	1,934,000	1,920,000	1,950,000	1,946,000	1,998,000	2,053,000
Subtotal - Baseline Transfers	\$300,169,000	\$114,770,000	\$2,897,000	9,444,000	9,570,000	9,711,000	9,641,000	9,791,000	9,770,000	10,035,000	10,309,000
Other Transfers (Treated As Expense)	\$0	\$0	\$0								
MTA - Prop B. ³	\$402,946,000	\$151,041,000	\$3,515,000	13,291,000	13,689,000	14,100,000	14,523,000	14,959,000	15,408,000	15,870,000	16,346,000
Library - Supplemental ⁴	\$0	\$0	\$0	0	0	0	0	0	0	0	0
TOTAL	\$1,003,284,000	\$380,581,000	\$6,412,000	22,735,000	23,259,000	23,811,000	24,164,000	24,750,000	25,178,000	25,905,000	26,655,000
TOTAL TRANSFERS IN											
MTA	\$655,733,000	\$252,543,000	\$5,835,000	20,854,000	21,353,000	21,877,000	22,244,000	22,800,000	23,232,000	23,907,000	24,602,000
Library	\$62,862,000	\$25,241,000	\$577,000	1,881,000	1,906,000	1,934,000	1,920,000	1,950,000	1,946,000	1,998,000	2,053,000
TOTAL	\$718,595,000	\$277,784,000	\$6,412,000	22,735,000	23,259,000	23,811,000	24,164,000	24,750,000	25,178,000	25,905,000	26,655,000
NET OPERATIONAL (EXPENSE)/REVENUES											
MTA ³	(\$195,904,000)	(\$66,222,000)	(\$2,431,000)	(6,761,000)	(6,973,000)	(7,192,000)	(7,417,000)	(7,648,000)	(7,886,000)	(8,129,000)	(8,385,000)
Library ⁴	(\$26,908,000)	(\$10,602,000)	(\$223,000)	(843,000)	(868,000)	(894,000)	(921,000)	(949,000)	(977,000)	(1,007,000)	(1,037,000)
TOTAL	(\$222,812,000)	(\$76,824,000)	(\$2,654,000)	(7,604,000)	(7,841,000)	(8,086,000)	(8,338,000)	(8,597,000)	(8,863,000)	(9,136,000)	(9,422,000)
NET FUND BALANCES ⁵											
MTA ³	\$459,829,000	\$186,321,000	\$3,404,000	14,093,000	14,380,000	14,685,000	14,827,000	15,152,000	15,346,000	15,778,000	16,217,000
Library ⁴	\$35,954,000	\$14,639,000	\$354,000	1,038,000	1,038,000	1,040,000	999,000	1,001,000	969,000	991,000	1,016,000
TOTAL	\$495,783,000	\$200,960,000	\$3,758,000	15,131,000	15,418,000	15,725,000	15,826,000	16,153,000	16,315,000	16,769,000	17,233,000
CHILDREN'S SERVICES FUND REVENUES ⁵											
Construction-Related Transfers	\$11,809,000	\$9,134,000	\$0	0	0	0	0	0	0	0	0
Recurring Transfers	\$228,988,000	\$87,554,000	\$2,210,000	7,204,000	7,300,000	7,408,000	7,355,000	7,469,000	7,453,000	7,656,000	7,864,000
TOTAL	\$240,797,000	\$96,688,000	\$2,210,000	7,204,000	7,300,000	7,408,000	7,355,000	7,469,000	7,453,000	7,656,000	7,864,000

Notes:

¹ Table 24.² Table 11-A.³ Table 21-A.⁴ Table 23.⁵ Children's Fund expenditures not estimated

Table 3

PROJECT DESCRIPTION
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	TOTAL AT BUILDOUT			
	MARKET	BMR	TOTAL	UNITS
PROJECT BUILD-OUT				
RESIDENTIAL				
For Sale				
YBI Townhomes	200	10	210	DU
TI Townhomes	271	0	271	DU
Flats	2,044	117	2,161	DU
Neighborhood Tower	1,771	96	1,867	DU
High Rise	895	0	895	DU
Branded condo w/ hotel svcs.	<u>117</u>	<u>0</u>	<u>117</u>	DU
	5,298	223	5,521	DU
For Rent	529	84	613	DU
TIDA			1,866	DU
			<u>8,000</u>	DU
COMMERCIAL				
Full Service Hotel			200	Rms.
YBI Spa Hotel			50	Rms.
Retail			451,000	SQ.FT.
Office			100,000	SQ.FT.

Source: TICD (March 2016, TI 27.2 Percent Affordable Pro Forma).

Table 4

CUMULATIVE DEVELOPMENT ABSORPTION
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

TOTAL AT BUILDOUT		CUMULATIVE ABSORPTION ¹																	
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
RESIDENTIAL		Build-out																	
Market Rate																			
For Sale Units																			
YBI Townhomes	200 Units	0	0	0	34	103	171	200	200	200	200	200	200	200	200	200	200	200	200
TI Townhomes	271 Units	0	0	0	0	34	94	101	101	136	151	211	252	271	271	271	271	271	271
Flats	2,044 Units	0	0	0	0	91	272	454	636	817	999	1,180	1,362	1,544	1,725	1,907	2,044	2,044	2,044
Neighborhood Tower	1,771 Units	0	0	0	0	0	0	171	341	512	683	854	1,024	1,195	1,366	1,537	1,707	1,771	1,771
High Rise	895 Units	0	0	0	0	0	0	0	0	0	120	240	360	480	600	720	840	895	895
Branded condo w/ hotel svcs.	117 Units	0	0	0	0	0	0	0	0	72	117	117	117	117	117	117	117	117	117
Rental	529 Units	0	0	0	0	0	35	139	257	268	343	405	422	422	529	529	529	529	529
	5,827 Units	0	0	0	34	228	573	1,065	1,535	2,005	2,612	3,207	3,737	4,229	4,808	5,281	5,708	5,827	5,827
BMR																			
For Sale Units																			
YBI Townhomes	10 Units	0	0	0	2	5	9	10	10	10	10	10	10	10	10	10	10	10	10
TI Townhomes	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flats	117 Units	0	0	0	0	5	16	26	36	47	57	68	78	88	99	109	117	117	117
Neighborhood Tower	96 Units	0	0	0	0	0	0	9	19	28	37	46	56	65	74	83	93	96	96
High Rise	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Branded condo w/ hotel svcs.	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental	84 Units	0	0	0	0	0	6	22	41	42	54	64	67	67	84	84	84	84	84
	307 Units	0	0	0	2	10	30	67	106	127	159	188	211	230	267	286	304	307	307
TIDA	1,866 Units	0	0	0	6	37	96	274	433	538	752	1,014	1,206	1,404	1,602	1,728	1,839	1,866	1,866
Total	8,000 Units	0	0	0	42	275	699	1,406	2,074	2,670	3,523	4,409	5,154	5,863	6,677	7,295	7,851	8,000	8,000
COMMERCIAL																			
Full Service Hotel	200 Rms	0	0	0	0	0	0	200	200	200	200	200	200	200	200	200	200	200	200
YBI Spa Hotel	50 Rms	0	0	0	0	0	0	0	0	50	50	50	50	50	50	50	50	50	50
Retail	451,000 SF	0	0	0	0	0	0	0	0	0	109,000	109,000	109,000	249,000	249,000	451,000	451,000	451,000	451,000
Office	100,000 SF	0	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000	100,000	100,000	100,000	100,000

Notes:

¹ Absorption reflects home sales / completion of construction.

Source: TICD (March 2016, TI 27.2 Percent Affordable Pro Forma).

Table 5

ANNUAL DEVELOPMENT ABSORPTION
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

		TOTAL AT BUILDOUT	ANNUAL ABSORPTION ¹																	
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
RESIDENTIAL		Build-out																		
Market Rate																				
For Sale Units																				
YBI Townhomes	200 Units	0	0	0	34	69	69	29	0	0	0	0	0	0	0	0	0	0	0	
TI Townhomes	271 Units	0	0	0	0	34	60	7	0	35	15	60	41	19	0	0	0	0	0	
Flats	2,044 Units	0	0	0	0	91	182	182	182	182	182	182	182	182	182	182	137	0	0	
Neighborhood Tower	1,771 Units	0	0	0	0	0	0	171	171	171	171	171	171	171	171	171	171	64	0	
High Rise	895 Units	0	0	0	0	0	0	0	0	0	120	120	120	120	120	120	120	55	0	
Branded condo w/ hotel svcs.	117 Units	0	0	0	0	0	0	0	0	72	45	0	0	0	0	0	0	0	0	
Rental	529 Units	0	0	0	0	0	35	104	118	10	75	62	17	0	107	0	0	0	0	
	5,827 Units	0	0	0	34	193	346	491	471	470	607	594	531	491	579	472	428	119	0	
BMR																				
For Sale Units																				
YBI Townhomes	10 Units	0	0	0	2	3	3	1	0	0	0	0	0	0	0	0	0	0	0	
TI Townhomes	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Flats	117 Units	0	0	0	0	5	10	10	10	10	10	10	10	10	10	10	8	0	0	
Neighborhood Tower	96 Units	0	0	0	0	0	0	9	9	9	9	9	9	9	9	9	9	3	0	
High Rise	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Branded condo w/ hotel svcs.	0 Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Rental	84 Units	0	0	0	0	0	6	16	19	2	12	10	3	0	17	0	0	0	0	
	307 Units	0	0	0	2	9	19	38	38	21	32	30	22	20	37	20	17	3	0	
TIDA	1,866 Units	0	0	0	6	32	59	178	159	105	214	263	192	198	198	126	111	27	0	
Total	8,000 Units	0	0	0	42	234	424	707	668	596	853	887	745	709	814	618	556	149	0	
COMMERCIAL																				
Full Service Hotel	200 Rms	0	0	0	0	0	0	200	0	0	0	0	0	0	0	0	0	0	0	
YBI Spa Hotel	50 Rms	0	0	0	0	0	0	0	0	50	0	0	0	0	0	0	0	0	0	
Retail	451,000 SF	0	0	0	0	0	0	0	0	0	109,000	0	0	140,000	0	202,000	0	0	0	
Office	100,000 SF	0	0	0	0	0	0	0	0	0	0	0	0	100,000	0	0	0	0	0	

Notes:

¹ Absorption reflects home sales / completion of construction.

Source: TICD (March 2016, TI 27.2 Percent Affordable Pro Forma).

Table 6

HOUSEHOLD, POPULATION AND EMPLOYMENT ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS AT BUILDOUT			CUMULATIVE DEMOGRAPHICS																		
MEASURE			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	
			Build-out																		
RESIDENTIAL																					
A. HOUSEHOLDS																					
Market Rate			Avg. Occupancy																		
For Sale Units		Units ¹																			
YBI Townhomes		200 DU	100%	0	0	0	34	103	171	200	200	200	200	200	200	200	200	200	200	200	
TI Townhomes		271 DU	100%	0	0	0	0	34	94	101	101	136	151	211	252	271	271	271	271	271	
Flats		2,044 DU	100%	0	0	0	0	91	272	454	636	817	999	1,180	1,362	1,544	1,725	1,907	2,044	2,044	
Neighborhood Tower		1,771 DU	100%	0	0	0	0	0	0	171	341	512	683	854	1,024	1,195	1,366	1,537	1,707	1,771	
High Rise		895 DU	100%	0	0	0	0	0	0	0	0	120	240	360	480	600	720	840	895	895	
Branded condo w/ hotel svcs.		117 DU	100%	0	0	0	0	0	0	0	0	72	117	117	117	117	117	117	117	117	
Rental		529 DU	97%	0	0	0	0	0	34	135	249	259	332	393	409	409	513	513	513	513	
		5,827		0	0	0	34	228	572	1,061	1,528	1,997	2,602	3,195	3,725	4,216	4,792	5,265	5,693	5,811	
BMR																					
For Sale Units		Units ¹	Avg. Occupancy																		
YBI Townhomes		10 DU	100%	0	0	0	2	5	9	10	10	10	10	10	10	10	10	10	10	10	
TI Townhomes		0 DU	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Flats		117 DU	100%	0	0	0	0	5	16	26	36	47	57	68	78	88	99	109	117	117	
Neighborhood Tower		96 DU	100%	0	0	0	0	0	0	9	19	28	37	46	56	65	74	83	93	96	
High Rise		0 DU	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Branded condo w/ hotel svcs.		0 DU	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Rental		84 DU	100%	0	0	0	0	0	6	22	41	42	54	64	67	67	84	84	84	84	
		307		0	0	0	2	10	30	67	106	127	159	188	211	230	267	286	304	307	
TIDA		1,866 DU	100%	0	0	0	6	37	96	274	433	538	752	1,014	1,206	1,404	1,602	1,728	1,839	1,866	
TOTAL		8,000 DU		0	0	0	42	275	698	1,402	2,066	2,662	3,512	4,397	5,141	5,851	6,661	7,280	7,835	7,984	
B. POPULATION ²																					
Market Rate			HH Size: ³																		
For Sale																					
YBI Townhomes		200 HH	2.71	0	0	0	93	279	465	542	542	542	542	542	542	542	542	542	542	542	
TI Townhomes		271 HH	2.71	0	0	0	0	92	255	274	274	369	409	572	683	734	734	734	734	734	
Flats		2,044 HH	2.03	0	0	0	0	184	553	922	1,290	1,659	2,028	2,396	2,765	3,134	3,502	3,871	4,149	4,149	
Neighborhood Tower		1,771 HH	2.03	0	0	0	0	0	0	347	693	1,040	1,386	1,733	2,080	2,426	2,773	3,120	3,466	3,595	
High Rise		895 HH	1.65	0	0	0	0	0	0	0	0	198	397	595	794	992	1,191	1,389	1,480	1,480	
Branded condo w/ hotel svcs.		117 HH	1.65	0	0	0	0	0	0	0	0	119	193	193	193	193	193	193	193	193	
Rental		513 HH	2.10	0	0	0	0	0	72	283	524	545	698	824	860	860	1,078	1,078	1,078	1,078	
		5,811		0	0	0	93	555	1,344	2,367	3,323	4,273	5,455	6,658	7,718	8,683	9,815	10,728	11,552	11,772	

Table 6

HOUSEHOLD, POPULATION AND EMPLOYMENT ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS AT BUILDOUT			MEASURE	CUMULATIVE DEMOGRAPHICS																	
				2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
				Build-out																	
BMR																					
For Sale																					
YBI Townhomes	10	HH	2.71	0	0	0	5	14	23	27	27	27	27	27	27	27	27	27	27	27	27
TI Townhomes	0	HH	2.71	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flats	117	HH	2.03	0	0	0	0	11	32	53	74	95	116	137	158	179	200	222	238	238	238
Neighborhood Tower	96	HH	2.03	0	0	0	0	0	0	19	38	56	75	94	113	132	150	169	188	195	195
High Rise	0	HH	1.65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Branded condo w/ hotel svcs.	0	HH	1.65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rental	84	HH	2.10	0	0	0	0	0	12	46	86	89	114	135	141	141	176	176	176	176	176
	307			0	0	0	5	24	67	145	224	268	333	393	439	479	554	594	629	636	636
TIDA	1,866	HH	2.10	0	0	0	12	78	202	575	910	1,130	1,578	2,130	2,532	2,949	3,365	3,630	3,862	3,919	3,919
TOTAL POPULATION	7,984	HH		0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181	10,689	12,111	13,734	14,952	16,043	16,326	16,326
C. EMPLOYMENT			Employment Density ⁵																		
Retail ⁴	411	sf (1,000s)	3.33	0	0	0	0	0	0	0	0	0	331	331	331	757	757	1,371	1,371	1,371	1,371
Office ⁴	91	sf (1,000s)	3.08	0	0	0	0	0	0	0	0	0	0	0	0	281	281	281	281	281	281
Hotel	250	Rooms	0.80	0	0	0	0	0	0	160	160	200	200	200	200	200	200	200	200	200	200
Other Employment	See Table 8			0	0	0	16	48	76	102	117	136	155	156	157	158	159	159	159	159	159
Residential Based	8,000	DU	0.07	0	0	0	3	18	47	94	138	178	235	294	344	391	445	486	523	533	533
				0	0	0	19	66	123	356	415	514	921	981	1,032	1,786	1,842	2,497	2,534	2,544	2,544
DAY & NIGHT TIME POPULATION			pop + employmt	0	0	0	128	724	1,736	3,443	4,872	6,185	8,287	10,162	11,721	13,897	15,576	17,449	18,577	18,870	18,870

Notes:¹ Table 4.² Based on occupied housing units (section A, above).³ See Appendix Table A-4 for household size assumptions.⁴ Based on occupied commercial space. Table 7.⁵ Densities reflect EPS study (2011).

Table 7

OCCUPIED COMMERCIAL SPACE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS AT BUILDOUT ¹		MEASURE	CUMULATIVE COMMERCIAL SPACE (1,000s)																	
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
OCCUPIED COMMERCIAL SPACE																				
LEASABLE AREA		Efficiency ²																		
Retail	451 gsf (1,000s)	0.96	0	0	0	0	0	0	0	0	0	0	105	105	105	239	239	433	433	433
Office	100 gsf (1,000s)	0.96	0	0	0	0	0	0	0	0	0	0	0	0	0	96	96	96	96	96
OCCUPIED SPACE		Occupancy ²																		
Retail	433 nsf (1,000s)	0.95	0	0	0	0	0	0	0	0	0	0	99	99	99	227	227	411	411	411
Office	96 nsf	0.95	0	0	0	0	0	0	0	0	0	0	0	0	0	91	91	91	91	91

¹ Table 4.
² KMA assumption.

Table 8

OTHER EMPLOYMENT ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS AT		MEASURE ²	CUMULATIVE OTHER EMPLOYMENT																	
BUILDOUT			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
		Population Threshold ¹	0%	0%	0%	1%	4%	10%	19%	27%	35%	45%	56%	65%	74%	84%	92%	98%	Build-out 100%	100%
OTHER EMPLOYMENT																				
Paid Parking Spaces	5.0 emp.	270 spaces/emp	0.0	0.0	0.0	0.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Open Space and Plaza Maintenance	84.0 emp.	0.3 emp./ac.	0.0	0.0	0.0	12.0	24.0	36.0	48.0	60.0	72.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
Recycling Center	4.0 emp.		0.0	0.0	0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Energy Generation	12.0 emp.		0.0	0.0	0.0	0.0	4.0	8.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Art Park	4.0 emp.		0.0	0.0	0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Environmental Education Center	3.0 emp.		0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Wastewater Treatment	6.0 emp.		0.0	0.0	0.0	0.0	3.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Health and Wellness Facilities	12.0 emp.		0.0	0.0	0.0	0.0	4.0	8.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
School	0.0 emp.	15.3 students/emp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Childcare Facilities	8.0 emp.	6.0 children/emp	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	8.0	8.0	8.0	8.0
Urban Farm	6.0 emp.		0.0	0.0	0.0	0.0	0.0	2.0	4.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Sailing Center	3.0 emp.		0.0	0.0	0.0	0.0	0.0	0.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Marina and Ferry Quay	4.0 emp.	100.0 slips/emp	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
On-Island Shuttle	8.0 emp.	2.5 emp/bus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Subtotal	159.0		0.0	0.0	0.0	16.0	48.0	76.0	102.0	117.0	136.0	155.0	156.0	157.0	158.0	159.0	159.0	159.0	159.0	159.0
PUBLIC SERVICE EMPLOYMENT (EXCLUDED) ³																				
Fire	23.4 emp.		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.8	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4
Police	32.1 emp.		0.0	0.0	0.0	0.2	1.2	3.0	5.9	8.3	10.5	14.1	17.3	19.9	23.7	26.5	29.7	31.6	32.1	32.1
MUNI	15.0 emp.	2.5 emp/bus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5	12.5	12.5	12.5	12.5	15.0	15.0
East Bay Bus	20.0 emp.	2.5 emp/bus	0.0	0.0	0.0	0.0	0.0	5.0	8.0	13.0	13.0	13.0	13.0	13.0	13.0	20.0	20.0	20.0	20.0	20.0
Ferry	12.0 emp.	4.0 emp/ferry	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	8.0	12.0	12.0	12.0	12.0	12.0	12.0
Subtotal	102.5		0.0	0.0	0.0	0.2	1.2	8.0	13.9	21.3	56.3	50.5	57.7	76.8	84.6	94.4	97.6	99.5	102.5	102.5

Notes

¹ Share of build-out population. See Table 6.² Estimates of other employment provided in EPS report (2011), Table A-16. Employment is applied to new development timeline according to population growth.³ While included in prior study, the following employment categories have been excluded from the estimated service population.

Table 9

**CITYWIDE POPULATION AND EMPLOYMENT
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	POPULATION ¹	EMPLOYMENT ²	DAY & NIGHTTIME POPULATION ³
CITY OF SAN FRANCISCO	845,602	613,200	1,458,802

Notes:

¹ California Department of Finance, Demographic Research Unit. Table E-5 State/County Population Estimates, 1/1/2015.

² California Department of Transportation, San Francisco County Economic Forecast.

³ Population + Employment

Table 10

REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

Global Escalation Assumptions	2%	Assessed Value Annual Growth ¹
	3%	Other Revenues Annual Growth ¹
2015 City/County Service Population Estimate for Averages	845,602	Resident Population ²
	613,200	Employment Base ²
	1,458,802	Day and Evening Population ²

p. 1/5

I. General Fund Revenue Sources

Property Taxes	8%	remaining General Fund share ³
Property Tax in Lieu of VLF	\$109,881,177	Property Tax Based Revenues for 2004-05 ⁴
	\$103,076,295,556	2004-05 gross AV ⁵
	\$1.07	per \$1,000 in AV growth ⁵
	100%	remaining General Fund share ⁶
Property Transfer Tax		<u>Initial Site Acquisition</u>
	\$20.00	per \$1,000 of AV at transfer (\$5M-\$10M) ⁷
		<u>Residential Pad Sales</u>
	\$20.00	per \$1,000 of AV at transfer (\$5M-\$10M) ⁷
		<u>Hotel Pad Sales</u>
	\$7.50	per \$1,000 of AV at transfer (\$1M-\$5M) ⁷
		<u>Residential Units: Market Rate</u>
	\$7.50	per \$1,000 of AV at transfer (\$1M-\$5M) ⁷
	10.0%	Annual Turnover ¹
	3%	Growth in Resale Valuation ¹
		<u>Residential Units: BMR</u>
	\$6.80	per \$1,000 of AV at transfer (\$250,000-\$1M) ⁷
	10.0%	Annual Turnover ¹
	1%	Growth in Resale Valuation ¹
Sales Tax		<u>Commercial Buildings</u>
		Assumed to be subject to extensive hold periods ¹
		<u>Tax Rate⁸</u>
	1%	General Fund Sales Tax Rate
	0.5%	Public Safety Sales Tax
		<u>On-Site Retail Sales</u>
	96.0%	Efficiency ¹
	5.0%	Vacancy ¹
	\$600	Gross Sales Per Occupied Square Foot ⁹
	80%	Taxable Share ⁹
	25%	Capture of resident expenditures ¹⁰

Table 10

REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p. 2/5	Sales Tax Continued	\$0	<u>On-Site Office/Other Commercial Sales (Not Considered)</u>
			<u>Projected Hotel Taxable Sales</u>
		33%	Non-Room Rate Share of Total Hotel Revenue ¹⁰
		50%	Taxable Share of Non-Room Rate Revenue ¹⁰
		\$20,531	Taxable Sales / Room (TI Full Service)
		\$44,484	Taxable Sales / Room (YBI Hotel)
			<u>Off-Site Retail Sales¹¹</u>
			Generated by Residential Units/DU
		\$41,629	/DU YBI Townhomes
		\$34,199	/DU TI Townhomes
		\$24,776	/DU Flats
		\$28,413	/DU Neighborhood Tower
		\$33,437	/DU High Rise
		\$27,960	/DU Branded condo
		\$21,101	/DU Rental
		\$13,601	/DU TIDA
			<u>Construction-Related</u>
		50%	Materials share of hard costs ¹⁰
		50%	Sales with CCSF as point of sale ¹⁰
	Telephone Users Tax	\$49,190,000	Revenues in 2015-16 (Appendix A-1) ¹²
		\$33.72	Per Resident/Employee
	Access Line Tax	\$45,594,000	Revenues in 2015-16 (Appendix A-1) ¹²
		\$31.25	Per Resident/Employee
	Water Users Tax	\$3,740,000	Revenues in 2015-16 (Appendix A-1) ¹²
		\$6.10	Per Employee
	Gas Electric Steam Users Tax	\$40,620,000	Revenues in 2015-16 (Appendix A-1) ¹²
		\$66.24	Per Employee
	Payroll Tax	1.16%	FY2016 Tax Rate ¹³
		0.75%	FY 2017 Tax Rate ¹³
		0.38%	FY 2018 Tax Rate ¹³
		0.00%	To be phased out by FY2019 ¹³
		40%	Payroll Share of Construction Hard Cost ¹
		25%	Exemption Allowance ¹

Table 10

REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p. 3/5	Gross Receipts Tax		
		<u>Retail</u>	
	\$600	Gross Sales Per Occupied Square Foot ⁹	
	3,000	Sq. Ft. Per Business ¹	
	\$1.00	tax per \$1,000 in GR (\$1M - \$2.5M) ¹⁴	
		<u>Hotel</u>	
	\$3.25	tax per \$1,000 in GR (\$2.5M-\$25M/ YBI) ¹⁴	
	\$4.00	tax per \$1,000 in GR (\$25M+/Full Service) ¹⁴	
		<i>TI Full Service Hotel</i>	
	\$82,125	Annual Room Rate Revenue Per Room ¹⁵	
	67%	Room Rate Share of Revenue ¹⁰	
	\$123,188	Total Gross Receipts Per Room	
		<i>YBI Hotel</i>	
	\$177,938	Annual Room Rate Revenue Per Room ¹⁵	
	67%	Room Rate Share of Revenue ¹⁰	
	\$266,906	Total Gross Receipts Per Room	
		<u>Office/Other</u>	
	\$173,795,000	Gross Receipts from FY2015-16 Adopted Budget ¹²	
	31%	Phase-In Adjustment Factor ¹⁶	
	\$556,144,000	Projected Gross Receipts Tax Revenues Upon Full Adoption	
	613,200	Employees-San Francisco	
	\$907	Tax Per Employee	
		<u>Construction</u>	
	3%	Vertical cost escalation ¹⁷	
	\$3.50	tax per \$1,000 in GR (\$1M-\$2.5M) ¹⁴	
	25%	2015/16 Phase In ¹⁴	
	50%	2016/17 Phase In ¹⁴	
	75%	2017/18 Phase In ¹⁴	
		<u>Rental and Leasing</u>	
	\$44,400	Annual residential rent/unit ¹⁸	
	\$50	Annual retail rent PSF ¹⁹	
	\$70	Annual office rent PSF ¹⁹	
	5%	Vacancy factor ¹⁹	
	\$2.85	tax per \$1M in GR (\$1M-\$5M) ¹⁴	

Table 10

REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p. 4/5	Business Registration Fees		<u>Retail</u>
		3,000	SqFt / Retail Business ¹
		\$200	Rate per retail business earning \$1M to \$2.5M ²⁰
			<u>Hotel</u>
		\$12,500	Rate for 200-room hotel (\$25M+) ²⁰
		\$1,500	Rate for 50-room hotel (\$7.5M-\$15M) ²⁰
			<u>Office</u>
		5,000	SqFt / Office Business ¹
		\$500	Rate per office business earning \$2.5M-\$7.5M ²⁰
	Hotel Tax	14%	Tax Rate ²¹
		100%	General Fund Share ¹²
			<u>TI Full Service Hotel</u>
		\$300	Average Room Rate ¹⁵
		75%	Occupancy ¹⁵
		\$11,498	Hotel Tax to GF/ Room
			<u>YBI Hotel</u>
		\$650	Average Room Rate ¹⁵
		75%	Occupancy ¹⁵
		\$24,911	Hotel Tax To GF/ Room
	Parking Tax (20% GF Share)	\$0	Excluded ²²

II. Other Restricted Revenues²³

Licenses, Permits, and Franchise Fees	\$26,642,891	Revenues in 2015-16 (Appendix A-1) ¹²
	845,602	Residents-San Francisco
	\$31.51	Per Resident
Fines, Forfeitures and Penalties	\$4,577,144	Revenues in 2015-16 (Appendix A-1) ¹²
	845,602	Residents-San Francisco
	\$5.41	Per Resident

III. Public Works Revenue Sources

Gas Tax (Public Works)	\$16,903,154	Gas Tax Revenues from FY2015-16 Adopted Budget ¹²
	845,602	Residents
	\$19.99	Per Resident
Proposition K Sales Tax	0.50%	Sales Tax ²⁴
		Share Allocated to Streets and Traffic Safety -
	<u>10%</u>	System Maintenance and Renovation ²⁴
	0.0500%	

Table 10

REVENUE SOURCE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

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IV. Revenue Set-Asides

MTA	9.193%	share of Aggregate Discretionary Revenues ²⁵
Library	2.286%	share of Aggregate Discretionary Revenues ²⁵
Children's Services	<u>8.757%</u>	share of Aggregate Discretionary Revenues ²⁵
	20.236%	total set-asides

Notes:

- ¹ KMA assumption.
- ² Table 9.
- ³ Analysis reflects 8% of base 1% tax levy. The balance is assumed to be dedicated to affordable housing and infrastructure.
- ⁴ Per SB 1096, growth of property tax in lieu of VLF is proportional to growth in AV since 2004/05.
- ⁵ Values of City and County of San Francisco. California State Controllers Office.
- ⁶ Base analysis assumes 0% of VLF revenues will be deposited into IFD.
- ⁷ San Francisco Business and Tax Regulations Code, Article 12-C: Real Property Transfer Tax
- ⁸ San Francisco Business and Tax Regulations Code, Article 12-D: Uniform Local Sales and Use Tax, and California Board of Equalization.
- ⁹ KMA assumption based on sales data published by California Board of Equalization and Green Street Advisors.
- ¹⁰ Per the report, "Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project," by Economic Planning Systems in May 2011.
- ¹¹ Appendix Table A-3.
- ¹² City and County of San Francisco. Budget and Appropriation Ordinance. Fiscal Year Ending June 30, 2016.
- ¹³ San Francisco Business and Tax Regulations Code, Article 12-A: Payroll Expense Tax Ordinance.
- ¹⁴ San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax Ordinance.
- ¹⁵ Baseline hotel assumptions provided by TICD. YBI hotel assumptions revised by KMA to reflect recent performance of competitive set of hotels (based on 2016 data published by STR).
- ¹⁶ GR tax is phased in through FY 2018. For FY16 revenues, KMA assumes a 25% adjustment factor for first three quarters and 50% for final quarter, consistent with factors detailed in San Francisco Business and Tax Regulations Code, Article 12-A-1: Gross Receipts Tax Ordinance.
- ¹⁷ TICD (March 2016, TI 27.2 Percent Affordable Pro Forma).
- ¹⁸ KMA assumption. See Appendix Table A-3.
- ¹⁹ KMA assumption.
- ²⁰ San Francisco Business and Tax Regulations Code Article 12: Business Registration Fee.
- ²¹ San Francisco Business and Tax Regulations Code Article 7: Tax on Transient Occupancy of Hotel Rooms.
- ²² Per the report, "Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project," by Economic Planning Systems in May 2011, parking will be under the jurisdiction of the Treasure Island Transportation Management Agency.
- ²³ Per the CCSF Controller's Office, revenues are generally restricted to specific expenditures not otherwise reflected in the analysis.
- ²⁴ San Francisco County Transportation Authority. Prop K Expenditure Plan (last updated January 2016).
- ²⁵ City of San Francisco. Office of the Controller. FY2015-16 Revenue Letter.

Table 11-A

ANNUAL GENERAL FUND REVENUES (NET) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
RECURRING GENERAL FUND REVENUE (NET) ¹											
Discretionary 20% <i>setaside</i>											
Portion of G.F. Property Tax ^{3, 4}	\$0	0	0	0	50,000	156,000	313,000	603,000	1,044,000	1,460,000	1,891,000
Property Tax in Lieu of VLF ⁴	\$0	0	0	0	67,000	209,000	418,000	806,000	1,397,000	1,952,000	2,529,000
Property Transfer Tax	\$0	0	0	0	42,000	234,000	530,000	889,000	1,220,000	1,677,000	2,245,000
Sales and Use Tax											
On-Site	\$0	0	0	0	0	0	39,000	41,000	64,000	338,000	292,000
Off-Site	\$0	0	0	14,000	77,000	185,000	345,000	501,000	665,000	897,000	1,149,000
Telephone Users Tax	\$0	0	0	4,000	22,000	54,000	111,000	161,000	211,000	291,000	368,000
Access Line Tax	\$0	0	0	3,000	20,000	50,000	102,000	149,000	195,000	270,000	341,000
Water Users Tax	\$0	0	0	0	0	1,000	2,000	2,000	3,000	6,000	6,000
Gas Electric Steam Users Tax	\$0	0	0	1,000	4,000	7,000	22,000	27,000	34,000	64,000	69,000
Gross Receipts Tax	\$0	0	0	0	0	5,000	112,000	132,000	182,000	261,000	278,000
Business License Tax	\$0	0	0	0	0	0	12,000	12,000	14,000	22,000	22,000
Hotel Room Tax											
TI Full Service Hotel	\$0	0	0	0	0	0	2,190,000	2,256,000	2,324,000	2,393,000	2,465,000
YBI Hotel	<u>\$0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,259,000</u>	<u>1,296,000</u>	<u>1,335,000</u>
Subtotal-Discretionary	\$0	0	0	22,000	282,000	901,000	4,196,000	5,579,000	8,612,000	10,927,000	12,990,000
Non-Discretionary											
Public Safety Sales Tax	\$0	0	0	9,000	48,000	116,000	241,000	339,000	457,000	774,000	903,000
NET GENERAL FUND REVENUE	\$0	0	0	31,000	330,000	1,017,000	4,437,000	5,918,000	9,069,000	11,701,000	13,893,000
BASELINE TRANSFERS TO OTHER FUNDS											
Baseline Transfers											
MTA ⁵ 9.19% of ADR	\$0	0	0	2,000	32,000	104,000	484,000	643,000	993,000	1,259,000	1,497,000
Library 2.29% of ADR	\$0	0	0	1,000	8,000	26,000	120,000	160,000	247,000	313,000	372,000
Children's Services 8.76% of ADR	\$0	0	0	2,000	31,000	99,000	461,000	613,000	945,000	1,200,000	1,426,000
Total Baseline Transfers	\$0	0	0	5,000	71,000	229,000	1,065,000	1,416,000	2,185,000	2,772,000	3,295,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees	\$0	0	0	4,000	23,000	59,000	116,000	173,000	226,000	303,000	389,000
Fines, Forfeitures, Penalties	\$0	0	0	1,000	4,000	10,000	20,000	30,000	39,000	52,000	67,000

¹ Net of baseline transfers. See Table 11-B for gross figures.² Table 10.³ Reflects 8% of base 1% tax levy. The balance of property tax revenues are dedicated to funding infrastructure and affordable hsg.⁴ Property tax and VLF projection based on IFD cash flow.⁵ Baseline transfer only. Prop. B transfer calculated on Table 21-A.

Table 11-A

ANNUAL GENERAL FUND REVENUES (NET) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
RECURRING GENERAL FUND REVENUE (NET) ¹											
Discretionary 20% setaside											
Portion of G.F. Property Tax ^{3, 4}	2,590,000	3,145,000	3,804,000	4,417,000	4,991,000	5,554,000	6,134,000	6,596,000	6,729,000	6,863,000	7,000,000
Property Tax in Lieu of VLF ⁴	3,464,000	4,207,000	5,088,000	5,908,000	6,675,000	7,428,000	8,204,000	8,823,000	9,000,000	9,179,000	9,363,000
Property Transfer Tax	2,857,000	3,479,000	4,109,000	4,750,000	5,425,000	6,089,000	6,422,000	6,614,000	6,811,000	7,014,000	7,224,000
Sales and Use Tax											
On-Site	250,000	906,000	877,000	1,923,000	1,937,000	1,981,000	2,041,000	2,103,000	2,166,000	2,230,000	2,297,000
Off-Site	1,386,000	1,623,000	1,896,000	2,141,000	2,382,000	2,506,000	2,581,000	2,659,000	2,738,000	2,820,000	2,905,000
Telephone Users Tax	436,000	533,000	615,000	710,000	778,000	814,000	839,000	864,000	890,000	916,000	944,000
Access Line Tax	404,000	494,000	570,000	658,000	722,000	755,000	778,000	801,000	825,000	849,000	875,000
Water Users Tax	7,000	13,000	13,000	18,000	19,000	20,000	21,000	21,000	22,000	22,000	23,000
Gas Electric Steam Users Tax	76,000	135,000	143,000	199,000	209,000	215,000	223,000	229,000	236,000	242,000	250,000
Gross Receipts Tax	290,000	674,000	712,000	867,000	893,000	920,000	948,000	976,000	1,006,000	1,036,000	1,066,000
Business License Tax	23,000	44,000	45,000	61,000	63,000	65,000	67,000	69,000	71,000	73,000	75,000
Hotel Room Tax											
TI Full Service Hotel	2,539,000	2,615,000	2,694,000	2,774,000	2,858,000	2,943,000	3,032,000	3,123,000	3,216,000	3,313,000	3,412,000
YBI Hotel	<u>1,375,000</u>	<u>1,417,000</u>	<u>1,459,000</u>	<u>1,503,000</u>	<u>1,548,000</u>	<u>1,594,000</u>	<u>1,642,000</u>	<u>1,691,000</u>	<u>1,742,000</u>	<u>1,795,000</u>	<u>1,848,000</u>
Subtotal-Discretionary	15,697,000	19,285,000	22,025,000	25,929,000	28,500,000	30,884,000	32,932,000	34,569,000	35,452,000	36,352,000	37,282,000
Non-Discretionary											
Public Safety Sales Tax	1,026,000	1,585,000	1,738,000	2,548,000	2,707,000	2,813,000	2,897,000	2,984,000	3,073,000	3,166,000	3,261,000
NET GENERAL FUND REVENUE	16,723,000	20,870,000	23,763,000	28,477,000	31,207,000	33,697,000	35,829,000	37,553,000	38,525,000	39,518,000	40,543,000
BASELINE TRANSFERS TO OTHER FUNDS											
Baseline Transfers											
MTA ⁵	9.19% of ADR	1,809,000	2,223,000	2,538,000	2,988,000	3,285,000	3,560,000	3,795,000	3,984,000	4,086,000	4,190,000
Library	2.29% of ADR	450,000	553,000	631,000	743,000	817,000	885,000	944,000	991,000	1,016,000	1,069,000
Children's Services	8.76% of ADR	1,723,000	2,117,000	2,418,000	2,847,000	3,129,000	3,391,000	3,615,000	3,795,000	3,892,000	4,093,000
Total Baseline Transfers		3,982,000	4,893,000	5,587,000	6,578,000	7,231,000	7,836,000	8,354,000	8,770,000	8,994,000	9,459,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees		466,000	544,000	635,000	713,000	787,000	825,000	850,000	876,000	902,000	929,000
Fines, Forfeitures, Penalties		80,000	93,000	109,000	122,000	135,000	142,000	146,000	150,000	155,000	164,000

¹ Net of baseline transfers. See Table 11-B for gross figures.² Table 10.³ Reflects 8% of base 1% tax levy. The balance of property tax revenues are dedicated to funding infrastructure and affordable hsg.⁴ Property tax and VLF projection based on IFD cash flow.⁵ Baseline transfer only. Prop. B transfer calculated on Table 21-A.

Table 11-A

ANNUAL GENERAL FUND REVENUES (NET) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
RECURRING GENERAL FUND REVENUE (NET) ¹											
Discretionary 20% setaside											
Portion of G.F. Property Tax ^{3, 4}	7,140,000	7,283,000	7,429,000	7,578,000	7,729,000	7,884,000	8,041,000	8,202,000	8,366,000	8,533,000	8,704,000
Property Tax in Lieu of VLF ⁴	9,550,000	9,742,000	9,936,000	10,135,000	10,337,000	10,544,000	10,755,000	10,971,000	11,190,000	11,413,000	11,642,000
Property Transfer Tax	7,440,000	7,662,000	7,891,000	8,126,000	8,370,000	8,619,000	8,877,000	9,143,000	9,415,000	9,697,000	9,987,000
Sales and Use Tax											
On-Site	2,366,000	2,437,000	2,510,000	2,586,000	2,663,000	2,743,000	2,825,000	2,910,000	2,998,000	3,088,000	3,180,000
Off-Site	2,992,000	3,082,000	3,175,000	3,270,000	3,368,000	3,469,000	3,573,000	3,680,000	3,790,000	3,904,000	4,021,000
Telephone Users Tax	972,000	1,002,000	1,031,000	1,062,000	1,094,000	1,127,000	1,161,000	1,196,000	1,232,000	1,269,000	1,307,000
Access Line Tax	901,000	928,000	956,000	985,000	1,015,000	1,045,000	1,076,000	1,109,000	1,142,000	1,177,000	1,212,000
Water Users Tax	24,000	25,000	26,000	26,000	26,000	27,000	28,000	30,000	30,000	31,000	32,000
Gas Electric Steam Users Tax	258,000	266,000	274,000	282,000	290,000	298,000	308,000	317,000	326,000	336,000	346,000
Gross Receipts Tax	1,099,000	1,132,000	1,166,000	1,200,000	1,236,000	1,274,000	1,312,000	1,351,000	1,392,000	1,433,000	1,476,000
Business License Tax	77,000	80,000	82,000	85,000	87,000	89,000	93,000	95,000	98,000	101,000	104,000
Hotel Room Tax											
TI Full Service Hotel	3,514,000	3,620,000	3,728,000	3,841,000	3,955,000	4,074,000	4,196,000	4,322,000	4,452,000	4,586,000	4,723,000
YBI Hotel	<u>1,904,000</u>	<u>1,961,000</u>	<u>2,020,000</u>	<u>2,080,000</u>	<u>2,142,000</u>	<u>2,207,000</u>	<u>2,273,000</u>	<u>2,341,000</u>	<u>2,411,000</u>	<u>2,484,000</u>	<u>2,558,000</u>
Subtotal-Discretionary	38,237,000	39,220,000	40,224,000	41,256,000	42,312,000	43,400,000	44,518,000	45,667,000	46,842,000	48,052,000	49,292,000
Non-Discretionary											
Public Safety Sales Tax	3,359,000	3,460,000	3,564,000	3,671,000	3,780,000	3,893,000	4,011,000	4,131,000	4,255,000	4,382,000	4,514,000
NET GENERAL FUND REVENUE	41,596,000	42,680,000	43,788,000	44,927,000	46,092,000	47,293,000	48,529,000	49,798,000	51,097,000	52,434,000	53,806,000
BASELINE TRANSFERS TO OTHER FUNDS											
Baseline Transfers											
MTA ⁵ 9.19% of ADR	4,407,000	4,520,000	4,636,000	4,755,000	4,877,000	5,002,000	5,131,000	5,263,000	5,399,000	5,538,000	5,681,000
Library 2.29% of ADR	1,096,000	1,124,000	1,153,000	1,182,000	1,213,000	1,244,000	1,276,000	1,309,000	1,342,000	1,377,000	1,413,000
Children's Services 8.76% of ADR	4,198,000	4,306,000	4,416,000	4,529,000	4,645,000	4,765,000	4,888,000	5,013,000	5,143,000	5,275,000	5,412,000
Total Baseline Transfers	9,701,000	9,950,000	10,205,000	10,466,000	10,735,000	11,011,000	11,295,000	11,585,000	11,884,000	12,190,000	12,506,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees	986,000	1,015,000	1,046,000	1,077,000	1,109,000	1,143,000	1,177,000	1,212,000	1,249,000	1,286,000	1,325,000
Fines, Forfeitures, Penalties	169,000	174,000	180,000	185,000	191,000	196,000	202,000	208,000	215,000	221,000	228,000

¹ Net of baseline transfers. See Table 11-B for gross figures.² Table 10.³ Reflects 8% of base 1% tax levy. The balance of property tax revenues are dedicated to funding infrastructure and affordable hsg.⁴ Property tax and VLF projection based on IFD cash flow.⁵ Baseline transfer only. Prop. B transfer calculated on Table 21-A.

Table 11-A

ANNUAL GENERAL FUND REVENUES (NET) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
RECURRING GENERAL FUND REVENUE (NET) ¹											
Discretionary 20% setaside											
Portion of G.F. Property Tax ^{3, 4}	8,879,000	9,056,000	9,237,000	9,422,000	9,610,000	9,802,000	9,998,000	10,199,000	10,402,000	10,610,000	10,822,000
Property Tax in Lieu of VLF ⁴	11,874,000	12,112,000	12,355,000	12,602,000	12,853,000	13,111,000	13,373,000	13,640,000	13,913,000	14,192,000	14,476,000
Property Transfer Tax	10,285,000	10,593,000	10,909,000	11,235,000	11,571,000	11,918,000	12,274,000	12,640,000	13,019,000	13,408,000	13,810,000
Sales and Use Tax											
On-Site	3,275,000	3,373,000	3,475,000	3,579,000	3,687,000	3,797,000	3,911,000	4,028,000	4,149,000	4,274,000	4,401,000
Off-Site	4,142,000	4,266,000	4,394,000	4,526,000	4,661,000	4,802,000	4,945,000	5,094,000	5,247,000	5,404,000	5,566,000
Telephone Users Tax	1,346,000	1,386,000	1,428,000	1,471,000	1,515,000	1,560,000	1,607,000	1,656,000	1,705,000	1,756,000	1,809,000
Access Line Tax	1,248,000	1,285,000	1,324,000	1,363,000	1,405,000	1,446,000	1,490,000	1,535,000	1,581,000	1,628,000	1,677,000
Water Users Tax	33,000	34,000	35,000	36,000	37,000	38,000	39,000	41,000	41,000	43,000	44,000
Gas Electric Steam Users Tax	357,000	367,000	378,000	389,000	401,000	413,000	426,000	439,000	451,000	465,000	479,000
Gross Receipts Tax	1,521,000	1,567,000	1,613,000	1,661,000	1,712,000	1,763,000	1,816,000	1,870,000	1,926,000	1,985,000	2,044,000
Business License Tax	107,000	110,000	113,000	116,000	120,000	124,000	128,000	132,000	136,000	140,000	144,000
Hotel Room Tax											
TI Full Service Hotel	4,865,000	5,011,000	5,161,000	5,316,000	5,476,000	5,639,000	5,809,000	5,983,000	6,163,000	6,348,000	6,538,000
YBI Hotel	<u>2,635,000</u>	<u>2,714,000</u>	<u>2,796,000</u>	<u>2,879,000</u>	<u>2,966,000</u>	<u>3,055,000</u>	<u>3,147,000</u>	<u>3,241,000</u>	<u>3,338,000</u>	<u>3,439,000</u>	<u>3,542,000</u>
Subtotal-Discretionary	50,567,000	51,874,000	53,218,000	54,595,000	56,014,000	57,468,000	58,963,000	60,498,000	62,071,000	63,692,000	65,352,000
Non-Discretionary											
Public Safety Sales Tax	4,649,000	4,789,000	4,932,000	5,081,000	5,233,000	5,390,000	5,552,000	5,718,000	5,890,000	6,067,000	6,248,000
NET GENERAL FUND REVENUE	55,216,000	56,663,000	58,150,000	59,676,000	61,247,000	62,858,000	64,515,000	66,216,000	67,961,000	69,759,000	71,600,000
BASELINE TRANSFERS TO OTHER FUNDS											
Baseline Transfers											
MTA ⁵	9.19% of ADR	5,828,000	5,978,000	6,133,000	6,292,000	6,456,000	6,623,000	6,796,000	6,972,000	7,154,000	7,341,000
Library	2.29% of ADR	1,449,000	1,487,000	1,525,000	1,565,000	1,605,000	1,647,000	1,690,000	1,734,000	1,779,000	1,825,000
Children's Services	8.76% of ADR	5,552,000	5,695,000	5,842,000	5,994,000	6,150,000	6,309,000	6,473,000	6,642,000	6,815,000	6,992,000
Total Baseline Transfers		12,829,000	13,160,000	13,500,000	13,851,000	14,211,000	14,579,000	14,959,000	15,348,000	15,748,000	16,158,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees		1,364,000	1,405,000	1,447,000	1,491,000	1,536,000	1,582,000	1,629,000	1,678,000	1,728,000	1,834,000
Fines, Forfeitures, Penalties		234,000	241,000	249,000	256,000	264,000	272,000	280,000	288,000	297,000	315,000

¹ Net of baseline transfers. See Table 11-B for gross figures.² Table 10.³ Reflects 8% of base 1% tax levy. The balance of property tax revenues are dedicated to funding infrastructure and affordable hsg.⁴ Property tax and VLF projection based on IFD cash flow.⁵ Baseline transfer only. Prop. B transfer calculated on Table 21-A.

Table 11-A

ANNUAL GENERAL FUND REVENUES (NET) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	MEASURE ²	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
RECURRING GENERAL FUND REVENUE (NET) ¹										
Discretionary	20% setaside									
Portion of G.F. Property Tax ^{3, 4}		10,125,000	8,071,000	7,369,000	6,736,000	4,586,000	3,912,000	2,004,000	2,044,000	2,084,000
Property Tax in Lieu of VLF ⁴		14,764,000	15,060,000	15,361,000	15,668,000	15,982,000	16,301,000	16,628,000	16,960,000	17,299,000
Property Transfer Tax		14,222,000	14,648,000	15,087,000	15,538,000	16,002,000	16,481,000	16,975,000	17,483,000	18,006,000
Sales and Use Tax										
On-Site		4,534,000	4,670,000	4,810,000	4,954,000	5,103,000	5,256,000	5,414,000	5,576,000	5,743,000
Off-Site		5,733,000	5,905,000	6,083,000	6,265,000	6,453,000	6,647,000	6,846,000	7,051,000	7,263,000
Telephone Users Tax		1,863,000	1,919,000	1,977,000	2,036,000	2,097,000	2,160,000	2,225,000	2,292,000	2,360,000
Access Line Tax		1,727,000	1,779,000	1,832,000	1,887,000	1,944,000	2,002,000	2,063,000	2,124,000	2,188,000
Water Users Tax		45,000	47,000	48,000	49,000	51,000	53,000	54,000	56,000	57,000
Gas Electric Steam Users Tax		494,000	508,000	523,000	539,000	555,000	572,000	589,000	607,000	625,000
Gross Receipts Tax		2,105,000	2,168,000	2,233,000	2,300,000	2,370,000	2,440,000	2,513,000	2,589,000	2,667,000
Business License Tax		148,000	152,000	157,000	162,000	167,000	171,000	177,000	182,000	187,000
Hotel Room Tax										
TI Full Service Hotel		6,734,000	6,936,000	7,144,000	7,358,000	7,579,000	7,807,000	8,041,000	8,282,000	8,531,000
YBI Hotel		<u>3,648,000</u>	<u>3,757,000</u>	<u>3,870,000</u>	<u>3,986,000</u>	<u>4,105,000</u>	<u>4,228,000</u>	<u>4,355,000</u>	<u>4,486,000</u>	<u>4,621,000</u>
Subtotal-Discretionary		66,142,000	65,620,000	66,494,000	67,478,000	66,994,000	68,030,000	67,884,000	69,732,000	71,631,000
Non-Discretionary										
Public Safety Sales Tax		6,436,000	6,629,000	6,828,000	7,033,000	7,244,000	7,461,000	7,684,000	7,915,000	8,153,000
NET GENERAL FUND REVENUE		72,578,000	72,249,000	73,322,000	74,511,000	74,238,000	75,491,000	75,568,000	77,647,000	79,784,000
BASELINE TRANSFERS TO OTHER FUNDS										
Baseline Transfers										
MTA ⁵	9.19% of ADR	7,623,000	7,563,000	7,664,000	7,777,000	7,721,000	7,841,000	7,824,000	8,037,000	8,256,000
Library	2.29% of ADR	1,896,000	1,881,000	1,906,000	1,934,000	1,920,000	1,950,000	1,946,000	1,998,000	2,053,000
Children's Services	8.76% of ADR	7,262,000	7,204,000	7,300,000	7,408,000	7,355,000	7,469,000	7,453,000	7,656,000	7,864,000
Total Baseline Transfers		16,781,000	16,648,000	16,870,000	17,119,000	16,996,000	17,260,000	17,223,000	17,691,000	18,173,000
OTHER RESTRICTED REVENUE										
Licenses, Permits, Fees		1,889,000	1,945,000	2,004,000	2,064,000	2,126,000	2,189,000	2,255,000	2,323,000	2,392,000
Fines, Forfeitures, Penalties		324,000	334,000	344,000	355,000	365,000	376,000	387,000	399,000	411,000

¹ Net of baseline transfers. See Table 11-B for gross figures.² Table 10.³ Reflects 8% of base 1% tax levy. The balance of property tax revenues are dedicated to funding infrastructure and affordable hsg.⁴ Property tax and VLF projection based on IFD cash flow.⁵ Baseline transfer only. Prop. B transfer calculated on Table 21-A.

Table 11-B

ANNUAL GENERAL FUND REVENUES (GROSS) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation ²	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residents ³	0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
employees ³	0	0	0	19	66	123	356	415	514	921	981
day & night pop ³	0	0	0	128	724	1,736	3,443	4,872	6,185	8,287	10,162
Hotel Rooms: TI Full Svc. ⁴	0	0	0	0	0	0	200	200	200	200	200
YBI Hotel ⁴	0	0	0	0	0	0	0	0	50	50	50
RECURRING GENERAL FUND REVENUE (GROSS) ¹											
Discretionary											
Portion of G.F. Property Tax ^{5, 6}	\$0	0	0	0	63,000	196,000	392,000	756,000	1,309,000	1,830,000	2,371,000
Property Tax in Lieu of VLF ⁵	\$0	0	0	0	84,000	262,000	524,000	1,011,000	1,751,000	2,447,000	3,171,000
Property Transfer Tax	Table 15	\$0	0	0	53,000	293,000	664,000	1,114,000	1,530,000	2,103,000	2,815,000
Sales and Use Tax											
On-Site	Table 13	\$0	0	0	0	0	49,000	51,000	80,000	424,000	366,000
Off-Site	Table 12	\$0	0	0	17,000	96,000	232,000	433,000	628,000	834,000	1,125,000
Telephone Users Tax	\$33.72 /res & empl	\$0	0	0	5,000	27,000	68,000	139,000	202,000	264,000	365,000
Access Line Tax	\$31.25 /res & empl	\$0	0	0	4,000	25,000	63,000	128,000	187,000	245,000	338,000
Water Users Tax	\$6.10 /empl	\$0	0	0	0	1,000	3,000	3,000	4,000	7,000	8,000
Gas Electric Steam Users Tax	\$66.24 /empl	\$0	0	0	1,000	5,000	9,000	28,000	34,000	43,000	87,000
Gross Receipts Tax	Table 14	\$0	0	0	0	0	6,000	141,000	166,000	228,000	327,000
Business License Tax	Table 14	\$0	0	0	0	0	15,000	15,000	18,000	27,000	28,000
Hotel Room Tax											
TI Full Service Hotel	\$11,498 /rm	\$0	0	0	0	0	2,746,000	2,828,000	2,913,000	3,000,000	3,090,000
YBI Hotel	\$24,911 /rm	\$0	0	0	0	0	0	0	1,578,000	1,625,000	1,674,000
Subtotal-Discretionary		\$0	0	0	27,000	353,000	1,130,000	5,262,000	6,995,000	10,797,000	16,286,000
Restricted											
Public Safety Sales Tax	Tables 12, 13 & 23	\$0	0	0	9,000	48,000	116,000	241,000	339,000	457,000	774,000
TOTAL (PRIOR TO BASELINE TRANSFERS)		\$0	0	0	36,000	401,000	1,246,000	5,503,000	7,334,000	11,254,000	17,189,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees	\$31.51 /res	\$0	0	0	4,000	23,000	59,000	116,000	173,000	226,000	303,000
Fines, Forfeitures, Penalties	\$5.41 /res	\$0	0	0	1,000	4,000	10,000	20,000	30,000	39,000	67,000

Notes

¹ Prior to baseline transfers. See Table 11-A for net figures.

² Table 10.

³ Table 6.

⁴ Table 4.

⁵ Property tax and VLF projection based on IFD cash flow.

⁶ Reflects 8% of base 1% tax levy. The balance of G.F. property tax revenues are dedicated to funding infrastructure and affordable hsg.

Table 11-B

ANNUAL GENERAL FUND REVENUES (GROSS) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
revenue appreciation ²	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residents ³	10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
employees ³	1,032	1,786	1,842	2,497	2,534	2,544	2,544	2,544	2,544	2,544	2,544
day & night pop ³	11,721	13,897	15,576	17,449	18,577	18,870	18,870	18,870	18,870	18,870	18,870
Hotel Rooms: TI Full Svc. ⁴	200	200	200	200	200	200	200	200	200	200	200
YBI Hotel ⁴	50	50	50	50	50	50	50	50	50	50	50
RECURRING GENERAL FUND REVENUE (GROSS) ¹											
Discretionary											
Portion of G.F. Property Tax ^{5, 6}	3,247,000	3,943,000	4,769,000	5,538,000	6,257,000	6,963,000	7,690,000	8,270,000	8,436,000	8,604,000	8,776,000
Property Tax in Lieu of VLF ⁵	4,343,000	5,274,000	6,379,000	7,407,000	8,368,000	9,313,000	10,285,000	11,061,000	11,283,000	11,508,000	11,739,000
Property Transfer Tax	Table 15	3,582,000	4,362,000	5,152,000	5,955,000	6,801,000	7,634,000	8,051,000	8,292,000	8,539,000	9,057,000
Sales and Use Tax											
On-Site	Table 13	314,000	1,136,000	1,100,000	2,411,000	2,428,000	2,484,000	2,559,000	2,636,000	2,715,000	2,880,000
Off-Site	Table 12	1,737,000	2,035,000	2,377,000	2,684,000	2,986,000	3,142,000	3,236,000	3,333,000	3,433,000	3,642,000
Telephone Users Tax	\$33.72 /res & empl	547,000	668,000	771,000	890,000	976,000	1,021,000	1,052,000	1,083,000	1,116,000	1,184,000
Access Line Tax	\$31.25 /res & empl	507,000	619,000	715,000	825,000	905,000	946,000	975,000	1,004,000	1,034,000	1,065,000
Water Users Tax	\$6.10 /empl	9,000	16,000	16,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000
Gas Electric Steam Users Tax	\$66.24 /empl	95,000	169,000	179,000	250,000	262,000	270,000	279,000	287,000	296,000	304,000
Gross Receipts Tax	Table 14	363,000	845,000	893,000	1,087,000	1,119,000	1,154,000	1,188,000	1,224,000	1,261,000	1,337,000
Business License Tax	Table 14	29,000	55,000	56,000	76,000	79,000	81,000	84,000	86,000	89,000	94,000
Hotel Room Tax											
TI Full Service Hotel	\$11,498 /rm	3,183,000	3,279,000	3,377,000	3,478,000	3,583,000	3,690,000	3,801,000	3,915,000	4,032,000	4,153,000
YBI Hotel	\$24,911 /rm	<u>1,724,000</u>	<u>1,776,000</u>	<u>1,829,000</u>	<u>1,884,000</u>	<u>1,941,000</u>	<u>1,999,000</u>	<u>2,059,000</u>	<u>2,120,000</u>	<u>2,184,000</u>	<u>2,250,000</u>
Subtotal-Discretionary		19,680,000	24,177,000	27,613,000	32,508,000	35,729,000	38,722,000	41,285,000	43,337,000	44,445,000	46,743,000
Restricted											
Public Safety Sales Tax	Tables 12, 13 & 23	1,026,000	1,585,000	1,738,000	2,548,000	2,707,000	2,813,000	2,897,000	2,984,000	3,073,000	3,166,000
TOTAL (PRIOR TO BASELINE TRANSFERS)		20,706,000	25,762,000	29,351,000	35,056,000	38,436,000	41,535,000	44,182,000	46,321,000	48,743,000	50,004,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees	\$31.51 /res	466,000	544,000	635,000	713,000	787,000	825,000	850,000	876,000	929,000	957,000
Fines, Forfeitures, Penalties	\$5.41 /res	80,000	93,000	109,000	122,000	135,000	142,000	146,000	150,000	160,000	164,000

Notes¹ Prior to baseline transfers. See Table 11-A for net figures.² Table 10.³ Table 6.⁴ Table 4.⁵ Property tax and VLF projection based on IFD cash flow.⁶ Reflects 8% of base 1% tax levy. The balance of G.F. property tax revenues are dedicated to funding infrastructure and affordable hsg.

Table 11-B

ANNUAL GENERAL FUND REVENUES (GROSS) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation ²	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
residents ³	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ³	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night pop ³	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Hotel Rooms: TI Full Svc. ⁴	200	200	200	200	200	200	200	200	200	200	200
YBI Hotel ⁴	50	50	50	50	50	50	50	50	50	50	50
RECURRING GENERAL FUND REVENUE (GROSS) ¹											
Discretionary											
Portion of G.F. Property Tax ^{5, 6}	8,952,000	9,131,000	9,314,000	9,500,000	9,690,000	9,884,000	10,081,000	10,283,000	10,489,000	10,698,000	10,912,000
Property Tax in Lieu of VLF ⁵	11,973,000	12,213,000	12,457,000	12,706,000	12,960,000	13,219,000	13,484,000	13,754,000	14,029,000	14,309,000	14,595,000
Property Transfer Tax	9,327,000	9,606,000	9,893,000	10,188,000	10,493,000	10,806,000	11,129,000	11,462,000	11,804,000	12,157,000	12,521,000
Sales and Use Tax											
On-Site	2,966,000	3,055,000	3,147,000	3,242,000	3,339,000	3,439,000	3,542,000	3,648,000	3,758,000	3,871,000	3,987,000
Off-Site	3,751,000	3,864,000	3,980,000	4,099,000	4,222,000	4,349,000	4,479,000	4,614,000	4,752,000	4,895,000	5,041,000
Telephone Users Tax	1,219,000	1,256,000	1,293,000	1,332,000	1,372,000	1,413,000	1,456,000	1,499,000	1,544,000	1,591,000	1,639,000
Access Line Tax	1,130,000	1,164,000	1,199,000	1,235,000	1,272,000	1,310,000	1,349,000	1,390,000	1,432,000	1,475,000	1,519,000
Water Users Tax	30,000	31,000	32,000	32,000	33,000	34,000	35,000	37,000	38,000	39,000	40,000
Gas Electric Steam Users Tax	323,000	333,000	343,000	353,000	363,000	374,000	386,000	397,000	409,000	421,000	434,000
Gross Receipts Tax	1,378,000	1,419,000	1,462,000	1,505,000	1,550,000	1,597,000	1,645,000	1,694,000	1,745,000	1,797,000	1,851,000
Business License Tax	97,000	100,000	103,000	106,000	109,000	112,000	116,000	119,000	123,000	126,000	130,000
Hotel Room Tax											
TI Full Service Hotel	4,406,000	4,538,000	4,674,000	4,815,000	4,959,000	5,108,000	5,261,000	5,419,000	5,581,000	5,749,000	5,921,000
YBI Hotel	2,387,000	2,458,000	2,532,000	2,608,000	2,686,000	2,767,000	2,850,000	2,935,000	3,023,000	3,114,000	3,207,000
Subtotal-Discretionary	47,939,000	49,168,000	50,429,000	51,721,000	53,048,000	54,412,000	55,813,000	57,251,000	58,727,000	60,242,000	61,797,000
Restricted											
Public Safety Sales Tax	3,359,000	3,460,000	3,564,000	3,671,000	3,780,000	3,893,000	4,011,000	4,131,000	4,255,000	4,382,000	4,514,000
TOTAL (PRIOR TO BASELINE TRANSFERS)	51,298,000	52,628,000	53,993,000	55,392,000	56,828,000	58,305,000	59,824,000	61,382,000	62,982,000	64,624,000	66,311,000
OTHER RESTRICTED REVENUE											
Licenses, Permits, Fees	986,000	1,015,000	1,046,000	1,077,000	1,109,000	1,143,000	1,177,000	1,212,000	1,249,000	1,286,000	1,325,000
Fines, Forfeitures, Penalties	169,000	174,000	180,000	185,000	191,000	196,000	202,000	208,000	215,000	221,000	228,000

Notes¹ Prior to baseline transfers. See Table 11-A for net figures.² Table 10.³ Table 6.⁴ Table 4.⁵ Property tax and VLF projection based on IFD cash flow.⁶ Reflects 8% of base 1% tax levy. The balance of G.F. property tax revenues are dedicated to funding infrastructure and affordable hsg.

Table 11-B

ANNUAL GENERAL FUND REVENUES (GROSS) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²		2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
revenue appreciation ²		2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
residents ³		16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ³		2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night pop ³		18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Hotel Rooms: TI Full Svc. ⁴		200	200	200	200	200	200	200	200	200	200	200
YBI Hotel ⁴		50	50	50	50	50	50	50	50	50	50	50
RECURRING GENERAL FUND REVENUE (GROSS) ¹												
Discretionary												
Portion of G.F. Property Tax ^{5, 6}		11,131,000	11,353,000	11,580,000	11,812,000	12,048,000	12,289,000	12,535,000	12,786,000	13,041,000	13,302,000	13,568,000
Property Tax in Lieu of VLF ⁵		14,887,000	15,185,000	15,489,000	15,799,000	16,114,000	16,437,000	16,766,000	17,101,000	17,443,000	17,792,000	18,148,000
Property Transfer Tax	Table 15	12,894,000	13,280,000	13,677,000	14,085,000	14,507,000	14,941,000	15,388,000	15,847,000	16,322,000	16,810,000	17,313,000
Sales and Use Tax												
On-Site	Table 13	4,106,000	4,229,000	4,356,000	4,487,000	4,622,000	4,760,000	4,903,000	5,050,000	5,202,000	5,358,000	5,518,000
Off-Site	Table 12	5,193,000	5,348,000	5,509,000	5,674,000	5,844,000	6,020,000	6,200,000	6,386,000	6,578,000	6,775,000	6,978,000
Telephone Users Tax	\$33.72 /res & empl	1,688,000	1,738,000	1,790,000	1,844,000	1,899,000	1,956,000	2,015,000	2,076,000	2,138,000	2,202,000	2,268,000
Access Line Tax	\$31.25 /res & empl	1,564,000	1,611,000	1,660,000	1,709,000	1,761,000	1,813,000	1,868,000	1,924,000	1,982,000	2,041,000	2,102,000
Water Users Tax	\$6.10 /empl	41,000	42,000	44,000	45,000	46,000	48,000	49,000	51,000	52,000	54,000	55,000
Gas Electric Steam Users Tax	\$66.24 /empl	447,000	460,000	474,000	488,000	503,000	518,000	534,000	550,000	566,000	583,000	601,000
Gross Receipts Tax	Table 14	1,907,000	1,964,000	2,022,000	2,083,000	2,146,000	2,210,000	2,277,000	2,345,000	2,415,000	2,488,000	2,563,000
Business License Tax	Table 14	134,000	138,000	142,000	146,000	151,000	155,000	160,000	165,000	170,000	175,000	180,000
Hotel Room Tax												
TI Full Service Hotel	\$11,498 /rm	6,099,000	6,282,000	6,470,000	6,665,000	6,865,000	7,070,000	7,283,000	7,501,000	7,726,000	7,958,000	8,197,000
YBI Hotel	\$24,911 /rm	3,304,000	3,403,000	3,505,000	3,610,000	3,718,000	3,830,000	3,945,000	4,063,000	4,185,000	4,311,000	4,440,000
Subtotal-Discretionary		63,395,000	65,033,000	66,718,000	68,447,000	70,224,000	72,047,000	73,923,000	75,845,000	77,820,000	79,849,000	81,931,000
Restricted												
Public Safety Sales Tax	Tables 12, 13 & 23	4,649,000	4,789,000	4,932,000	5,081,000	5,233,000	5,390,000	5,552,000	5,718,000	5,890,000	6,067,000	6,248,000
TOTAL (PRIOR TO BASELINE TRANSFERS)		68,044,000	69,822,000	71,650,000	73,528,000	75,457,000	77,437,000	79,475,000	81,563,000	83,710,000	85,916,000	88,179,000
OTHER RESTRICTED REVENUE												
Licenses, Permits, Fees	\$31.51 /res	1,364,000	1,405,000	1,447,000	1,491,000	1,536,000	1,582,000	1,629,000	1,678,000	1,728,000	1,780,000	1,834,000
Fines, Forfeitures, Penalties	\$5.41 /res	234,000	241,000	249,000	256,000	264,000	272,000	280,000	288,000	297,000	306,000	315,000

Notes

¹ Prior to baseline transfers. See Table 11-A for net figures.

² Table 10.

³ Table 6.

⁴ Table 4.

⁵ Property tax and VLF projection based on IFD cash flow.

⁶ Reflects 8% of base 1% tax levy. The balance of G.F. property tax revenues are dedicated to funding infrastructure and affordable hsg.

Table 11-B

ANNUAL GENERAL FUND REVENUES (GROSS) ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ²	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
revenue appreciation ²	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
residents ³	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ³	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night pop ³	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Hotel Rooms: TI Full Svc. ⁴	200	200	200	200	200	200	200	200	200
YBI Hotel ⁴	50	50	50	50	50	50	50	50	50
RECURRING GENERAL FUND REVENUE (GROSS) ¹									
Discretionary									
Portion of G.F. Property Tax ^{5, 6}	12,694,000	10,118,000	9,238,000	8,445,000	5,750,000	4,904,000	2,512,000	2,562,000	2,613,000
Property Tax in Lieu of VLF ⁵	18,510,000	18,881,000	19,258,000	19,643,000	20,036,000	20,437,000	20,846,000	21,263,000	21,688,000
Property Transfer Tax	Table 15	17,830,000	18,364,000	18,914,000	19,480,000	20,062,000	20,662,000	21,281,000	22,574,000
Sales and Use Tax									
On-Site	Table 13	5,684,000	5,855,000	6,030,000	6,211,000	6,397,000	6,589,000	6,787,000	7,200,000
Off-Site	Table 12	7,188,000	7,403,000	7,626,000	7,854,000	8,090,000	8,333,000	8,583,000	9,105,000
Telephone Users Tax	\$33.72 /res & empl	2,336,000	2,406,000	2,478,000	2,553,000	2,629,000	2,708,000	2,789,000	2,959,000
Access Line Tax	\$31.25 /res & empl	2,165,000	2,230,000	2,297,000	2,366,000	2,437,000	2,510,000	2,586,000	2,743,000
Water Users Tax	\$6.10 /empl	57,000	59,000	60,000	62,000	64,000	66,000	68,000	72,000
Gas Electric Steam Users Tax	\$66.24 /empl	619,000	637,000	656,000	676,000	696,000	717,000	739,000	784,000
Gross Receipts Tax	Table 14	2,639,000	2,718,000	2,800,000	2,884,000	2,971,000	3,059,000	3,151,000	3,344,000
Business License Tax	Table 14	186,000	191,000	197,000	203,000	209,000	215,000	222,000	235,000
Hotel Room Tax									
TI Full Service Hotel	\$11,498 /rm	8,443,000	8,696,000	8,957,000	9,225,000	9,502,000	9,787,000	10,081,000	10,695,000
YBI Hotel	\$24,911 /rm	4,573,000	4,710,000	4,852,000	4,997,000	5,147,000	5,301,000	5,460,000	5,793,000
Subtotal-Discretionary		82,924,000	82,268,000	83,363,000	84,599,000	83,990,000	85,288,000	85,105,000	87,422,000
Restricted									
Public Safety Sales Tax	Tables 12, 13 & 23	6,436,000	6,629,000	6,828,000	7,033,000	7,244,000	7,461,000	7,684,000	8,153,000
TOTAL (PRIOR TO BASELINE TRANSFERS)		89,360,000	88,897,000	90,191,000	91,632,000	91,234,000	92,749,000	92,789,000	97,958,000
OTHER RESTRICTED REVENUE									
Licenses, Permits, Fees	\$31.51 /res	1,889,000	1,945,000	2,004,000	2,064,000	2,126,000	2,189,000	2,255,000	2,392,000
Fines, Forfeitures, Penalties	\$5.41 /res	324,000	334,000	344,000	355,000	365,000	376,000	387,000	411,000

Notes

¹ Prior to baseline transfers. See Table 11-A for net figures.

² Table 10.

³ Table 6.

⁴ Table 4.

⁵ Property tax and VLF projection based on IFD cash flow.

⁶ Reflects 8% of base 1% tax levy. The balance of G.F. property tax revenues are dedicated to funding infrastructure and affordable hsg.

Table 12

OFF-SITE SALES TAX REVENUE ESTIMATES
TO BE GENERATED BY TREASURE ISLAND RESIDENTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation ¹ 3%			1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
OFF-SITE TAXABLE SALES IN S.F. (\$000s) ²													
A. Market Rate/BMR (\$000s)													
For Sale													
YBI Townhomes	\$41,629	/du	0	0	0	1,638	5,060	8,687	10,439	10,752	11,074	11,406	11,749
TI Townhomes	\$34,199	/du	0	0	0	0	1,309	3,727	4,124	4,248	5,892	6,738	9,698
Flats	\$24,776	/du	0	0	0	0	2,677	8,272	14,200	20,477	27,117	34,138	41,555
Neighborhood Tower	\$28,413	/du	0	0	0	0	0	0	6,107	12,580	19,436	26,692	34,366
High Rise	\$33,437	/du	0	0	0	0	0	0	0	0	0	5,235	10,785
Branded condo	\$27,960	/du	0	0	0	0	0	0	0	0	2,550	4,268	4,396
Rental	\$21,101	/du	0	0	0	0	0	977	3,952	7,534	8,072	10,647	12,956
			0	0	0	1,638	9,046	21,663	38,822	55,591	74,141	99,124	125,505
B. TIDA (\$000s)	\$13,601	/du	0	0	0	84	570	1,517	4,449	7,245	9,270	13,339	18,539
TOTAL TAXABLE SALES (\$000s)			0	0	0	1,722	9,616	23,180	43,271	62,836	83,411	112,463	144,044
SALES TAX													
General Fund	1.00% tax		0	0	0	17,000	96,000	232,000	433,000	628,000	834,000	1,125,000	1,440,000
Public Safety	0.50% tax		0	0	0	9,000	48,000	116,000	216,000	314,000	417,000	562,000	720,000
Proposition K													
System Maintenance (DPW)	0.05% tax		0	0	0	1,000	5,000	12,000	22,000	31,000	42,000	56,000	72,000
System Maintenance (MTA)	0.18% tax		0	0	0	3,000	18,000	43,000	80,000	116,000	154,000	207,000	265,000
AB 1107 (MTA)	0.06% tax		0	0	0	1,000	6,000	14,000	27,000	39,000	52,000	70,000	90,000
TDA (MTA)	0.25% tax		0	0	0	4,000	24,000	58,000	108,000	157,000	209,000	281,000	360,000

¹ Table 10.² Based on household estimates, Table 6.

Table 12

**OFF-SITE SALES TAX REVENUE ESTIMATES
TO BE GENERATED BY TREASURE ISLAND RESIDENTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹			2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
revenue appreciation ¹ 3%			1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
OFF-SITE TAXABLE SALES IN S.F. (\$000s) ²													
A. Market Rate/BMR (\$000s)													
For Sale													
YBI Townhomes	\$41,629	/du	12,101	12,464	12,838	13,223	13,620	14,029	14,449	14,883	15,329	15,789	16,263
TI Townhomes	\$34,199	/du	11,930	13,214	13,610	14,019	14,439	14,872	15,319	15,778	16,252	16,739	17,241
Flats	\$24,776	/du	49,386	57,650	66,366	75,552	83,416	85,918	88,496	91,151	93,885	96,702	99,603
Neighborhood Tower	\$28,413	/du	42,477	51,043	60,085	69,623	79,680	85,125	87,679	90,309	93,018	95,809	98,683
High Rise	\$33,437	/du	16,662	22,883	29,462	36,415	43,758	48,022	49,463	50,947	52,475	54,049	55,671
Branded condo	\$27,960	/du	4,528	4,664	4,804	4,948	5,097	5,249	5,407	5,569	5,736	5,908	6,086
Rental	\$21,101	/du	<u>13,914</u>	<u>14,331</u>	<u>18,504</u>	<u>19,059</u>	<u>19,631</u>	<u>20,220</u>	<u>20,826</u>	<u>21,451</u>	<u>22,095</u>	<u>22,758</u>	<u>23,440</u>
			150,998	176,249	205,669	232,839	259,641	273,435	281,639	290,088	298,790	307,754	316,987
B. TIDA (\$000s)	\$13,601	/du	22,705	27,234	32,005	35,558	38,968	40,727	41,949	43,208	44,504	45,839	47,214
TOTAL TAXABLE SALES (\$000s)			173,703	203,483	237,674	268,397	298,609	314,162	323,588	333,296	343,294	353,593	364,201
SALES TAX													
General Fund	1.00% tax		1,737,000	2,035,000	2,377,000	2,684,000	2,986,000	3,142,000	3,236,000	3,333,000	3,433,000	3,536,000	3,642,000
Public Safety	0.50% tax		869,000	1,017,000	1,188,000	1,342,000	1,493,000	1,571,000	1,618,000	1,666,000	1,716,000	1,768,000	1,821,000
Proposition K													
System Maintenance (DPW)	0.05% tax		87,000	102,000	119,000	134,000	149,000	157,000	162,000	167,000	172,000	177,000	182,000
System Maintenance (MTA)	0.18% tax		320,000	375,000	438,000	494,000	550,000	579,000	596,000	614,000	632,000	651,000	671,000
AB 1107 (MTA)	0.06% tax		109,000	127,000	149,000	168,000	187,000	196,000	202,000	208,000	215,000	221,000	228,000
TDA (MTA)	0.25% tax		434,000	509,000	594,000	671,000	747,000	785,000	809,000	833,000	858,000	884,000	911,000

¹ Table 10.² Based on household estimates, Table 6.

Table 12

OFF-SITE SALES TAX REVENUE ESTIMATES
TO BE GENERATED BY TREASURE ISLAND RESIDENTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹			2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation ¹ 3%			1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
OFF-SITE TAXABLE SALES IN S.F. (\$000s) ²													
A. Market Rate/BMR (\$000s)													
For Sale													
YBI Townhomes	\$41,629	/du	16,751	17,253	17,771	18,304	18,853	19,419	20,001	20,601	21,219	21,856	22,512
TI Townhomes	\$34,199	/du	17,758	18,291	18,840	19,405	19,987	20,587	21,205	21,841	22,496	23,171	23,866
Flats	\$24,776	/du	102,591	105,669	108,839	112,104	115,467	118,931	122,499	126,174	129,959	133,858	137,874
Neighborhood Tower	\$28,413	/du	101,644	104,693	107,834	111,069	114,401	117,833	121,368	125,009	128,759	132,622	136,600
High Rise	\$33,437	/du	57,341	59,061	60,833	62,658	64,538	66,474	68,468	70,522	72,638	74,817	77,062
Branded condo	\$27,960	/du	6,268	6,456	6,650	6,849	7,055	7,266	7,484	7,709	7,940	8,178	8,424
Rental	\$21,101	/du	<u>24,144</u>	<u>24,868</u>	<u>25,614</u>	<u>26,382</u>	<u>27,174</u>	<u>27,989</u>	<u>28,829</u>	<u>29,694</u>	<u>30,584</u>	<u>31,502</u>	<u>32,447</u>
			326,497	336,291	346,381	356,771	367,475	378,499	389,854	401,550	413,595	426,004	438,785
B. TIDA (\$000s)													
	\$13,601	/du	48,631	50,089	51,592	53,140	54,734	56,376	58,067	59,809	61,604	63,452	65,355
TOTAL TAXABLE SALES (\$000s)			375,128	386,380	397,973	409,911	422,209	434,875	447,921	461,359	475,199	489,456	504,140
SALES TAX													
General Fund	1.00% tax		3,751,000	3,864,000	3,980,000	4,099,000	4,222,000	4,349,000	4,479,000	4,614,000	4,752,000	4,895,000	5,041,000
Public Safety	0.50% tax		1,876,000	1,932,000	1,990,000	2,050,000	2,111,000	2,174,000	2,240,000	2,307,000	2,376,000	2,447,000	2,521,000
Proposition K													
System Maintenance (DPW)	0.05% tax		188,000	193,000	199,000	205,000	211,000	217,000	224,000	231,000	238,000	245,000	252,000
System Maintenance (MTA)	0.18% tax		691,000	712,000	733,000	755,000	778,000	801,000	825,000	850,000	875,000	902,000	929,000
AB 1107 (MTA)	0.06% tax		234,000	241,000	249,000	256,000	264,000	272,000	280,000	288,000	297,000	306,000	315,000
TDA (MTA)	0.25% tax		938,000	966,000	995,000	1,025,000	1,056,000	1,087,000	1,120,000	1,153,000	1,188,000	1,224,000	1,260,000

¹ Table 10.² Based on household estimates, Table 6.

Table 12

OFF-SITE SALES TAX REVENUE ESTIMATES
TO BE GENERATED BY TREASURE ISLAND RESIDENTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹			2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58
revenue appreciation ¹ 3%			2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46
OFF-SITE TAXABLE SALES IN S.F. (\$000s) ²												
A. Market Rate/BMR (\$000s)												
For Sale												
YBI Townhomes	\$41,629	/du	23,187	23,883	24,599	25,337	26,097	26,880	27,686	28,517	29,373	30,254
TI Townhomes	\$34,199	/du	24,582	25,319	26,079	26,861	27,667	28,497	29,352	30,233	31,140	32,074
Flats	\$24,776	/du	142,010	146,270	150,658	155,178	159,833	164,628	169,567	174,654	179,894	185,291
Neighborhood Tower	\$28,413	/du	140,698	144,919	149,267	153,745	158,357	163,108	168,001	173,041	178,233	183,580
High Rise	\$33,437	/du	79,373	81,755	84,207	86,733	89,335	92,016	94,776	97,619	100,548	103,564
Branded condo	\$27,960	/du	8,677	8,937	9,205	9,481	9,766	10,059	10,360	10,671	10,991	11,321
Rental	\$21,101	/du	<u>33,420</u>	<u>34,423</u>	<u>35,456</u>	<u>36,519</u>	<u>37,615</u>	<u>38,743</u>	<u>39,906</u>	<u>41,103</u>	<u>42,336</u>	<u>43,606</u>
			451,947	465,506	479,471	493,854	508,670	523,931	539,648	555,838	572,515	589,690
B. TIDA (\$000s)												
	\$13,601	/du	67,316	69,335	71,416	73,558	75,765	78,038	80,379	82,790	85,274	87,832
TOTAL TAXABLE SALES (\$000s)			519,263	534,841	550,887	567,412	584,435	601,969	620,027	638,628	657,789	677,522
SALES TAX												
General Fund	1.00% tax		5,193,000	5,348,000	5,509,000	5,674,000	5,844,000	6,020,000	6,200,000	6,386,000	6,578,000	6,775,000
Public Safety	0.50% tax		2,596,000	2,674,000	2,754,000	2,837,000	2,922,000	3,010,000	3,100,000	3,193,000	3,289,000	3,388,000
Proposition K												
System Maintenance (DPW)	0.05% tax		260,000	267,000	275,000	284,000	292,000	301,000	310,000	319,000	329,000	339,000
System Maintenance (MTA)	0.18% tax		957,000	985,000	1,015,000	1,045,000	1,077,000	1,109,000	1,142,000	1,176,000	1,212,000	1,248,000
AB 1107 (MTA)	0.06% tax		325,000	334,000	344,000	355,000	365,000	376,000	388,000	399,000	411,000	423,000
TDA (MTA)	0.25% tax		1,298,000	1,337,000	1,377,000	1,419,000	1,461,000	1,505,000	1,550,000	1,597,000	1,644,000	1,694,000

¹ Table 10.² Based on household estimates, Table 6.

Table 12

OFF-SITE SALES TAX REVENUE ESTIMATES
TO BE GENERATED BY TREASURE ISLAND RESIDENTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
revenue appreciation ¹	3%	3.56	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65

OFF-SITE TAXABLE SALES IN S.F. (\$000s) ²

A. Market Rate/BMR (\$000s)

For Sale

YBI Townhomes	\$41,629	/du	31,161	32,096	33,059	34,051	35,072	36,125	37,208	38,325	39,474	40,659
TI Townhomes	\$34,199	/du	33,036	34,027	35,048	36,099	37,182	38,298	39,447	40,630	41,849	43,104
Flats	\$24,776	/du	190,849	196,575	202,472	208,546	214,803	221,247	227,884	234,721	241,762	249,015
Neighborhood Tower	\$28,413	/du	189,087	194,760	200,602	206,620	212,819	219,204	225,780	232,553	239,530	246,716
High Rise	\$33,437	/du	106,671	109,871	113,167	116,562	120,059	123,661	127,371	131,192	135,128	139,182
Branded condo	\$27,960	/du	11,661	12,010	12,371	12,742	13,124	13,518	13,923	14,341	14,771	15,214
Rental	\$21,101	/du	<u>44,914</u>	<u>46,262</u>	<u>47,649</u>	<u>49,079</u>	<u>50,551</u>	<u>52,068</u>	<u>53,630</u>	<u>55,239</u>	<u>56,896</u>	<u>58,603</u>
			607,379	625,601	644,368	663,699	683,610	704,121	725,243	747,001	769,410	792,493

B. TIDA (\$000s)

\$13,601	/du	90,467	93,181	95,977	98,856	101,822	104,876	108,022	111,263	114,601	118,039

TOTAL TAXABLE SALES (\$000s)		697,846	718,782	740,345	762,555	785,432	808,997	833,265	858,264	884,011	910,532

SALES TAX											
General Fund	1.00% tax	6,978,000	7,188,000	7,403,000	7,626,000	7,854,000	8,090,000	8,333,000	8,583,000	8,840,000	9,105,000
Public Safety	0.50% tax	3,489,000	3,594,000	3,702,000	3,813,000	3,927,000	4,045,000	4,166,000	4,291,000	4,420,000	4,553,000
Proposition K											
System Maintenance (DPW)	0.05% tax	349,000	359,000	370,000	381,000	393,000	404,000	417,000	429,000	442,000	455,000
System Maintenance (MTA)	0.18% tax	1,286,000	1,324,000	1,364,000	1,405,000	1,447,000	1,490,000	1,535,000	1,581,000	1,629,000	1,677,000
AB 1107 (MTA)	0.06% tax	436,000	449,000	463,000	477,000	491,000	506,000	521,000	536,000	553,000	569,000
TDA (MTA)	0.25% tax	1,745,000	1,797,000	1,851,000	1,906,000	1,964,000	2,022,000	2,083,000	2,146,000	2,210,000	2,276,000

¹ Table 10.² Based on household estimates, Table 6.

Table 13

**ON-SITE SALES TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation ¹		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
occupied retail sf ²		-	-	-	-	-	-	-	-	-	99,408	99,408
hotel rooms: TI Full Service Hotel ³		-	-	-	-	-	-	200	200	200	200	200
hotel rooms: YBI Hotel ³		-	-	-	-	-	-	-	-	50	50	50
ON-SITE TAXABLE SALES (\$000s)												
RETAIL												
New Taxable Sales	\$480 / SF	0	0	0	0	0	0	0	0	0	62,258	64,126
(Less) Resident Capture	25%	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(28,116)</u>	<u>(36,011)</u>
		0	0	0	0	0	0	0	0	0	34,143	28,115
HOTEL												
Taxable Sales												
TI Full Service Hotel	\$20,531 /rm	0	0	0	0	0	0	4,903	5,050	5,202	5,358	5,518
YBI Hotel	\$44,484 /rm	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,818</u>	<u>2,902</u>	<u>2,989</u>
		0	0	0	0	0	0	4,903	5,050	8,019	8,260	8,508
TOTAL TAXABLE SALES		0	0	0	0	0	0	4,903	5,050	8,019	42,402	36,623
SALES TAX												
General Fund	1% tax	0	0	0	0	0	0	49,000	51,000	80,000	424,000	366,000
Public Safety	0.5% tax	0	0	0	0	0	0	25,000	25,000	40,000	212,000	183,000
Proposition K												
Syst. Maintenance (DPW)	0.05% tax	0	0	0	0	0	0	2,000	3,000	4,000	21,000	18,000
Syst. Maintenance (Transit)	0.2% tax	0	0	0	0	0	0	9,000	9,000	15,000	78,000	67,000
AB 1107 (MTA)	0.1% tax	0	0	0	0	0	0	3,000	3,000	5,000	27,000	23,000
TDA (MTA)	0.25% tax	0	0	0	0	0	0	12,000	13,000	20,000	106,000	92,000

¹ Table 10.² Table 7.³ Table 4.

Table 13

**ON-SITE SALES TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
revenue appreciation ¹	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86	
occupied retail sf ²	99,408	227,088	227,088	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	
hotel rooms: TI Full Service Hotel ³	200	200	200	200	200	200	200	200	200	200	200	
hotel rooms: YBI Hotel ³	50	50	50	50	50	50	50	50	50	50	50	
ON-SITE TAXABLE SALES (\$000s)												
RETAIL												
New Taxable Sales	\$480 / SF	66,050	155,411	160,073	298,630	307,589	316,817	326,321	336,111	346,194	356,580	367,278
(Less) Resident Capture	25%	(43,426)	(50,871)	(59,419)	(67,099)	(74,652)	(78,541)	(80,897)	(83,324)	(85,824)	(88,398)	(91,050)
		22,624	104,540	100,655	231,531	232,937	238,276	245,424	252,787	260,371	268,182	276,227
HOTEL												
Taxable Sales												
TI Full Service Hotel	\$20,531 /rm	5,684	5,855	6,030	6,211	6,397	6,589	6,787	6,991	7,200	7,416	7,639
YBI Hotel	\$44,484 /rm	3,079	3,171	3,266	3,364	3,465	3,569	3,676	3,787	3,900	4,017	4,138
		8,763	9,026	9,297	9,575	9,863	10,159	10,463	10,777	11,101	11,434	11,777
TOTAL TAXABLE SALES		31,387	113,566	109,951	241,106	242,800	248,435	255,888	263,564	271,471	279,615	288,004
SALES TAX												
General Fund	1% tax	314,000	1,136,000	1,100,000	2,411,000	2,428,000	2,484,000	2,559,000	2,636,000	2,715,000	2,796,000	2,880,000
Public Safety	0.5% tax	157,000	568,000	550,000	1,206,000	1,214,000	1,242,000	1,279,000	1,318,000	1,357,000	1,398,000	1,440,000
Proposition K												
Syst. Maintenance (DPW)	0.05% tax	16,000	57,000	55,000	121,000	121,000	124,000	128,000	132,000	136,000	140,000	144,000
Syst. Maintenance (Transit)	0.2% tax	58,000	209,000	203,000	444,000	447,000	458,000	471,000	486,000	500,000	515,000	531,000
AB 1107 (MTA)	0.1% tax	20,000	71,000	69,000	151,000	152,000	155,000	160,000	165,000	170,000	175,000	180,000
TDA (MTA)	0.25% tax	78,000	284,000	275,000	603,000	607,000	621,000	640,000	659,000	679,000	699,000	720,000

¹ Table 10.² Table 7.³ Table 4.

Table 13

**ON-SITE SALES TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation ¹	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
occupied retail sf ²	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312
hotel rooms: TI Full Service Hotel ³	200	200	200	200	200	200	200	200	200	200	200
hotel rooms: YBI Hotel ³	50	50	50	50	50	50	50	50	50	50	50

ON-SITE TAXABLE SALES (\$000s)**RETAIL**

New Taxable Sales	\$480 / SF	378,296	389,645	401,334	413,374	425,775	438,549	451,705	465,256	479,214	493,590	508,398
(Less) Resident Capture	25%	<u>(93,782)</u>	<u>(96,595)</u>	<u>(99,493)</u>	<u>(102,478)</u>	<u>(105,552)</u>	<u>(108,719)</u>	<u>(111,980)</u>	<u>(115,340)</u>	<u>(118,800)</u>	<u>(122,364)</u>	<u>(126,035)</u>
		284,514	293,050	301,841	310,896	320,223	329,830	339,725	349,916	360,414	371,226	382,363

HOTEL

Taxable Sales

TI Full Service Hotel	\$20,531 /rm	7,868	8,104	8,347	8,598	8,856	9,121	9,395	9,677	9,967	10,266	10,574
YBI Hotel	\$44,484 /rm	<u>4,262</u>	<u>4,390</u>	<u>4,521</u>	<u>4,657</u>	<u>4,797</u>	<u>4,941</u>	<u>5,089</u>	<u>5,242</u>	<u>5,399</u>	<u>5,561</u>	<u>5,728</u>
		12,130	12,494	12,869	13,255	13,652	14,062	14,484	14,918	15,366	15,827	16,301

TOTAL TAXABLE SALES

296,644 305,543 314,709 324,151 333,875 343,892 354,208 364,835 375,780 387,053 398,664

SALES TAX												
General Fund	1% tax	2,966,000	3,055,000	3,147,000	3,242,000	3,339,000	3,439,000	3,542,000	3,648,000	3,758,000	3,871,000	3,987,000
Public Safety	0.5% tax	1,483,000	1,528,000	1,574,000	1,621,000	1,669,000	1,719,000	1,771,000	1,824,000	1,879,000	1,935,000	1,993,000
Proposition K												
Syst. Maintenance (DPW)	0.05% tax	148,000	153,000	157,000	162,000	167,000	172,000	177,000	182,000	188,000	194,000	199,000
Syst. Maintenance (Transit)	0.2% tax	546,000	563,000	580,000	597,000	615,000	634,000	653,000	672,000	692,000	713,000	734,000
AB 1107 (MTA)	0.1% tax	185,000	191,000	197,000	203,000	209,000	215,000	221,000	228,000	235,000	242,000	249,000
TDA (MTA)	0.25% tax	742,000	764,000	787,000	810,000	835,000	860,000	886,000	912,000	939,000	968,000	997,000

¹ Table 10.² Table 7.³ Table 4.

Table 13

**ON-SITE SALES TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
revenue appreciation ¹	2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
occupied retail sf ²	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312
hotel rooms: TI Full Service Hotel ³	200	200	200	200	200	200	200	200	200	200	200
hotel rooms: YBI Hotel ³	50	50	50	50	50	50	50	50	50	50	50

ON-SITE TAXABLE SALES (\$000s)**RETAIL**

New Taxable Sales	\$480 / SF	523,650	539,359	555,540	572,206	589,373	607,054	625,265	644,023	663,344	683,244	703,742
(Less) Resident Capture	25%	<u>(129,816)</u>	<u>(133,710)</u>	<u>(137,722)</u>	<u>(141,853)</u>	<u>(146,109)</u>	<u>(150,492)</u>	<u>(155,007)</u>	<u>(159,657)</u>	<u>(164,447)</u>	<u>(169,381)</u>	<u>(174,462)</u>
		393,834	405,649	417,818	430,353	443,264	456,562	470,259	484,366	498,897	513,864	529,280

HOTEL

Taxable Sales												
TI Full Service Hotel	\$20,531 /rm	10,891	11,218	11,554	11,901	12,258	12,626	13,005	13,395	13,797	14,210	14,637
YBI Hotel	\$44,484 /rm	<u>5,899</u>	<u>6,076</u>	<u>6,259</u>	<u>6,446</u>	<u>6,640</u>	<u>6,839</u>	<u>7,044</u>	<u>7,255</u>	<u>7,473</u>	<u>7,697</u>	<u>7,928</u>
		16,791	17,294	17,813	18,347	18,898	19,465	20,049	20,650	21,270	21,908	22,565
TOTAL TAXABLE SALES		410,625	422,943	435,632	448,701	462,162	476,026	490,307	505,017	520,167	535,772	551,845

SALES TAX												
General Fund	1% tax	4,106,000	4,229,000	4,356,000	4,487,000	4,622,000	4,760,000	4,903,000	5,050,000	5,202,000	5,358,000	5,518,000
Public Safety	0.5% tax	2,053,000	2,115,000	2,178,000	2,244,000	2,311,000	2,380,000	2,452,000	2,525,000	2,601,000	2,679,000	2,759,000
Proposition K												
Syst. Maintenance (DPW)	0.05% tax	205,000	211,000	218,000	224,000	231,000	238,000	245,000	253,000	260,000	268,000	276,000
Syst. Maintenance (Transit)	0.2% tax	756,000	779,000	803,000	827,000	851,000	877,000	903,000	930,000	958,000	987,000	1,017,000
AB 1107 (MTA)	0.1% tax	257,000	264,000	272,000	280,000	289,000	298,000	306,000	316,000	325,000	335,000	345,000
TDA (MTA)	0.25% tax	1,027,000	1,057,000	1,089,000	1,122,000	1,155,000	1,190,000	1,226,000	1,263,000	1,300,000	1,339,000	1,380,000

¹ Table 10.² Table 7.³ Table 4.

Table 13

**ON-SITE SALES TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
revenue appreciation ¹	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
occupied retail sf ²	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312	411,312
hotel rooms: TI Full Service Hotel ³	200	200	200	200	200	200	200	200	200
hotel rooms: YBI Hotel ³	50	50	50	50	50	50	50	50	50

ON-SITE TAXABLE SALES (\$000s)

RETAIL										
New Taxable Sales	\$480 / SF	724,854	746,600	768,998	792,067	815,829	840,304	865,514	891,479	918,223
(Less) Resident Capture	25%	<u>(179,696)</u>	<u>(185,086)</u>	<u>(190,639)</u>	<u>(196,358)</u>	<u>(202,249)</u>	<u>(208,316)</u>	<u>(214,566)</u>	<u>(221,003)</u>	<u>(227,633)</u>
		545,158	561,513	578,359	595,709	613,580	631,988	650,948	670,476	690,590
HOTEL										
Taxable Sales										
TI Full Service Hotel	\$20,531 /rm	15,076	15,528	15,994	16,474	16,968	17,477	18,001	18,541	19,098
YBI Hotel	\$44,484 /rm	<u>8,166</u>	<u>8,411</u>	<u>8,663</u>	<u>8,923</u>	<u>9,191</u>	<u>9,467</u>	<u>9,751</u>	<u>10,043</u>	<u>10,345</u>
		23,242	23,939	24,657	25,397	26,159	26,944	27,752	28,585	29,442
TOTAL TAXABLE SALES		568,400	585,453	603,016	621,107	639,739	658,932	678,700	699,061	720,033

SALES TAX										
General Fund	1% tax	5,684,000	5,855,000	6,030,000	6,211,000	6,397,000	6,589,000	6,787,000	6,991,000	7,200,000
Public Safety	0.5% tax	2,842,000	2,927,000	3,015,000	3,106,000	3,199,000	3,295,000	3,393,000	3,495,000	3,600,000
Proposition K										
Syst. Maintenance (DPW)	0.05% tax	284,000	293,000	302,000	311,000	320,000	329,000	339,000	350,000	360,000
Syst. Maintenance (Transit)	0.2% tax	1,047,000	1,079,000	1,111,000	1,144,000	1,179,000	1,214,000	1,250,000	1,288,000	1,326,000
AB 1107 (MTA)	0.1% tax	355,000	366,000	377,000	388,000	400,000	412,000	424,000	437,000	450,000
TDA (MTA)	0.25% tax	1,421,000	1,464,000	1,508,000	1,553,000	1,599,000	1,647,000	1,697,000	1,748,000	1,800,000

¹ Table 10.² Table 7.³ Table 4.

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation ¹	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
office employees ²	0	0	0	0	0	0	0	0	0	0	0
hotel rooms: TI Full Service Hotel ³	0	0	0	0	0	0	200	200	200	200	200
hotel rooms: YBI hotel ³	0	0	0	0	0	0	0	0	50	50	50
occupied rental units ²	0	0	0	0	0	40	157	290	302	387	457
occupied retail sf (000s) ⁴	0	0	0	0	0	0	0	0	0	99	99
occupied office sf (000s) ⁴	0	0	0	0	0	0	0	0	0	0	0
I. GROSS RECEIPTS TAX											
RETAIL											
New Gross Receipts (\$000s)	\$600 /SF	0	0	0	0	0	0	0	0	77,823	80,158
Tax	\$1.00 /\$1,000	0	0	0	0	0	0	0	0	78,000	80,000
OFFICE											
Tax	\$907 /empl	0	0	0	0	0	0	0	0	0	0
HOTEL											
New Gross Receipts (\$000s)											
TI Full Service Hotel	\$123,188 /rm	0	0	0	0	0	29,418	30,301	31,210	32,146	33,111
YBI Hotel	\$266,906 /rm	0	0	0	0	0	0	0	16,905	17,413	17,935
Tax											
TI Full Service Hotel	\$4.00 /\$1,000	0	0	0	0	0	117,674	121,204	124,840	128,585	132,443
YBI Hotel	\$3.25 /\$1,000	0	0	0	0	0	0	0	54,943	56,591	58,289
Total Tax	\$3.25 /\$1,000	0	0	0	0	0	117,674	121,204	179,783	185,176	190,732
LEASING											
New Gross Receipts (\$000s)											
Rental Units (Market & BMR)	\$44,400 /unit	0	0	0	0	0	2,056	8,315	15,851	16,984	22,404
Retail Sq Ft	\$50 /sf	0	0	0	0	0	0	0	0	6	7
Office Square Feet	\$70 /sf	0	0	0	0	0	0	0	0	0	0
Tax	\$2.85 /\$1,000	0	0	0	0	0	5,859	23,697	45,177	48,406	63,869
GROSS RECEIPTS TAX TOTAL		0	0	0	0	0	6,000	141,000	166,000	228,000	348,000

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
revenue appreciation ¹		1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
office employees ²		0	281	281	281	281	281	281	281	281	281	281
hotel rooms: TI Full Service Hotel ³		200	200	200	200	200	200	200	200	200	200	200
hotel rooms: YBI hotel ³		50	50	50	50	50	50	50	50	50	50	50
occupied rental units ²		476	476	597	597	597	597	597	597	597	597	597
occupied retail sf (000s) ⁴		99	227	227	411	411	411	411	411	411	411	411
occupied office sf (000s) ⁴		0	91	91	91	91	91	91	91	91	91	91
I. GROSS RECEIPTS TAX												
RETAIL												
New Gross Receipts (\$000s)	\$600 /SF	82,562	194,264	200,092	373,288	384,486	396,021	407,902	420,139	432,743	445,725	459,097
Tax	\$1.00 /\$1,000	83,000	194,000	200,000	373,000	384,000	396,000	408,000	420,000	433,000	446,000	459,000
OFFICE												
Tax	\$907 /empl	0	362,863	373,749	384,962	396,511	408,406	420,658	433,278	446,276	459,665	473,455
HOTEL												
New Gross Receipts (\$000s)												
TI Full Service Hotel	\$123,188 /rm	34,104	35,127	36,181	37,266	38,384	39,536	40,722	41,944	43,202	44,498	45,833
YBI Hotel	\$266,906 /rm	18,473	19,027	19,598	20,186	20,792	21,415	22,058	22,720	23,401	24,103	24,826
Tax												
TI Full Service Hotel	\$4.00 /\$1,000	136,416	140,509	144,724	149,066	153,538	158,144	162,888	167,775	172,808	177,992	183,332
YBI Hotel	\$3.25 /\$1,000	<u>60,037</u>	<u>61,838</u>	<u>63,694</u>	<u>65,604</u>	<u>67,573</u>	<u>69,600</u>	<u>71,688</u>	<u>73,838</u>	<u>76,054</u>	<u>78,335</u>	<u>80,685</u>
Total Tax	\$3.25 /\$1,000	196,454	202,347	208,418	214,670	221,110	227,744	234,576	241,613	248,862	256,327	264,017
LEASING												
New Gross Receipts (\$000s)												
Rental Units (Market & BMR)	\$44,400 /unit	29,276	30,154	38,935	40,103	41,306	42,545	43,821	45,136	46,490	47,885	49,321
Retail Sq Ft	\$50 /sf	7	16	17	31	32	33	34	35	36	37	38
Office Square Feet	\$70 /sf	<u>0</u>	<u>9</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>
		29,283	30,179	38,961	40,143	41,348	42,588	43,866	45,182	46,537	47,933	49,371
Tax	\$2.85 /\$1,000	83,456	86,011	111,038	114,409	117,841	121,376	125,017	128,768	132,631	136,610	140,708
GROSS RECEIPTS TAX TOTAL		363,000	845,000	893,000	1,087,000	1,119,000	1,154,000	1,188,000	1,224,000	1,261,000	1,299,000	1,337,000

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹		2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation ¹		1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
office employees ²		281	281	281	281	281	281	281	281	281	281	281
hotel rooms: TI Full Service Hotel ³		200	200	200	200	200	200	200	200	200	200	200
hotel rooms: YBI hotel ³		50	50	50	50	50	50	50	50	50	50	50
occupied rental units ²		597	597	597	597	597	597	597	597	597	597	597
occupied retail sf (000s) ⁴		411	411	411	411	411	411	411	411	411	411	411
occupied office sf (000s) ⁴		91	91	91	91	91	91	91	91	91	91	91
I. GROSS RECEIPTS TAX												
RETAIL												
New Gross Receipts (\$000s)	\$600 /SF	472,870	487,056	501,668	516,718	532,219	548,186	564,631	581,570	599,017	616,988	635,497
Tax	\$1.00 /\$1,000	473,000	487,000	502,000	517,000	532,000	548,000	565,000	582,000	599,000	617,000	635,000
OFFICE												
Tax	\$907 /empl	487,658	502,288	517,357	532,877	548,864	565,330	582,289	599,758	617,751	636,283	655,372
HOTEL												
New Gross Receipts (\$000s)												
TI Full Service Hotel	\$123,188 /rm	47,208	48,624	50,083	51,585	53,133	54,727	56,369	58,060	59,802	61,596	63,444
YBI Hotel	\$266,906 /rm	25,571	26,338	27,128	27,942	28,780	29,644	30,533	31,449	32,393	33,364	34,365
Tax												
TI Full Service Hotel	\$4.00 /\$1,000	188,832	194,497	200,332	206,342	212,532	218,908	225,475	232,240	239,207	246,383	253,774
YBI Hotel	\$3.25 /\$1,000	<u>83,106</u>	<u>85,599</u>	<u>88,167</u>	<u>90,812</u>	<u>93,536</u>	<u>96,342</u>	<u>99,233</u>	<u>102,210</u>	<u>105,276</u>	<u>108,434</u>	<u>111,687</u>
Total Tax	\$3.25 /\$1,000	271,938	280,096	288,499	297,154	306,068	315,250	324,708	334,449	344,483	354,817	365,462
LEASING												
New Gross Receipts (\$000s)												
Rental Units (Market & BMR)	\$44,400 /unit	50,801	52,325	53,895	55,511	57,177	58,892	60,659	62,479	64,353	66,284	68,272
Retail Sq Ft	\$50 /sf	39	41	42	43	44	46	47	48	50	51	53
Office Square Feet	\$70 /sf	<u>12</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>16</u>
		50,852	52,378	53,949	55,568	57,235	58,952	60,721	62,542	64,418	66,351	68,341
Tax	\$2.85 /\$1,000	144,930	149,277	153,756	158,368	163,119	168,013	173,053	178,245	183,592	189,100	194,773
GROSS RECEIPTS TAX TOTAL		1,378,000	1,419,000	1,462,000	1,505,000	1,550,000	1,597,000	1,645,000	1,694,000	1,745,000	1,797,000	1,851,000

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹		2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
revenue appreciation ¹		2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
office employees ²		281	281	281	281	281	281	281	281	281	281	281
hotel rooms: TI Full Service Hotel ³		200	200	200	200	200	200	200	200	200	200	200
hotel rooms: YBI hotel ³		50	50	50	50	50	50	50	50	50	50	50
occupied rental units ²		597	597	597	597	597	597	597	597	597	597	597
occupied retail sf (000s) ⁴		411	411	411	411	411	411	411	411	411	411	411
occupied office sf (000s) ⁴		91	91	91	91	91	91	91	91	91	91	91
I. GROSS RECEIPTS TAX												
RETAIL												
New Gross Receipts (\$000s)	\$600 /SF	654,562	674,199	694,425	715,258	736,716	758,817	781,582	805,029	829,180	854,055	879,677
Tax	\$1.00 /\$1,000	655,000	674,000	694,000	715,000	737,000	759,000	782,000	805,000	829,000	854,000	880,000
OFFICE												
Tax	\$907 /empl	675,033	695,284	716,143	737,627	759,756	782,548	806,025	830,205	855,112	880,765	907,188
HOTEL												
New Gross Receipts (\$000s)												
TI Full Service Hotel	\$123,188 /rm	65,347	67,307	69,327	71,406	73,549	75,755	78,028	80,368	82,780	85,263	87,821
YBI Hotel	\$266,906 /rm	35,396	36,458	37,552	38,678	39,839	41,034	42,265	43,533	44,839	46,184	47,570
Tax												
TI Full Service Hotel	\$4.00 /\$1,000	261,388	269,229	277,306	285,625	294,194	303,020	312,111	321,474	331,118	341,052	351,283
YBI Hotel	\$3.25 /\$1,000	<u>115,038</u>	<u>118,489</u>	<u>122,044</u>	<u>125,705</u>	<u>129,476</u>	<u>133,360</u>	<u>137,361</u>	<u>141,482</u>	<u>145,726</u>	<u>150,098</u>	<u>154,601</u>
Total Tax	\$3.25 /\$1,000	376,425	387,718	399,350	411,330	423,670	436,380	449,472	462,956	476,844	491,150	505,884
LEASING												
New Gross Receipts (\$000s)												
Rental Units (Market & BMR)	\$44,400 /unit	70,320	72,430	74,603	76,841	79,146	81,520	83,966	86,485	89,080	91,752	94,505
Retail Sq Ft	\$50 /sf	55	56	58	60	61	63	65	67	69	71	73
Office Square Feet	\$70 /sf	<u>17</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>19</u>	<u>20</u>	<u>20</u>	<u>21</u>	<u>21</u>	<u>22</u>	<u>23</u>
		70,392	72,503	74,679	76,919	79,226	81,603	84,051	86,573	89,170	91,845	94,601
Tax	\$2.85 /\$1,000	200,616	206,635	212,834	219,219	225,795	232,569	239,546	246,733	254,135	261,759	269,612
GROSS RECEIPTS TAX TOTAL		1,907,000	1,964,000	2,022,000	2,083,000	2,146,000	2,210,000	2,277,000	2,345,000	2,415,000	2,488,000	2,563,000

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	MEASURE ¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
	revenue appreciation ¹	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
	office employees ²	281	281	281	281	281	281	281	281	281
	hotel rooms: TI Full Service Hotel ³	200	200	200	200	200	200	200	200	200
	hotel rooms: YBI hotel ³	50	50	50	50	50	50	50	50	50
	occupied rental units ²	597	597	597	597	597	597	597	597	597
	occupied retail sf (000s) ⁴	411	411	411	411	411	411	411	411	411
	occupied office sf (000s) ⁴	91	91	91	91	91	91	91	91	91
I. GROSS RECEIPTS TAX										
RETAIL										
New Gross Receipts (\$000s)	\$600 /SF	906,067	933,249	961,247	990,084	1,019,787	1,050,380	1,081,892	1,114,349	1,147,779
Tax	\$1.00 /\$1,000	906,000	933,000	961,000	990,000	1,020,000	1,050,000	1,082,000	1,114,000	1,148,000
OFFICE										
Tax	\$907 /empl	934,404	962,436	991,309	1,021,048	1,051,679	1,083,230	1,115,727	1,149,198	1,183,674
HOTEL										
New Gross Receipts (\$000s)										
TI Full Service Hotel	\$123,188 /rm	90,455	93,169	95,964	98,843	101,808	104,863	108,008	111,249	114,586
YBI Hotel	\$266,906 /rm	48,997	50,467	51,981	53,540	55,146	56,801	58,505	60,260	62,068
Tax										
TI Full Service Hotel	\$4.00 /\$1,000	361,822	372,676	383,857	395,372	407,233	419,450	432,034	444,995	458,345
YBI Hotel	\$3.25 /\$1,000	<u>159,239</u>	<u>164,016</u>	<u>168,937</u>	<u>174,005</u>	<u>179,225</u>	<u>184,602</u>	<u>190,140</u>	<u>195,844</u>	<u>201,719</u>
Total Tax	\$3.25 /\$1,000	521,061	536,693	552,793	569,377	586,459	604,052	622,174	640,839	660,064
LEASING										
New Gross Receipts (\$000s)										
Rental Units (Market & BMR)	\$44,400 /unit	97,340	100,260	103,268	106,366	109,557	112,843	116,229	119,715	123,307
Retail Sq Ft	\$50 /sf	76	78	80	83	85	88	90	93	96
Office Square Feet	\$70 /sf	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>30</u>
		97,439	100,362	103,373	106,474	109,668	112,958	116,347	119,837	123,432
Tax	\$2.85 /\$1,000	277,700	286,031	294,612	303,450	312,554	321,930	331,588	341,536	351,782
GROSS RECEIPTS TAX TOTAL		2,639,000	2,718,000	2,800,000	2,884,000	2,971,000	3,059,000	3,151,000	3,246,000	3,344,000

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

MEASURE ¹		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
II. BUSINESS REGISTRATION TAX												
RETAIL												
Business Licenses	3,000 sf/bus.	0	0	0	0	0	0	0	0	0	33	33
License Rate	\$200 /bus.	0	0	0	0	0	0	0	0	0	8,677	8,937
OFFICE												
Business Licenses	5,000 sf/bus.	0	0	0	0	0	0	0	0	0	0	0
License Rate	\$500 /bus.	0	0	0	0	0	0	0	0	0	0	0
HOTEL												
Business Licenses												
TI Full Service	1 license	0	0	0	0	0	0	1	1	1	1	1
YBI Hotel	1 license	0	0	0	0	0	0	0	0	1	1	1
License Fees												
TI Full Service	\$12,500 /license	0	0	0	0	0	0	14,926	15,373	15,835	16,310	16,799
YBI Hotel	\$1,500 /license	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,900</u>	<u>1,957</u>	<u>2,016</u>
		0	0	0	0	0	0	14,926	15,373	17,735	18,267	18,815
BUSINESS REGISTRATION TAX TOTAL		0	0	0	0	0	0	15,000	15,000	18,000	27,000	28,000

¹ Table 10.² Table 6.³ Table 4.⁴ Table 7.

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	MEASURE ¹	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
II. BUSINESS REGISTRATION TAX												
RETAIL												
Business Licenses	3,000 sf/bus.	33	76	76	137	137	137	137	137	137	137	137
License Rate	\$200 /bus.	9,205	21,581	22,229	41,480	42,725	44,006	45,327	46,686	48,087	49,530	51,015
OFFICE												
Business Licenses	5,000 sf/bus.	0	18	18	18	18	18	18	18	18	18	18
License Rate	\$500 /bus.	0	13,003	13,393	13,795	14,209	14,635	15,074	15,526	15,992	16,472	16,966
HOTEL												
Business Licenses												
TI Full Service	1 license	1	1	1	1	1	1	1	1	1	1	1
YBI Hotel	1 license	1	1	1	1	1	1	1	1	1	1	1
License Fees												
TI Full Service	\$12,500 /license	17,303	17,822	18,357	18,907	19,475	20,059	20,661	21,280	21,919	22,576	23,254
YBI Hotel	\$1,500 /license	<u>2,076</u>	<u>2,139</u>	<u>2,203</u>	<u>2,269</u>	<u>2,337</u>	<u>2,407</u>	<u>2,479</u>	<u>2,554</u>	<u>2,630</u>	<u>2,709</u>	<u>2,790</u>
		19,379	19,961	20,559	21,176	21,812	22,466	23,140	23,834	24,549	25,286	26,044
BUSINESS REGISTRATION TAX TOTAL		29,000	55,000	56,000	76,000	79,000	81,000	84,000	86,000	89,000	91,000	94,000

¹ Table 10.² Table 6.³ Table 4.⁴ Table 7.

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	MEASURE ¹	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
II. BUSINESS REGISTRATION TAX												
RETAIL												
Business Licenses	3,000 sf/bus.	137	137	137	137	137	137	137	137	137	137	137
License Rate	\$200 /bus.	52,546	54,122	55,746	57,418	59,141	60,915	62,743	64,625	66,564	68,561	70,617
OFFICE												
Business Licenses	5,000 sf/bus.	18	18	18	18	18	18	18	18	18	18	18
License Rate	\$500 /bus.	17,475	17,999	18,539	19,095	19,668	20,258	20,866	21,492	22,137	22,801	23,485
HOTEL												
Business Licenses												
TI Full Service	1 license	1	1	1	1	1	1	1	1	1	1	1
YBI Hotel	1 license	1	1	1	1	1	1	1	1	1	1	1
License Fees												
TI Full Service	\$12,500 /license	23,951	24,670	25,410	26,172	26,957	27,766	28,599	29,457	30,341	31,251	32,189
YBI Hotel	\$1,500 /license	<u>2,874</u>	<u>2,960</u>	<u>3,049</u>	<u>3,141</u>	<u>3,235</u>	<u>3,332</u>	<u>3,432</u>	<u>3,535</u>	<u>3,641</u>	<u>3,750</u>	<u>3,863</u>
		26,825	27,630	28,459	29,313	30,192	31,098	32,031	32,992	33,982	35,001	36,051
BUSINESS REGISTRATION TAX TOTAL		97,000	100,000	103,000	106,000	109,000	112,000	116,000	119,000	123,000	126,000	130,000

¹ Table 10.² Table 6.³ Table 4.⁴ Table 7.

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	MEASURE ¹	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
II. BUSINESS REGISTRATION TAX												
RETAIL												
Business Licenses	3,000 sf/bus.	137	137	137	137	137	137	137	137	137	137	137
License Rate	\$200 /bus.	72,736	74,918	77,165	79,480	81,865	84,321	86,850	89,456	92,140	94,904	97,751
OFFICE												
Business Licenses	5,000 sf/bus.	18	18	18	18	18	18	18	18	18	18	18
License Rate	\$500 /bus.	24,189	24,915	25,662	26,432	27,225	28,042	28,883	29,750	30,642	31,562	32,508
HOTEL												
Business Licenses												
TI Full Service	1 license	1	1	1	1	1	1	1	1	1	1	1
YBI Hotel	1 license	1	1	1	1	1	1	1	1	1	1	1
License Fees												
TI Full Service	\$12,500 /license	33,154	34,149	35,173	36,228	37,315	38,435	39,588	40,775	41,999	43,259	44,556
YBI Hotel	\$1,500 /license	<u>3,979</u>	<u>4,098</u>	<u>4,221</u>	<u>4,347</u>	<u>4,478</u>	<u>4,612</u>	<u>4,751</u>	<u>4,893</u>	<u>5,040</u>	<u>5,191</u>	<u>5,347</u>
		37,133	38,247	39,394	40,576	41,793	43,047	44,338	45,669	47,039	48,450	49,903
BUSINESS REGISTRATION TAX TOTAL		134,000	138,000	142,000	146,000	151,000	155,000	160,000	165,000	170,000	175,000	180,000

¹ Table 10.² Table 6.³ Table 4.⁴ Table 7.

Table 14

**BUSINESS TAX REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	MEASURE ¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
II. BUSINESS REGISTRATION TAX										
RETAIL										
Business Licenses	3,000 sf/bus.	137	137	137	137	137	137	137	137	137
License Rate	\$200 /bus.	100,683	103,704	106,815	110,020	113,320	116,720	120,221	123,828	127,543
OFFICE										
Business Licenses	5,000 sf/bus.	18	18	18	18	18	18	18	18	18
License Rate	\$500 /bus.	33,484	34,488	35,523	36,588	37,686	38,817	39,981	41,181	42,416
HOTEL										
Business Licenses										
TI Full Service	1 license	1	1	1	1	1	1	1	1	1
YBI Hotel	1 license	1	1	1	1	1	1	1	1	1
License Fees										
TI Full Service	\$12,500 /license	45,893	47,270	48,688	50,149	51,653	53,203	54,799	56,443	58,136
YBI Hotel	\$1,500 /license	<u>5,507</u>	<u>5,672</u>	<u>5,843</u>	<u>6,018</u>	<u>6,198</u>	<u>6,384</u>	<u>6,576</u>	<u>6,773</u>	<u>6,976</u>
		51,400	52,942	54,531	56,167	57,852	59,587	61,375	63,216	65,112
BUSINESS REGISTRATION TAX TOTAL		186,000	191,000	197,000	203,000	209,000	215,000	222,000	228,000	235,000

¹ Table 10.

² Table 6.

³ Table 4.

⁴ Table 7.

Table 15

TRANSFER TAX REVENUE ESTIMATES ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
VALUE SUBJECT TO TRANSFER TAX (\$000s)												
RESIDENTIAL VALUE²												
Market Rate Home Sales (\$000s)		0	0	0	69,074	304,051	465,567	549,832	491,288	675,686	834,975	877,645
Cumulative Value Inflated / 1 year lag	1.03	0	0	0	69,074	375,197	852,020	1,427,412	1,961,523	2,696,055	3,611,912	4,597,914
BMR Home Sales (\$000s)		0	0	0	669	3,092	4,919	6,754	6,348	6,538	6,734	6,937
Cumulative Value Inflated / 1 year lag	1.01	0	0	0	669	3,768	8,724	15,566	22,069	28,829	35,851	43,146
RESIDENTIAL TURNOVER												
Market Rate Units	10% /Year	0	0	0	0	7,115	38,645	87,758	147,023	202,037	277,694	372,027
Affordable Units	10% /Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68</u>	<u>381</u>	<u>881</u>	<u>1,572</u>	<u>2,229</u>	<u>2,912</u>	<u>3,621</u>
		0	0	0	0	7,182	39,026	88,639	148,596	204,266	280,605	375,648
TRANSFER TAX REVENUE												
Market Rate Units	\$7.50 /\$1,000	0	0	0	0	53,000	290,000	658,000	1,103,000	1,515,000	2,083,000	2,790,000
Affordable Units	\$6.80 /\$1,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,000</u>	<u>6,000</u>	<u>11,000</u>	<u>15,000</u>	<u>20,000</u>	<u>25,000</u>
		0	0	0	0	53,000	293,000	664,000	1,114,000	1,530,000	2,103,000	2,815,000

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 15

TRANSFER TAX REVENUE ESTIMATES ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
VALUE SUBJECT TO TRANSFER TAX (\$000s)												
RESIDENTIAL VALUE²												
Market Rate Home Sales (\$000s)		865,778	848,007	832,925	857,912	809,672	244,121	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.03	5,601,629	6,617,684	7,649,139	8,736,526	9,808,294	10,346,664	10,657,064	10,976,775	11,306,079	11,645,261	11,994,619
BMR Home Sales (\$000s)		7,145	7,359	7,580	7,807	6,866	1,251	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.01	50,722	58,589	66,754	75,229	82,847	84,926	85,776	86,634	87,500	88,375	89,259
RESIDENTIAL TURNOVER												
Market Rate Units	10% /Year	473,585	576,968	681,621	787,861	899,862	1,010,254	1,065,706	1,097,678	1,130,608	1,164,526	1,199,462
Affordable Units	10% /Year	<u>4,358</u>	<u>5,123</u>	<u>5,917</u>	<u>6,742</u>	<u>7,598</u>	<u>8,368</u>	<u>8,578</u>	<u>8,663</u>	<u>8,750</u>	<u>8,837</u>	<u>8,926</u>
		477,943	582,091	687,539	794,604	907,460	1,018,622	1,074,284	1,106,341	1,139,358	1,173,364	1,208,388
TRANSFER TAX REVENUE												
Market Rate Units	\$7.50 /\$1,000	3,552,000	4,327,000	5,112,000	5,909,000	6,749,000	7,577,000	7,993,000	8,233,000	8,480,000	8,734,000	8,996,000
Affordable Units	\$6.80 /\$1,000	<u>30,000</u>	<u>35,000</u>	<u>40,000</u>	<u>46,000</u>	<u>52,000</u>	<u>57,000</u>	<u>58,000</u>	<u>59,000</u>	<u>59,000</u>	<u>60,000</u>	<u>61,000</u>
		3,582,000	4,362,000	5,152,000	5,955,000	6,801,000	7,634,000	8,051,000	8,292,000	8,539,000	8,794,000	9,057,000

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 15

TRANSFER TAX REVENUE ESTIMATES ¹
 FISCAL IMPACT ANALYSIS
 TREASURE ISLAND REDEVELOPMENT
 CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
VALUE SUBJECT TO TRANSFER TAX (\$000s)												
RESIDENTIAL VALUE²												
Market Rate Home Sales (\$000s)		0	0	0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.03	12,354,457	12,725,091	13,106,844	13,500,049	13,905,051	14,322,202	14,751,868	15,194,424	15,650,257	16,119,765	16,603,358
BMR Home Sales (\$000s)		0	0	0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.01	90,151	91,053	91,963	92,883	93,812	94,750	95,697	96,654	97,621	98,597	99,583
RESIDENTIAL TURNOVER												
Market Rate Units	10% /Year	1,235,446	1,272,509	1,310,684	1,350,005	1,390,505	1,432,220	1,475,187	1,519,442	1,565,026	1,611,976	1,660,336
Affordable Units	10% /Year	<u>9,015</u>	<u>9,105</u>	<u>9,196</u>	<u>9,288</u>	<u>9,381</u>	<u>9,475</u>	<u>9,570</u>	<u>9,665</u>	<u>9,762</u>	<u>9,860</u>	<u>9,958</u>
		1,244,461	1,281,614	1,319,881	1,359,293	1,399,886	1,441,695	1,484,757	1,529,108	1,574,788	1,621,836	1,670,294
TRANSFER TAX REVENUE												
Market Rate Units	\$7.50 /\$1,000	9,266,000	9,544,000	9,830,000	10,125,000	10,429,000	10,742,000	11,064,000	11,396,000	11,738,000	12,090,000	12,453,000
Affordable Units	\$6.80 /\$1,000	<u>61,000</u>	<u>62,000</u>	<u>63,000</u>	<u>63,000</u>	<u>64,000</u>	<u>64,000</u>	<u>65,000</u>	<u>66,000</u>	<u>66,000</u>	<u>67,000</u>	<u>68,000</u>
		9,327,000	9,606,000	9,893,000	10,188,000	10,493,000	10,806,000	11,129,000	11,462,000	11,804,000	12,157,000	12,521,000

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 15

TRANSFER TAX REVENUE ESTIMATES ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
VALUE SUBJECT TO TRANSFER TAX (\$000s)												
RESIDENTIAL VALUE²												
Market Rate Home Sales (\$000s)		0	0	0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.03	17,101,459	17,614,502	18,142,937	18,687,225	19,247,842	19,825,277	20,420,036	21,032,637	21,663,616	22,313,524	22,982,930
BMR Home Sales (\$000s)		0	0	0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.01	100,579	101,585	102,600	103,626	104,663	105,709	106,766	107,834	108,912	110,002	111,102
RESIDENTIAL TURNOVER												
Market Rate Units	10% /Year	1,710,146	1,761,450	1,814,294	1,868,723	1,924,784	1,982,528	2,042,004	2,103,264	2,166,362	2,231,352	2,298,293
Affordable Units	10% /Year	<u>10,058</u>	<u>10,158</u>	<u>10,260</u>	<u>10,363</u>	<u>10,466</u>	<u>10,571</u>	<u>10,677</u>	<u>10,783</u>	<u>10,891</u>	<u>11,000</u>	<u>11,110</u>
		1,720,204	1,771,609	1,824,554	1,879,085	1,935,250	1,993,099	2,052,680	2,114,047	2,177,253	2,242,353	2,309,403
TRANSFER TAX REVENUE												
Market Rate Units	\$7.50 /\$1,000	12,826,000	13,211,000	13,607,000	14,015,000	14,436,000	14,869,000	15,315,000	15,774,000	16,248,000	16,735,000	17,237,000
Affordable Units	\$6.80 /\$1,000	<u>68,000</u>	<u>69,000</u>	<u>70,000</u>	<u>70,000</u>	<u>71,000</u>	<u>72,000</u>	<u>73,000</u>	<u>73,000</u>	<u>74,000</u>	<u>75,000</u>	<u>76,000</u>
		12,894,000	13,280,000	13,677,000	14,085,000	14,507,000	14,941,000	15,388,000	15,847,000	16,322,000	16,810,000	17,313,000

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 15

TRANSFER TAX REVENUE ESTIMATES ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
VALUE SUBJECT TO TRANSFER TAX (\$000s)										
RESIDENTIAL VALUE²										
Market Rate Home Sales (\$000s)		0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.03	23,672,418	24,382,591	25,114,068	25,867,490	26,643,515	27,442,821	28,266,105	29,114,088	29,987,511
BMR Home Sales (\$000s)		0	0	0	0	0	0	0	0	0
Cumulative Value Inflated / 1 year lag	1.01	112,213	113,335	114,468	115,613	116,769	117,937	119,116	120,307	121,510
RESIDENTIAL TURNOVER										
Market Rate Units	10% /Year	2,367,242	2,438,259	2,511,407	2,586,749	2,664,352	2,744,282	2,826,611	2,911,409	2,998,751
Affordable Units	10% /Year	<u>11,221</u>	<u>11,333</u>	<u>11,447</u>	<u>11,561</u>	<u>11,677</u>	<u>11,794</u>	<u>11,912</u>	<u>12,031</u>	<u>12,151</u>
		2,378,463	2,449,593	2,522,854	2,598,310	2,676,028	2,756,076	2,838,522	2,923,440	3,010,902
TRANSFER TAX REVENUE										
Market Rate Units	\$7.50 /\$1,000	17,754,000	18,287,000	18,836,000	19,401,000	19,983,000	20,582,000	21,200,000	21,836,000	22,491,000
Affordable Units	\$6.80 /\$1,000	<u>76,000</u>	<u>77,000</u>	<u>78,000</u>	<u>79,000</u>	<u>79,000</u>	<u>80,000</u>	<u>81,000</u>	<u>82,000</u>	<u>83,000</u>
		17,830,000	18,364,000	18,914,000	19,480,000	20,062,000	20,662,000	21,281,000	21,918,000	22,574,000

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 16

GENERAL FUND OPERATING EXPENSE ASSUMPTIONS ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

Global Escalation Assumption	3.0%	Per Year ¹			
2015 City/County Service Population Estimate	845,602	Resident Population ²			
	613,200	Employment Base ²			
	1,458,802	Day and Evening Population ²			
Gen. Administration & Finance: Elections	58%	share of residents eligible and registered to vote ³			
	800	voters per polling place ³			
	\$20,000	cost per polling place (2010\$) ³			
	\$23,881	cost per polling place (2016\$), inflated			
	\$17	cost per capita (2016\$)			
Gen. Administration & Finance: Assessor/ Recorder	1	required FTE ³			
	\$133,617	fully loaded service cost ⁴			
		<u>start year threshold:</u>			
	2%	of new residents ³			
Gen. Administration & Finance: 311 Call Center	4.59	annual calls per resident ³			
	48,000	annual calls per customer service representative (CSR) ³			
	\$108,133	total compensation per CSR ⁴			
	\$10	service cost per capita			
	51%	transfer adjustment ⁵			
	\$5	cost per capita, net of transfers			
Gen. Administration & Finance: All Other	\$198,908,263	Net Expenses FY 2015-16 (Appendix A-2) ⁶			
	1,060,222	resident equivalents			
	25%	variable costs ³			
	\$0	cost per resident equivalent ³	\$47	(excluded)	
Public Safety: Fire Protection		<u>Costs by Apparatus (See Table 9-D)</u>	<u>Existing</u>	<u>New</u>	<u>Replaced</u>
	3,469,493	Engine	1	1	0
	4,144,253	Ladder Truck	1	1	0
	75,967	Ambulance (Backup)	1	0	0
	1,602,890	Ambulance (Staffed)	0	1	0
	1,739,357	Engine-Hose Tender	1	0	-1
	1,267,028	Battalion Chief	0	1	0
	89,767	New Ladder Truck (Equipment Only)	0	1	0

Table 16

GENERAL FUND OPERATING EXPENSE ASSUMPTIONS ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p 2/4	Fire (Continued)	35%	Population Threshold To Complete Fire Station ⁷
		50%	Share of Costs to Phase In/Out in First Operating Year ¹
	Public Safety: Police		<u>Costs at Build-Out</u>
		1.42	Sworn Officers /1,000 Day and Nighttime Population ³
		<u>1.2</u>	"Island Factor" ³
		1.70	Sworn Officers /1,000 Day and Nighttime Population (Treasure Island)
		\$174,799	Average Salary and Benefits Per Sworn Officer (2015\$) ⁸
		\$297	Cost Per Day and Nighttime Population
			<u>Existing Costs</u>
		11	Sworn Officers ³
		\$174,799	Average Salary and Benefits Per Sworn Officer (2015\$) ⁸
	Public Safety: Emergency Communications		
		1.18	911 Calls Per Resident ³
		6,045	Calls Per Public Safety Dispatcher (PSD)/Supervisor ³
		133,868	total compensation per PSD/ PSD supervisor ⁴
		\$26	cost per capita (2016\$)
	Public Health		
		0.30	visits per person (low-moderate income) ³
		14%	share of patients admitted ³
		6	length of stay (days) ³
		\$565	ER cost / visit (2010\$) ³
		\$3,000	Inpatient cost / day (2010\$) ³
		\$675	ER cost / visit (2016\$)
		\$3,582	Inpatient cost / visit (2016\$)
		\$1,076	Total cost ER + Inpatient
		80%	Reimbursement share ³
		\$215	Unreimbursed cost
		28%	% of residents living in affordable units ⁹
		\$60	per capita service cost

Table 16

GENERAL FUND OPERATING EXPENSE ASSUMPTIONS¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p 3/4

Public Works	1,849,420	sq. ft. of new streets ³	
		<i>delivery of streets based on cumulative share of residents in subsequent year:³</i>	
		res. threshold	% of streets
		<u>% of pop.</u>	<u>delivered</u>
		1.50%	41%
		19.81%	14%
		45.50%	20%
		65.98%	8%
		80.42%	<u>17%</u>
			100%
GF Transfer to SFMTA¹⁰		<u>New Costs</u>	
	\$0.65	maintenance and reconstruction cost PSF (2010\$) ³	
	\$0.07	street sweeping cost PSF (2010\$) ³	
	\$0.71	maintenance and reconstruction cost PSF (2016\$)	
	\$0.08	street sweeping cost PSF (2016\$)	
		<u>Phase In</u>	
	1	year cost delay ³	
	10	years to full public cost ³	
		<u>Prop. B Population Adjustment</u>	
	\$271,700,000	Base Transfer from General Fund FY16 ¹¹	
Other Transportation/Economic Development	1,458,802	Day and Evening Population	
	\$186	Per Resident/Employee	
Library/Community Facilities	<u>Library¹²</u>	<u>Community</u>	
	\$186,724	\$314,800	Net Annual Operating Cost (2010\$) ³
	\$222,958	\$375,888	Net Annual Operating Cost (2016\$), Inflated
	\$325,142	\$600,000	Initial Capital Cost (2010\$) ³
	\$388,237	\$716,431	Initial Capital Cost (2016\$), Inflated
	5	5	Amoritization Period ³
	5%	5%	Amoritization Rate ³
	\$89,673	\$165,478	Annual Payment
	20%	20%	percent of residents ³
	33%	33%	Year 1 Phase In ³
Culture and Recreation: Recreation & Park	67%	67%	Year 2 Phase In ³
	\$0	parks and open space funded by private and/or non-profit sources ³	

Table 16

GENERAL FUND OPERATING EXPENSE ASSUMPTIONS ¹
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

p 4/4	Other Culture and Recreation	\$39,911,064	Net Expenses FY2015-16 (Appendix A-2) ⁶	
		\$1,060,222	resident equivalents	
		25%	variable costs	
		\$0	cost per resident equivalent: ³	\$9 (excluded)
	Human Welfare & Neighborhood Deveopment	\$885,614,062	Net Expenses FY 2015-16 (Appendix A-2) ⁶	
		1,060,222	resident equivalents	
		25%	variable costs	
		\$0	cost per resident equivalent: ³	\$209 (excluded)
	General City Responsibility	\$0	not estimated ³	

Notes

¹ KMA assumption.

² Table 9.

³ Per the report, "Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project," by Economic Planning Systems in May 2011.

⁴ San Francisco Office of the Controller. FY 2015/16 Rate Table. Based on weighted average of personnel categories identified in 2011 EPS study.

⁵ City and County of San Francisco. Budget and Appropriation Ordinance. Fiscal Year Ending June 30, 2016. Share of 311 costs borne by enterprise funds.

⁶ City and County of San Francisco. Budget and Appropriation Ordinance. Fiscal Year Ending June 30, 2016.

⁷ TICD Schedule of Performance, June 2016.

⁸ City & County of San Francisco Office of the Controller, City Services Benchmarking Report: Police Staffing (July 2015).

⁹ Table 6.

¹⁰ Base transfer to MTA deducted from revenues. See revenue assumptions, Table 10.

¹¹ City of San Francisco. Office of the Controller. FY2015-16 Revenue Letter. As a result of Proposition B, passed by voters in 2014, required GF payments to MTA are to be adjusted proportionally to growth in the day or evening population, whichever is greater.

¹² Library expenses assumed to be paid out of baseline transfer to Library Fund. See Table 23.

Table 17
ESTIMATE OF GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
expense appreciation ¹	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residents ²	0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
employees ²	0	0	0	19	66	123	356	415	514	921	981
day & night time pop. ²	0	0	0	128	724	1,736	3,443	4,872	6,185	8,287	10,162
Percent Buildout Population ²	0%	0%	0%	1%	4%	10%	19%	27%	35%	45%	56%
GENERAL FUND EXPENSES											
Elections \$17.19 /res	0	0	0	2,000	13,000	32,000	63,000	94,000	124,000	165,000	212,000
Assessor/Recorder \$133,617 2016\$	0	0	0	0	150,000	155,000	160,000	164,000	169,000	174,000	180,000
311 \$5.07 /res	0	0	0	1,000	4,000	9,000	19,000	28,000	36,000	49,000	63,000
Police Services											
Total Cost \$297.50 /res & emp.	0	0	0	42,000	243,000	599,000	1,223,000	1,783,000	2,331,000	3,217,000	4,063,000
(Less) Existing Costs \$1,922,789 2016\$	(1,923,000)	(1,980,000)	(2,040,000)	(2,101,000)	(2,164,000)	(2,229,000)	(2,296,000)	(2,365,000)	(2,436,000)	(2,509,000)	(2,584,000)
Incremental Cost	0	0	0	0	0	0	0	0	0	708,000	1,479,000
Fire Protection Table 18	0	0	0	0	0	0	0	0	2,970,000	6,119,000	6,303,000
911 Emergency Response \$26.13 /res	0	0	0	3,000	19,000	49,000	96,000	143,000	188,000	251,000	322,000
Public Health \$60.05 /res	0	0	0	7,000	44,000	112,000	221,000	329,000	431,000	577,000	741,000
Public Works Table 20	0	0	0	0	0	42,000	69,000	168,000	239,000	279,000	611,000
Library/Community Facilities Table 23	0	0	0	0	0	0	205,000	418,000	641,000	655,000	670,000
SFMTA Prop. B Table 21-A	0	0	0	26,000	152,000	375,000	766,000	1,116,000	1,459,000	2,014,000	2,544,000
TOTAL EXPENSES	0	0	0	39,000	382,000	774,000	1,599,000	2,460,000	6,257,000	10,991,000	13,125,000

Notes

¹ Table 16.

² Table 6.

Table 17
ESTIMATE OF GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
expense appreciation ¹		1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residents ²		10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
employees ²		1,032	1,786	1,842	2,497	2,534	2,544	2,544	2,544	2,544	2,544	2,544
day & night time pop. ²		11,721	13,897	15,576	17,449	18,577	18,870	18,870	18,870	18,870	18,870	18,870
Percent Buildout Population ²		65%	74%	84%	92%	98%	100%	100%	100%	100%	100%	100%
GENERAL FUND EXPENSES												
Elections	\$17.19 /res	254,000	297,000	347,000	389,000	430,000	450,000	464,000	478,000	492,000	507,000	522,000
Assessor/Recorder	\$133,617 2016\$	185,000	191,000	196,000	202,000	208,000	214,000	221,000	227,000	234,000	241,000	249,000
311	\$5.07 /res	75,000	88,000	102,000	115,000	127,000	133,000	137,000	141,000	145,000	149,000	154,000
Police Services												
Total Cost	\$297.50 /res & emp.	4,827,000	5,895,000	6,805,000	7,852,000	8,610,000	9,009,000	9,279,000	9,557,000	9,844,000	10,139,000	10,443,000
(Less) Existing Costs	\$1,922,789 2016\$	(2,662,000)	(2,741,000)	(2,824,000)	(2,908,000)	(2,996,000)	(3,086,000)	(3,178,000)	(3,273,000)	(3,372,000)	(3,473,000)	(3,577,000)
Incremental Cost		2,165,000	3,154,000	3,981,000	4,944,000	5,614,000	5,923,000	6,101,000	6,284,000	6,472,000	6,666,000	6,866,000
Fire Protection	Table 18	6,492,000	6,687,000	6,887,000	7,094,000	7,307,000	7,526,000	7,752,000	7,984,000	8,224,000	8,470,000	8,724,000
911 Emergency Response	\$26.13 /res	387,000	451,000	527,000	591,000	653,000	685,000	705,000	726,000	748,000	771,000	794,000
Public Health	\$60.05 /res	888,000	1,037,000	1,211,000	1,358,000	1,501,000	1,573,000	1,620,000	1,669,000	1,719,000	1,771,000	1,824,000
Public Works	Table 20	736,000	977,000	1,497,000	1,473,000	1,494,000	1,527,000	1,572,000	1,619,000	1,668,000	1,718,000	1,770,000
Library/Community Facilities	Table 23	685,000	536,000	552,000	569,000	586,000	603,000	621,000	640,000	659,000	679,000	699,000
SFMTA Prop. B	Table 21-A	3,022,000	3,690,000	4,260,000	4,916,000	5,390,000	5,640,000	5,809,000	5,983,000	6,163,000	6,348,000	6,538,000
TOTAL EXPENSES		14,889,000	17,108,000	19,560,000	21,651,000	23,310,000	24,274,000	25,002,000	25,751,000	26,524,000	27,320,000	28,140,000

Notes

¹ Table 16.

² Table 6.

Table 17
ESTIMATE OF GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
expense appreciation ¹		1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
residents ²		16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ²		2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night time pop. ²		18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Percent Buildout Population ²		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
GENERAL FUND EXPENSES												
Elections	\$17.19 /res	538,000	554,000	571,000	588,000	605,000	624,000	642,000	662,000	681,000	702,000	723,000
Assessor/Recorder	\$133,617 2016\$	256,000	264,000	272,000	280,000	288,000	297,000	306,000	315,000	324,000	334,000	344,000
311	\$5.07 /res	159,000	163,000	168,000	173,000	178,000	184,000	189,000	195,000	201,000	207,000	213,000
Police Services												
Total Cost	\$297.50 /res & emp.	10,757,000	11,080,000	11,412,000	11,754,000	12,107,000	12,470,000	12,844,000	13,230,000	13,626,000	14,035,000	14,456,000
(Less) Existing Costs	\$1,922,789 2016\$	(3,684,000)	(3,795,000)	(3,909,000)	(4,026,000)	(4,147,000)	(4,271,000)	(4,399,000)	(4,531,000)	(4,667,000)	(4,807,000)	(4,951,000)
Incremental Cost		7,073,000	7,285,000	7,503,000	7,728,000	7,960,000	8,199,000	8,445,000	8,699,000	8,959,000	9,228,000	9,505,000
Fire Protection	Table 18	8,986,000	9,256,000	9,533,000	9,819,000	10,114,000	10,417,000	10,730,000	11,052,000	11,383,000	11,725,000	12,077,000
911 Emergency Response	\$26.13 /res	817,000	842,000	867,000	893,000	920,000	948,000	976,000	1,005,000	1,036,000	1,067,000	1,099,000
Public Health	\$60.05 /res	1,878,000	1,935,000	1,993,000	2,053,000	2,114,000	2,178,000	2,243,000	2,310,000	2,380,000	2,451,000	2,525,000
Public Works	Table 20	1,823,000	1,877,000	1,935,000	1,992,000	2,051,000	2,113,000	2,176,000	2,242,000	2,309,000	2,377,000	2,450,000
Library/Community Facilities	Table 23	720,000	742,000	764,000	787,000	811,000	835,000	860,000	886,000	912,000	940,000	968,000
SFMTA Prop. B	Table 21-A	6,734,000	6,936,000	7,144,000	7,359,000	7,580,000	7,807,000	8,041,000	8,282,000	8,531,000	8,787,000	9,050,000
TOTAL EXPENSES		28,984,000	29,854,000	30,750,000	31,672,000	32,621,000	33,602,000	34,608,000	35,648,000	36,716,000	37,818,000	38,954,000

Notes

¹ Table 16.

² Table 6.

Table 17
ESTIMATE OF GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
expense appreciation ¹	2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
residents ²	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ²	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night time pop. ²	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Percent Buildout Population ²	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
GENERAL FUND EXPENSES											
Elections	\$17.19 /res	745,000	767,000	790,000	814,000	838,000	863,000	889,000	916,000	943,000	1,001,000
Assessor/Recorder	\$133,617 2016\$	354,000	365,000	376,000	387,000	399,000	411,000	423,000	436,000	449,000	476,000
311	\$5.07 /res	219,000	226,000	233,000	240,000	247,000	254,000	262,000	270,000	278,000	295,000
Police Services											
Total Cost	\$297.50 /res & emp.	14,890,000	15,337,000	15,797,000	16,271,000	16,759,000	17,262,000	17,779,000	18,313,000	18,862,000	19,428,000
(Less) Existing Costs	\$1,922,789 2016\$	(5,100,000)	(5,253,000)	(5,410,000)	(5,573,000)	(5,740,000)	(5,912,000)	(6,090,000)	(6,272,000)	(6,460,000)	(6,654,000)
Incremental Cost		9,790,000	10,084,000	10,387,000	10,698,000	11,019,000	11,350,000	11,689,000	12,041,000	12,402,000	13,157,000
Fire Protection	Table 18	12,439,000	12,812,000	13,197,000	13,592,000	14,000,000	14,420,000	14,853,000	15,298,000	15,757,000	16,230,000
911 Emergency Response	\$26.13 /res	1,132,000	1,166,000	1,200,000	1,237,000	1,274,000	1,312,000	1,351,000	1,392,000	1,433,000	1,521,000
Public Health	\$60.05 /res	2,600,000	2,678,000	2,759,000	2,841,000	2,927,000	3,014,000	3,105,000	3,198,000	3,294,000	3,393,000
Public Works	Table 20	2,523,000	2,599,000	2,677,000	2,757,000	2,840,000	2,925,000	3,012,000	3,103,000	3,196,000	3,292,000
Library/Community Facilities	Table 23	997,000	1,027,000	1,058,000	1,089,000	1,122,000	1,156,000	1,190,000	1,226,000	1,263,000	1,301,000
SFMTA Prop. B	Table 21-A	9,322,000	9,601,000	9,890,000	10,186,000	10,492,000	10,807,000	11,131,000	11,465,000	11,809,000	12,528,000
TOTAL EXPENSES		40,121,000	41,325,000	42,567,000	43,841,000	45,158,000	46,512,000	47,905,000	49,345,000	50,824,000	53,921,000

Notes

¹ Table 16.

² Table 6.

Table 17
ESTIMATE OF GENERAL FUND EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
expense appreciation ¹	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
residents ²	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ²	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
day & night time pop. ²	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
Percent Buildout Population ²	100%	100%	100%	100%	100%	100%	100%	100%	100%
GENERAL FUND EXPENSES									
Elections	\$17.19 /res	1,031,000	1,062,000	1,093,000	1,126,000	1,160,000	1,195,000	1,231,000	1,306,000
Assessor/Recorder	\$133,617 2016\$	491,000	505,000	520,000	536,000	552,000	569,000	586,000	621,000
311	\$5.07 /res	304,000	313,000	322,000	332,000	342,000	352,000	363,000	385,000
Police Services									
Total Cost	\$297.50 /res & emp.	20,611,000	21,229,000	21,866,000	22,522,000	23,198,000	23,894,000	24,611,000	25,349,000
(Less) Existing Costs	\$1,922,789 2016\$	<u>(7,059,000)</u>	<u>(7,271,000)</u>	<u>(7,489,000)</u>	<u>(7,714,000)</u>	<u>(7,945,000)</u>	<u>(8,184,000)</u>	<u>(8,429,000)</u>	<u>(8,682,000)</u>
Incremental Cost		13,552,000	13,958,000	14,377,000	14,808,000	15,253,000	15,710,000	16,182,000	17,167,000
Fire Protection	Table 18	17,218,000	17,735,000	18,267,000	18,815,000	19,380,000	19,961,000	20,560,000	21,177,000
911 Emergency Response	\$26.13 /res	1,566,000	1,613,000	1,662,000	1,712,000	1,763,000	1,816,000	1,870,000	1,926,000
Public Health	\$60.05 /res	3,599,000	3,707,000	3,819,000	3,933,000	4,051,000	4,173,000	4,298,000	4,560,000
Public Works	Table 20	3,493,000	3,597,000	3,705,000	3,816,000	3,931,000	4,049,000	4,171,000	4,295,000
Library/Community Facilities	Table 23	1,380,000	1,421,000	1,464,000	1,508,000	1,553,000	1,600,000	1,648,000	1,748,000
SFMTA Prop. B	Table 21-A	12,904,000	13,291,000	13,689,000	14,100,000	14,523,000	14,959,000	15,408,000	16,346,000
TOTAL EXPENSES		55,538,000	57,202,000	58,918,000	60,686,000	62,508,000	64,384,000	66,317,000	70,353,000

Notes

¹ Table 16.

² Table 6.

Table 18
ESTIMATE OF FIRE PROTECTION EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
expense appreciation ²	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residents ³	0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
employees ³	0	0	0	19	66	123	356	415	514	921	981
Percent Buildout Population ³	0%	0%	0%	1%	4%	10%	19%	27%	35%	45%	56%

FIRE PROTECTION EXPENSES

Base Expenses To Maintain

Existing Engine Company	\$3,469,493	3,469,493	3,573,578	3,680,786	3,791,209	3,904,945	4,022,094	4,142,757	4,267,039	4,395,050	4,526,902	4,662,709
Existing Truck Company	\$4,144,253	4,144,253	4,268,581	4,396,638	4,528,537	4,664,393	4,804,325	4,948,455	5,096,908	5,249,816	5,407,310	5,569,529
Existing Ambulance	\$75,967	75,967	78,246	80,593	83,011	85,501	88,066	90,708	93,429	96,232	99,119	102,093
		7,689,713	7,920,404	8,158,017	8,402,757	8,654,840	8,914,485	9,181,919	9,457,377	9,741,098	10,033,331	10,334,331

Base Expenses To Phase Out

Existing Engine: Hose Tender	\$1,739,357	1,739,357	1,791,537	1,845,284	1,900,642	1,957,661	2,016,391	2,076,883	2,139,189	1,101,683	0	0

New Expenses To Phase In

New Engine Company	\$3,469,493	0	0	0	0	0	0	0	0	2,197,525	4,526,902	4,662,709
New Ambulance	\$1,602,890	0	0	0	0	0	0	0	0	1,015,246	2,091,408	2,154,150
New Battalion Chief	\$1,267,028	0	0	0	0	0	0	0	0	802,517	1,653,185	1,702,780
New Ladder Truck	\$89,767	0	0	0	0	0	0	0	0	56,857	117,125	120,639
		0	0	0	0	0	0	0	0	4,072,145	8,388,620	8,640,278

Gross Expenses w/ Project

	9,429,070	9,711,942	10,003,300	10,303,399	10,612,501	10,930,876	11,258,802	11,596,566	14,914,926	18,421,951	18,974,609

(Less) Base Expenses

	-9,429,070	-9,711,942	-10,003,300	-10,303,399	-10,612,501	-10,930,876	-11,258,802	-11,596,566	-11,944,463	-12,302,797	-12,671,881

Net Expenses

	0	0	0	0	0	0	0	0	2,970,000	6,119,000	6,303,000

Notes

¹ Table 19.

² Table 16.

³ Table 6.

Table 18
ESTIMATE OF FIRE PROTECTION EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
expense appreciation ²		1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residents ³		10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
employees ³		1,032	1,786	1,842	2,497	2,534	2,544	2,544	2,544	2,544	2,544	2,544
Percent Buildout Population ³		65%	74%	84%	92%	98%	100%	100%	100%	100%	100%	100%
FIRE PROTECTION EXPENSES												
Base Expenses To Maintain												
Existing Engine Company	\$3,469,493	4,802,590	4,946,668	5,095,068	5,247,920	5,405,358	5,567,518	5,734,544	5,906,580	6,083,778	6,266,291	6,454,280
Existing Truck Company	\$4,144,253	5,736,615	5,908,714	6,085,975	6,268,554	6,456,611	6,650,309	6,849,819	7,055,313	7,266,973	7,484,982	7,709,531
Existing Ambulance	\$75,967	105,156	108,310	111,560	114,906	118,354	121,904	125,561	129,328	133,208	137,204	141,320
		10,644,361	10,963,692	11,292,603	11,631,381	11,980,322	12,339,732	12,709,924	13,091,222	13,483,958	13,888,477	14,305,131
Base Expenses To Phase Out												
Existing Engine: Hose Tender	\$1,739,357	0	0	0	0	0	0	0	0	0	0	0
New Expenses To Phase In												
New Engine Company	\$3,469,493	4,802,590	4,946,668	5,095,068	5,247,920	5,405,358	5,567,518	5,734,544	5,906,580	6,083,778	6,266,291	6,454,280
New Ambulance	\$1,602,890	2,218,774	2,285,338	2,353,898	2,424,515	2,497,250	2,572,168	2,649,333	2,728,813	2,810,677	2,894,997	2,981,847
New Battalion Chief	\$1,267,028	1,753,864	1,806,480	1,860,674	1,916,494	1,973,989	2,033,209	2,094,205	2,157,031	2,221,742	2,288,394	2,357,046
New Ladder Truck	\$89,767	124,258	127,986	131,825	135,780	139,854	144,049	148,371	152,822	157,406	162,129	166,992
		8,899,486	9,166,471	9,441,465	9,724,709	10,016,450	10,316,944	10,626,452	10,945,246	11,273,603	11,611,811	11,960,166
Gross Expenses w/ Project		19,543,848	20,130,163	20,734,068	21,356,090	21,996,773	22,656,676	23,336,376	24,036,467	24,757,562	25,500,288	26,265,297
(Less) Base Expenses		-13,052,038	-13,443,599	-13,846,907	-14,262,314	-14,690,183	-15,130,889	-15,584,816	-16,052,360	-16,533,931	-17,029,949	-17,540,847
Net Expenses		6,492,000	6,687,000	6,887,000	7,094,000	7,307,000	7,526,000	7,752,000	7,984,000	8,224,000	8,470,000	8,724,000

Notes

¹ Table 19.

² Table 16.

³ Table 6.

Table 18
ESTIMATE OF FIRE PROTECTION EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	
expense appreciation ²	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58	
residents ³	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	
employees ³	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	
Percent Buildout Population ³	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
FIRE PROTECTION EXPENSES												
Base Expenses To Maintain												
Existing Engine Company	\$3,469,493	6,647,908	6,847,345	7,052,766	7,264,349	7,482,279	7,706,748	7,937,950	8,176,089	8,421,371	8,674,012	8,934,233
Existing Truck Company	\$4,144,253	7,940,817	8,179,042	8,424,413	8,677,145	8,937,460	9,205,583	9,481,751	9,766,204	10,059,190	10,360,965	10,671,794
Existing Ambulance	\$75,967	145,560	149,927	154,425	159,057	163,829	168,744	173,806	179,020	184,391	189,923	195,620
		14,734,285	15,176,314	15,631,603	16,100,551	16,583,568	17,081,075	17,593,507	18,121,312	18,664,952	19,224,900	19,801,647
Base Expenses To Phase Out												
Existing Engine: Hose Tender	\$1,739,357	0	0	0	0	0	0	0	0	0	0	0
New Expenses To Phase In												
New Engine Company	\$3,469,493	6,647,908	6,847,345	7,052,766	7,264,349	7,482,279	7,706,748	7,937,950	8,176,089	8,421,371	8,674,012	8,934,233
New Ambulance	\$1,602,890	3,071,303	3,163,442	3,258,345	3,356,095	3,456,778	3,560,482	3,667,296	3,777,315	3,890,634	4,007,353	4,127,574
New Battalion Chief	\$1,267,028	2,427,757	2,500,590	2,575,608	2,652,876	2,732,462	2,814,436	2,898,869	2,985,835	3,075,411	3,167,673	3,262,703
New Ladder Truck	\$89,767	172,002	177,162	182,477	187,951	193,590	199,398	205,380	211,541	217,887	224,424	231,157
		12,318,971	12,688,540	13,069,196	13,461,272	13,865,110	14,281,063	14,709,495	15,150,780	15,605,303	16,073,462	16,555,666
Gross Expenses w/ Project		27,053,256	27,864,854	28,700,799	29,561,823	30,448,678	31,362,138	32,303,002	33,272,092	34,270,255	35,298,363	36,357,314
(Less) Base Expenses		-18,067,073	-18,609,085	-19,167,357	-19,742,378	-20,334,649	-20,944,689	-21,573,030	-22,220,221	-22,886,827	-23,573,432	-24,280,635
Net Expenses		8,986,000	9,256,000	9,533,000	9,819,000	10,114,000	10,417,000	10,730,000	11,052,000	11,383,000	11,725,000	12,077,000

Notes

¹ Table 19.

² Table 16.

³ Table 6.

Table 18
ESTIMATE OF FIRE PROTECTION EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
expense appreciation ²	2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
residents ³	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ³	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
Percent Buildout Population ³	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

FIRE PROTECTION EXPENSES

Base Expenses To Maintain

Existing Engine Company	\$3,469,493	9,202,260	9,478,327	9,762,677	10,055,558	10,357,224	10,667,941	10,987,979	11,317,619	11,657,147	12,006,862	12,367,067
Existing Truck Company	\$4,144,253	10,991,948	11,321,707	11,661,358	12,011,198	12,371,534	12,742,680	13,124,961	13,518,710	13,924,271	14,341,999	14,772,259
Existing Ambulance	\$75,967	201,489	207,534	213,760	220,173	226,778	233,581	240,588	247,806	255,240	262,898	270,784
		20,395,697	21,007,568	21,637,795	22,286,929	22,955,536	23,644,203	24,353,529	25,084,134	25,836,659	26,611,758	27,410,111

Base Expenses To Phase Out

Existing Engine: Hose Tender	\$1,739,357	0	0	0	0	0	0	0	0	0	0	0

New Expenses To Phase In

New Engine Company	\$3,469,493	9,202,260	9,478,327	9,762,677	10,055,558	10,357,224	10,667,941	10,987,979	11,317,619	11,657,147	12,006,862	12,367,067
New Ambulance	\$1,602,890	4,251,401	4,378,943	4,510,312	4,645,621	4,784,990	4,928,539	5,076,395	5,228,687	5,385,548	5,547,114	5,713,528
New Battalion Chief	\$1,267,028	3,360,584	3,461,402	3,565,244	3,672,201	3,782,367	3,895,838	4,012,713	4,133,095	4,257,087	4,384,800	4,516,344
New Ladder Truck	\$89,767	238,091	245,234	252,591	260,169	267,974	276,013	284,293	292,822	301,607	310,655	319,975
		17,052,336	17,563,906	18,090,824	18,633,548	19,192,555	19,768,331	20,361,381	20,972,223	21,601,389	22,249,431	22,916,914

Gross Expenses w/ Project

(Less) Base Expenses

Net Expenses

	37,448,033	38,571,474	39,728,618	40,920,477	42,148,091	43,412,534	44,714,910	46,056,357	47,438,048	48,861,189	50,327,025
	-25,009,054	-25,759,326	-26,532,105	-27,328,068	-28,147,911	-28,992,348	-29,862,118	-30,757,982	-31,680,721	-32,631,143	-33,610,077
	12,439,000	12,812,000	13,197,000	13,592,000	14,000,000	14,420,000	14,853,000	15,298,000	15,757,000	16,230,000	16,717,000

Notes

¹ Table 19.

² Table 16.

³ Table 6.

Table 18
ESTIMATE OF FIRE PROTECTION EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
expense appreciation ²	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
residents ³	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
employees ³	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544	2,544
Percent Buildout Population ³	100%	100%	100%	100%	100%	100%	100%	100%	100%
FIRE PROTECTION EXPENSES									
Base Expenses To Maintain									
Existing Engine Company	\$3,469,493	12,738,080	13,120,222	13,513,829	13,919,243	14,336,821	14,766,925	15,209,933	15,666,231
Existing Truck Company	\$4,144,253	15,215,427	15,671,890	16,142,046	16,626,308	17,125,097	17,638,850	18,168,015	18,713,056
Existing Ambulance	\$75,967	278,908	287,275	295,893	304,770	313,913	323,331	333,031	343,022
		28,232,414	29,079,387	29,951,768	30,850,321	31,775,831	32,729,106	33,710,979	34,722,309
									35,763,978
Base Expenses To Phase Out									
Existing Engine: Hose Tender	\$1,739,357	0	0	0	0	0	0	0	0
New Expenses To Phase In									
New Engine Company	\$3,469,493	12,738,080	13,120,222	13,513,829	13,919,243	14,336,821	14,766,925	15,209,933	15,666,231
New Ambulance	\$1,602,890	5,884,934	6,061,482	6,243,326	6,430,626	6,623,545	6,822,251	7,026,918	7,237,726
New Battalion Chief	\$1,267,028	4,651,834	4,791,389	4,935,131	5,083,185	5,235,681	5,392,751	5,554,534	5,721,170
New Ladder Truck	\$89,767	329,574	339,461	349,645	360,134	370,938	382,067	393,529	405,334
		23,604,422	24,312,554	25,041,931	25,793,189	26,566,984	27,363,994	28,184,914	29,030,461
									29,901,375
Gross Expenses w/ Project		51,836,836	53,391,941	54,993,699	56,643,510	58,342,815	60,093,100	61,895,893	63,752,770
									65,665,353
(Less) Base Expenses		-34,618,380	-35,656,931	-36,726,639	-37,828,438	-38,963,291	-40,132,190	-41,336,156	-42,576,240
									-43,853,527
Net Expenses		17,218,000	17,735,000	18,267,000	18,815,000	19,380,000	19,961,000	20,560,000	21,177,000
									21,812,000

Notes

¹ Table 19.

² Table 16.

³ Table 6.

Table 19

**SERVICE COST ASSUMPTIONS: FIRE DEPARTMENT
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

SERVICE COSTS BY APPARATUS				ENGINE	LADDER TRUCK	AMULANCE (BACKUP)	AMBULANCE	ENGINE (HOSE TENDER)	BATTALION CHIEF
STAFFING									
	Direct Salary ¹								
H2 Firefighter	\$113,312	FTE: ²		9.36	18.72	0	9.36	4.68	
H3 FF/Paramedic	\$130,932	FTE:		4.68					
H20 Lieutenant	\$131,667	FTE:		2.34	2.34			4.68	
H30 Captain	\$150,338	FTE:		2.34	2.34				
H40 Battalion Chief	\$180,432	FTE:							4.68
				18.72	23.4	0	9.36	9.36	4.68
Direct Salary Costs	Salary X FTE			2,333,254	2,781,092	-	1,060,600	1,146,502	844,422
Staffing Adjustment ³	7%			2,492,793	2,971,253	-	1,133,120	1,224,895	902,160
Overtime, Taxes, Benefits ¹	30%			1,068,340	1,273,394	-	485,623	524,955	386,640
Subtotal, Staffing				3,401,593	4,054,486	-	1,546,223	1,671,457	1,231,062
EQUIPMENT⁴									
Replacement Cost (2010\$)				450,000	810,000	144,000	144,000	450,000	40,000
Replacement Cost (2016\$)	3% inflation			540,000	970,000	170,000	170,000	540,000	50,000
Useful Life				12	15	3	3	12	3
Replacement Annual Cost				45,000	64,667	56,667	56,667	45,000	16,667
Vehicle Maintenance (2010\$)				19,200	21,000	16,200		19,200	16,200
Vehicle Maintenance (2016\$)	3% inflation			22,900	25,100	19,300	-	22,900	19,300
Subtotal, Equipment (2016\$)				67,900	89,767	75,967	56,667	67,900	35,967
TOTAL COST PER APPARATUS (2016\$)				3,469,493	4,144,253	75,967	1,602,890	1,739,357	1,267,028
TOTAL EQUIPMENT⁵									
Existing Equipment				1	1	1		1	0
New Equipment				1	1		1		1
Phased-Out Equipment								-1	
Total At Build-Out				2	2	1	1	0	1

Notes

¹ San Francisco Office of the Controller. FY 2015/16 Rate Table. Based on weighted average of personnel categories identified in 2011 EPS study.

² Per the report, Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project, by Economic Planning Systems in May 2011. □

³ Per March 2016 email from Fire Department, the staffing requirement is anticipated to fall between 65-75 FTE. The prior fiscal analysis prepared by EPS estimated 66 FTE. Base staffing costs are increased by 7% to reflect the current, mid-range staffing estimate (70 FTE).

⁴ Per EPS (2011) report, adjusted for inflation.

⁵ Per March 2016 email from Fire Department, an additional ladder truck will be required. The cost of an additional ladder truck has been added to the projection.

Table 20
ESTIMATE OF PUBLIC WORKS G.F. EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	BASIS ¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
expense appreciation ¹		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residents ²		0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
population build-out ²		0.0%	0.0%	0.0%	0.7%	4.0%	9.9%	18.9%	27.3%	34.7%	45.1%	56.2%
RIGHT OF WAY MAINTENANCE AND REPAIR												
NEW MAINTENANCE COSTS												
SF of Streets	1,849,420 sf	0	0	0	752,620	0	0	258,080	0	0	371,540	0
Cumulative		0	0	0	752,620	752,620	752,620	1,010,700	1,010,700	1,010,700	1,382,240	1,382,240
Subject to Cost	1 yr. delay	0	0	0	0	752,620	752,620	752,620	1,010,700	1,010,700	1,010,700	1,382,240
Cost Phase-In	10% /yr	0%	0%	0%	0%	10%	20%	30%	40%	50%	60%	70%
Replacement Reserve	\$0.71 /sf	0	0	0	0	60,078	123,760	191,210	352,641	454,025	561,175	922,238
Street Sweeping	\$0.08 /sf	0	0	0	0	6,470	13,328	20,592	37,977	48,895	60,434	99,318
TOTAL COST		0	0	0	0	67,000	137,000	212,000	391,000	503,000	622,000	1,022,000
REVENUES												
(Less) Gas Tax Revenue	\$19.99 /res	0	0	0	0	(15,000)	(37,000)	(74,000)	(110,000)	(144,000)	(192,000)	(247,000)
(Less) Prop. K Sales Tax	Tables 12, 13 & 23	0	0	0	0	(63,000)	(58,000)	(69,000)	(113,000)	(120,000)	(151,000)	(164,000)
NET PUBLIC WORKS EXPENSE ¹		0	0	0	0	0	42,000	69,000	168,000	239,000	279,000	611,000

Notes:

¹ Table 16.

² Table 6.

Table 20
ESTIMATE OF PUBLIC WORKS G.F. EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS¹	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
revenue appreciation	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
expense appreciation ¹	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residents ²	10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
population build-out ²	65.5%	74.2%	84.1%	91.6%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
RIGHT OF WAY MAINTENANCE AND REPAIR											
NEW MAINTENANCE COSTS											
SF of Streets	1,849,420 sf	150,720	316,460	0	0	0	0	0	0	0	0
Cumulative		1,532,960	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Subject to Cost	1 yr. delay	1,382,240	1,532,960	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Cost Phase-In	10% /yr	80%	90%	100%	100%	100%	100%	100%	100%	100%	100%
Replacement Reserve	\$0.71 /sf	1,085,606	1,395,113	1,926,233	1,984,020	2,043,541	2,104,847	2,167,993	2,233,033	2,300,023	2,369,024
Street Sweeping	\$0.08 /sf	116,911	150,243	207,441	213,664	220,074	226,676	233,476	240,480	247,695	255,126
TOTAL COST		1,203,000	1,545,000	2,134,000	2,198,000	2,264,000	2,332,000	2,401,000	2,474,000	2,548,000	2,624,000
REVENUES											
(Less) Gas Tax Revenue	\$19.99 /res	(296,000)	(345,000)	(403,000)	(452,000)	(500,000)	(524,000)	(539,000)	(556,000)	(572,000)	(589,000)
(Less) Prop. K Sales Tax	Tables 12, 13 & 23	(171,000)	(223,000)	(234,000)	(273,000)	(270,000)	(281,000)	(290,000)	(299,000)	(308,000)	(317,000)
NET PUBLIC WORKS EXPENSE ¹		736,000	977,000	1,497,000	1,473,000	1,494,000	1,527,000	1,572,000	1,619,000	1,668,000	1,770,000

Notes:

¹ Table 16.

² Table 6.

Table 20
ESTIMATE OF PUBLIC WORKS G.F. EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	BASIS ¹	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation		1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
expense appreciation ¹		1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
residents ²		16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
population build-out ²		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
RIGHT OF WAY MAINTENANCE AND REPAIR												
NEW MAINTENANCE COSTS												
SF of Streets	1,849,420 sf	0	0	0	0	0	0	0	0	0	0	0
Cumulative		1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Subject to Cost	1 yr. delay	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Cost Phase-In	10% /yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Replacement Reserve	\$0.71 /sf	2,513,298	2,588,697	2,666,358	2,746,348	2,828,739	2,913,601	3,001,009	3,091,039	3,183,770	3,279,284	3,377,662
Street Sweeping	\$0.08 /sf	270,663	278,783	287,146	295,761	304,633	313,772	323,186	332,881	342,868	353,154	363,748
TOTAL COST		2,784,000	2,867,000	2,954,000	3,042,000	3,133,000	3,227,000	3,324,000	3,424,000	3,527,000	3,632,000	3,741,000
REVENUES												
(Less) Gas Tax Revenue	\$19.99 /res	(625,000)	(644,000)	(663,000)	(683,000)	(704,000)	(725,000)	(747,000)	(769,000)	(792,000)	(816,000)	(840,000)
(Less) Prop. K Sales Tax	Tables 12, 13 & 23	(336,000)	(346,000)	(356,000)	(367,000)	(378,000)	(389,000)	(401,000)	(413,000)	(426,000)	(439,000)	(451,000)
NET PUBLIC WORKS EXPENSE ¹		1,823,000	1,877,000	1,935,000	1,992,000	2,051,000	2,113,000	2,176,000	2,242,000	2,309,000	2,377,000	2,450,000

Notes:

¹ Table 16.

² Table 6.

Table 20
ESTIMATE OF PUBLIC WORKS G.F. EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	BASIS ¹	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
revenue appreciation		2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
expense appreciation ¹		2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
residents ²		16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
population build-out ²		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
RIGHT OF WAY MAINTENANCE AND REPAIR												
NEW MAINTENANCE COSTS												
SF of Streets	1,849,420 sf	0	0	0	0	0	0	0	0	0	0	0
Cumulative		1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Subject to Cost	1 yr. delay	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Cost Phase-In	10% /yr	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Replacement Reserve	\$0.71 /sf	3,478,992	3,583,362	3,690,863	3,801,588	3,915,636	4,033,105	4,154,098	4,278,721	4,407,083	4,539,295	4,675,474
Street Sweeping	\$0.08 /sf	374,661	385,900	397,478	409,402	421,684	434,334	447,364	460,785	474,609	488,847	503,513
TOTAL COST		3,854,000	3,969,000	4,088,000	4,211,000	4,337,000	4,467,000	4,601,000	4,740,000	4,882,000	5,028,000	5,179,000
REVENUES												
(Less) Gas Tax Revenue	\$19.99 /res	(866,000)	(892,000)	(918,000)	(946,000)	(974,000)	(1,003,000)	(1,034,000)	(1,065,000)	(1,097,000)	(1,129,000)	(1,163,000)
(Less) Prop. K Sales Tax	Tables 12, 13 & 23	(465,000)	(478,000)	(493,000)	(508,000)	(523,000)	(539,000)	(555,000)	(572,000)	(589,000)	(607,000)	(625,000)
NET PUBLIC WORKS EXPENSE ¹		2,523,000	2,599,000	2,677,000	2,757,000	2,840,000	2,925,000	3,012,000	3,103,000	3,196,000	3,292,000	3,391,000

Notes:

¹ Table 16.

² Table 6.

Table 20

**ESTIMATE OF PUBLIC WORKS G.F. EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

		BASIS¹	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
		revenue appreciation	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
		expense appreciation ¹	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
		residents ²	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
		population build-out ²	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
RIGHT OF WAY MAINTENANCE AND REPAIR											
NEW MAINTENANCE COSTS											
SF of Streets	1,849,420	sf	0	0	0	0	0	0	0	0	0
Cumulative			1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Subject to Cost		1 yr. delay	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420	1,849,420
Cost Phase-In	10%	/yr	100%	100%	100%	100%	100%	100%	100%	100%	100%
Replacement Reserve	\$0.71	/sf	4,815,738	4,960,211	5,109,017	5,262,287	5,420,156	5,582,761	5,750,244	5,922,751	6,100,433
Street Sweeping	\$0.08	/sf	518,618	534,177	550,202	566,708	583,709	601,220	619,257	637,835	656,970
TOTAL COST			5,334,000	5,494,000	5,659,000	5,829,000	6,004,000	6,184,000	6,370,000	6,561,000	6,757,000
REVENUES											
(Less) Gas Tax Revenue	\$19.99	/res	(1,198,000)	(1,234,000)	(1,271,000)	(1,309,000)	(1,349,000)	(1,389,000)	(1,431,000)	(1,474,000)	(1,518,000)
(Less) Prop. K Sales Tax	Tables 12, 13 & 23		(643,000)	(663,000)	(683,000)	(704,000)	(724,000)	(746,000)	(768,000)	(792,000)	(815,000)
NET PUBLIC WORKS EXPENSE ¹			3,493,000	3,597,000	3,705,000	3,816,000	3,931,000	4,049,000	4,171,000	4,295,000	4,424,000

Notes:

¹ Table 16.

² Table 6.

Table 21-A
ESTIMATE OF MTA IMPACTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
revenue appreciation ¹			1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
expense appreciation ¹			1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residential units ²			0	0	0	42	275	699	1,406	2,074	2,670	3,523	4,409
residents ²			0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
residents & employees (day & nighttime population) ²			0	0	0	128	724	1,736	3,443	4,872	6,185	8,287	10,162
population build-out ²			0.0%	0.0%	0.0%	0.7%	4.0%	9.9%	18.9%	27.3%	34.7%	45.1%	56.2%
SERVICE ASSUMPTIONS													
Transportation Phase	Table 22-A		Existing	Existing	Existing	Existing	Existing	Existing	1	2	2	3	4
Ridership Growth	Table 22-A		0	0	0	0	0	0	9,983	346,190	346,190	682,397	1,018,603
New Buses (Cumulative)	Table 22-A		0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
SERVICE COSTS													
Incremental Operating Costs	Table 22-A		0	0	0	0	0	0	0	227,146	233,961	1,500,244	134,699
Capital Cost (Buses)	Table 21-B		0	0	0	0	0	0	0	0	0	685,430	685,430
Facility Cost	Table 21-B		0	0	0	0	0	0	0	0	0	465,812	465,812
Other MTA	\$21.08	/ res. & emp ¹	0	0	0	2,704	15,268	36,589	72,577	102,703	130,375	174,692	214,218
Subtotal			0	0	0	2,704	15,268	36,589	72,577	329,849	364,335	2,826,177	1,500,159
REVENUES													
Farebox Revenues	\$0.86	/trip ¹	0	0	0	0	0	0	10,221	365,072	376,024	763,441	1,173,765
Advertising	\$3,503	/bus ¹	0	0	0	0	0	0	0	0	0	0	0
Prop K Sales Tax	Tables 12, 13 & 23		15,000	46,000	98,000	150,000	232,000	211,000	255,000	416,000	442,000	558,000	603,000
State Sales Tax (AB 1107)	Tables 12, 13 & 23		5,000	16,000	33,000	51,000	79,000	71,000	86,000	141,000	150,000	190,000	205,000
TDA Sales Tax	Tables 12, 13 & 23		20,000	63,000	133,000	204,000	314,000	286,000	345,000	565,000	599,000	757,000	820,000
State Transit Assistance	\$41.97	/res ¹	0	0	0	4,595	27,614	67,704	129,573	187,055	238,006	309,153	385,328
Subtotal			40,000	125,000	264,000	409,595	652,614	635,704	825,794	1,674,127	1,805,030	2,577,594	3,187,092
NET OPERATIONS SAVINGS (COST)			40,000	125,000	264,000	406,891	637,346	599,115	753,216	1,344,278	1,440,695	(248,584)	1,686,933
GENERAL FUND TRANSFERS													
Base Transfer (Recurring)	9.19%	Table 11-A	0	0	0	2,000	32,000	104,000	484,000	643,000	993,000	1,259,000	1,497,000
Base Transfer (Construction)	9.19%	Table 24	31,000	163,000	381,000	511,000	632,000	949,000	813,000	851,000	1,154,000	1,224,000	1,091,000
Prop. B Adjustment	\$186	/res & emp. ¹	0	0	0	26,000	152,000	375,000	766,000	1,116,000	1,459,000	2,014,000	2,544,000
Total Transfer			31,000	163,000	381,000	539,000	816,000	1,428,000	2,063,000	2,610,000	3,606,000	4,497,000	5,132,000
MTA BALANCE AFTER GF TRANSFER			71,000	288,000	645,000	946,000	1,453,000	2,027,000	2,816,000	3,954,000	5,047,000	4,248,000	6,819,000

Notes

¹ Table 22-B.

³ Table 16.

² Table 6.

Table 21-A
ESTIMATE OF MTA IMPACTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
revenue appreciation ¹			1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
expense appreciation ¹			1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residential units ²			5,154	5,863	6,677	7,295	7,851	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			11,721	13,897	15,576	17,449	18,577	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			65.5%	74.2%	84.1%	91.6%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SERVICE ASSUMPTIONS													
Transportation Phase	Table 22-A		5	5	6	7	7	8	8	8	8	8	8
Ridership Growth	Table 22-A		1,501,362	1,501,362	1,718,603	2,039,293	2,039,293	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948
New Buses (Cumulative)	Table 22-A		5	5	5	5	5	6	6	6	6	6	6
			5	0	0	0	0	1	0	0	0	0	0
SERVICE COSTS													
Incremental Operating Costs	Table 22-A		453,632	467,241	481,258	7,302,569	7,521,646	9,299,646	9,578,635	9,865,994	10,161,974	10,466,833	10,780,838
Capital Cost (Buses)	Table 21-B		685,430	685,430	685,430	844,402	844,402	844,402	844,402	844,402	844,402	844,402	844,402
Facility Cost	Table 21-B		465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812
Other MTA	\$21.08	/ res. & emp ¹	247,078	292,953	328,330	367,825	391,591	397,781	397,781	397,781	397,781	397,781	397,781
Subtotal			1,851,952	1,911,436	1,960,830	8,980,608	9,223,450	11,007,641	11,286,630	11,573,989	11,869,969	12,174,828	12,488,833
REVENUES													
Farebox Revenues	\$0.86	/trip ¹	1,781,962	1,835,421	2,164,030	2,644,870	2,724,216	3,479,679	3,584,069	3,691,591	3,802,339	3,916,409	4,033,901
Advertising	\$3,503	/bus ¹	24,242	24,970	25,719	26,490	27,285	33,726	34,738	35,780	36,854	37,959	39,098
Prop K Sales Tax	Tables 12, 13 & 23		627,000	818,000	862,000	1,004,000	997,000	1,037,000	1,067,000	1,100,000	1,132,000	1,166,000	1,202,000
State Sales Tax (AB 1107)	Tables 12, 13 & 23		213,000	277,000	293,000	342,000	339,000	351,000	362,000	373,000	385,000	396,000	408,000
TDA Sales Tax	Tables 12, 13 & 23		850,000	1,111,000	1,169,000	1,364,000	1,354,000	1,406,000	1,449,000	1,492,000	1,537,000	1,583,000	1,631,000
State Transit Assistance	\$41.97	/res ¹	<u>448,627</u>	<u>508,298</u>	<u>576,415</u>	<u>627,547</u>	<u>673,311</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>
Subtotal			3,944,831	4,574,689	5,090,163	6,008,908	6,114,813	6,992,624	7,182,026	7,377,590	7,578,411	7,784,587	7,999,218
NET OPERATIONS SAVINGS (COST)			2,092,880	2,663,253	3,129,333	(2,971,699)	(3,108,638)	(4,015,017)	(4,104,604)	(4,196,399)	(4,291,557)	(4,390,241)	(4,489,615)
GENERAL FUND TRANSFERS													
Base Transfer (Recurring)	9.19%	Table 11-A	1,809,000	2,223,000	2,538,000	2,988,000	3,285,000	3,560,000	3,795,000	3,984,000	4,086,000	4,190,000	4,297,000
Base Transfer (Construction)	9.19%	Table 24	1,252,000	1,078,000	861,000	675,000	563,000	169,000	0	0	0	0	0
Prop. B Adjustment	\$186	/res & emp. ¹	3,022,000	3,690,000	4,260,000	4,916,000	5,390,000	5,640,000	5,809,000	5,983,000	6,163,000	6,348,000	6,538,000
Total Transfer			6,083,000	6,991,000	7,659,000	8,579,000	9,238,000	9,369,000	9,604,000	9,967,000	10,249,000	10,538,000	10,835,000
MTA BALANCE AFTER GF TRANSFER			8,176,000	9,654,000	10,788,000	5,607,000	6,129,000	5,354,000	5,499,000	5,771,000	5,957,000	6,148,000	6,345,000

Notes

¹ Table 22-B.

³ Table 16.

² Table 6.

Table 21-A
ESTIMATE OF MTA IMPACTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
revenue appreciation ¹			1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
expense appreciation ¹			1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
residential units ²			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SERVICE ASSUMPTIONS													
Transportation Phase	Table 22-A		8	8	8	8	8	8	8	8	8	8	8
Ridership Growth	Table 22-A		2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948
New Buses (Cumulative)	Table 22-A		6	6	6	6	6	6	6	6	6	6	6
			0	0	0	0	0	0	0	0	0	0	0
SERVICE COSTS													
Incremental Operating Costs	Table 22-A		11,104,263	11,437,391	11,780,513	12,133,928	12,497,946	12,872,885	13,259,071	13,656,843	14,066,549	14,488,545	14,923,201
Capital Cost (Buses)	Table 21-B		844,402	158,972	158,972	158,972	158,972	158,972	0	0	0	0	0
Facility Cost	Table 21-B		465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812
Other MTA	\$21.08	/ res. & emp ¹	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781
Subtotal			12,812,258	12,459,957	12,803,078	13,156,494	13,520,512	13,895,450	14,122,664	14,520,437	14,930,142	15,352,138	15,786,795
REVENUES													
Farebox Revenues	\$0.86	/trip ¹	4,154,918	4,279,566	4,407,953	4,540,191	4,676,397	4,816,689	4,961,190	5,110,025	5,263,326	5,421,226	5,583,863
Advertising	\$3,503	/bus ¹	40,271	41,479	42,723	44,005	45,325	46,685	48,086	49,528	51,014	52,544	54,121
Prop K Sales Tax	Tables 12, 13 & 23		1,237,000	1,275,000	1,313,000	1,352,000	1,393,000	1,435,000	1,478,000	1,522,000	1,567,000	1,615,000	1,663,000
State Sales Tax (AB 1107)	Tables 12, 13 & 23		419,000	432,000	446,000	459,000	473,000	487,000	501,000	516,000	532,000	548,000	564,000
TDA Sales Tax	Tables 12, 13 & 23		1,680,000	1,730,000	1,782,000	1,835,000	1,891,000	1,947,000	2,006,000	2,065,000	2,127,000	2,192,000	2,257,000
State Transit Assistance	\$41.97	/res ¹	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>
Subtotal			8,216,408	8,443,264	8,676,895	8,915,416	9,163,941	9,417,593	9,679,494	9,947,773	10,225,559	10,513,989	10,807,202
NET OPERATIONS SAVINGS (COST)			(4,595,850)	(4,016,693)	(4,126,183)	(4,241,078)	(4,356,570)	(4,477,857)	(4,443,170)	(4,572,664)	(4,704,583)	(4,838,149)	(4,979,592)
GENERAL FUND TRANSFERS													
Base Transfer (Recurring)	9.19%	Table 11-A	4,407,000	4,520,000	4,636,000	4,755,000	4,877,000	5,002,000	5,131,000	5,263,000	5,399,000	5,538,000	5,681,000
Base Transfer (Construction)	9.19%	Table 24	0	0	0	0	0	0	0	0	0	0	0
Prop. B Adjustment	\$186	/res & emp. ¹	6,734,000	6,936,000	7,144,000	7,359,000	7,580,000	7,807,000	8,041,000	8,282,000	8,531,000	8,787,000	9,050,000
Total Transfer			11,141,000	11,456,000	11,780,000	12,114,000	12,457,000	12,809,000	13,172,000	13,545,000	13,930,000	14,325,000	14,731,000
MTA BALANCE AFTER GF TRANSFER			6,545,000	7,439,000	7,654,000	7,873,000	8,100,000	8,331,000	8,729,000	8,972,000	9,225,000	9,487,000	9,751,000

Notes

¹ Table 22-B.

³ Table 16.

² Table 6.

Table 21-A
ESTIMATE OF MTA IMPACTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58
revenue appreciation ¹			2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46
expense appreciation ¹			2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46
residential units ²			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SERVICE ASSUMPTIONS												
Transportation Phase	Table 22-A		8	8	8	8	8	8	8	8	8	8
Ridership Growth	Table 22-A		2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948
New Buses (Cumulative)	Table 22-A		6	6	6	6	6	6	6	6	6	6
			0	0	0	0	0	0	0	0	0	0
SERVICE COSTS												
Incremental Operating Costs	Table 22-A		15,370,898	15,832,024	16,306,985	16,796,195	17,300,081	17,819,083	18,353,656	18,904,265	19,471,393	20,055,535
Capital Cost (Buses)	Table 21-B		0	0	0	0	0	0	0	0	0	0
Facility Cost	Table 21-B		465,812	465,812	465,812	465,812	465,812	465,812	0	0	0	0
Other MTA	\$21.08	/ res. & emp ¹	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781
Subtotal			16,234,491	16,695,618	17,170,578	17,659,788	18,163,674	18,682,676	18,751,436	19,302,046	19,869,174	20,453,316
REVENUES												
Farebox Revenues	\$0.86	/trip ¹	5,751,379	5,923,920	6,101,638	6,284,687	6,473,227	6,667,424	6,867,447	7,073,470	7,285,674	7,504,245
Advertising	\$3,503	/bus ¹	55,744	57,417	59,139	60,913	62,741	64,623	66,562	68,558	70,615	72,734
Prop K Sales Tax	Tables 12, 13 & 23		1,713,000	1,764,000	1,818,000	1,872,000	1,928,000	1,986,000	2,045,000	2,106,000	2,170,000	2,235,000
State Sales Tax (AB 1107)	Tables 12, 13 & 23		582,000	598,000	616,000	635,000	654,000	674,000	694,000	715,000	736,000	758,000
TDA Sales Tax	Tables 12, 13 & 23		2,325,000	2,394,000	2,466,000	2,541,000	2,616,000	2,695,000	2,776,000	2,860,000	2,944,000	3,033,000
State Transit Assistance	\$41.97	/res ¹	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>
Subtotal			11,112,342	11,422,556	11,745,996	12,078,819	12,419,187	12,772,266	13,134,228	13,508,248	13,891,509	14,288,197
NET OPERATIONS SAVINGS (COST)			(5,122,149)	(5,273,062)	(5,424,583)	(5,580,969)	(5,744,487)	(5,910,410)	(5,617,209)	(5,793,798)	(5,977,665)	(6,165,118)
GENERAL FUND TRANSFERS												
Base Transfer (Recurring)	9.19%	Table 11-A	5,828,000	5,978,000	6,133,000	6,292,000	6,456,000	6,623,000	6,796,000	6,972,000	7,154,000	7,341,000
Base Transfer (Construction)	9.19%	Table 24	0	0	0	0	0	0	0	0	0	0
Prop. B Adjustment	\$186	/res & emp. ¹	9,322,000	9,601,000	9,890,000	10,186,000	10,492,000	10,807,000	11,131,000	11,465,000	11,809,000	12,163,000
Total Transfer			15,150,000	15,579,000	16,023,000	16,478,000	16,948,000	17,430,000	17,927,000	18,437,000	18,963,000	19,504,000
MTA BALANCE AFTER GF TRANSFER			10,028,000	10,306,000	10,598,000	10,897,000	11,204,000	11,520,000	12,310,000	12,643,000	12,985,000	13,339,000

Notes

¹ Table 22-B.

³ Table 16.

² Table 6.

Table 21-A
ESTIMATE OF MTA IMPACTS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
revenue appreciation ¹			3.56	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
expense appreciation ¹			3.56	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
residential units ²			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SERVICE ASSUMPTIONS												
Transportation Phase	Table 22-A		8	8	8	8	8	8	8	8	8	8
Ridership Growth	Table 22-A		2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948	2,528,948
New Buses (Cumulative)	Table 22-A		6	6	6	6	6	6	6	6	6	6
			0	0	0	0	0	0	0	0	0	0
SERVICE COSTS												
Incremental Operating Costs	Table 22-A		20,657,201	21,276,917	21,915,225	22,572,681	23,249,862	23,947,358	24,665,778	25,405,752	26,167,924	26,952,962
Capital Cost (Buses)	Table 21-B		0	0	0	0	0	0	0	0	0	0
Facility Cost	Table 21-B		0	0	0	0	0	0	0	0	0	0
Other MTA	\$21.08	/ res. & emp ¹	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781	397,781
Subtotal			21,054,982	21,674,698	22,313,005	22,970,462	23,647,643	24,345,138	25,063,559	25,803,532	26,565,705	27,350,743
REVENUES												
Farebox Revenues	\$0.86	/trip ¹	7,729,372	7,961,253	8,200,091	8,446,093	8,699,476	8,960,460	9,229,274	9,506,152	9,791,337	10,085,077
Advertising	\$3,503	/bus ¹	74,916	77,163	79,478	81,862	84,318	86,848	89,453	92,137	94,901	97,748
Prop K Sales Tax	Tables 12, 13 & 23		2,303,000	2,371,000	2,443,000	2,516,000	2,591,000	2,669,000	2,749,000	2,831,000	2,917,000	3,003,000
State Sales Tax (AB 1107)	Tables 12, 13 & 23		781,000	804,000	829,000	854,000	879,000	906,000	933,000	960,000	990,000	1,019,000
TDA Sales Tax	Tables 12, 13 & 23		3,125,000	3,218,000	3,315,000	3,414,000	3,517,000	3,621,000	3,730,000	3,843,000	3,958,000	4,076,000
State Transit Assistance	\$41.97	/res ¹	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>	<u>685,219</u>
Subtotal			14,698,507	15,116,635	15,551,788	15,997,175	16,456,014	16,928,527	17,415,947	17,917,508	18,436,457	18,966,044
NET OPERATIONS SAVINGS (COST)			(6,356,475)	(6,558,063)	(6,761,218)	(6,973,287)	(7,191,629)	(7,416,611)	(7,647,613)	(7,886,024)	(8,129,248)	(8,384,698)
GENERAL FUND TRANSFERS												
Base Transfer (Recurring)	9.19%	Table 11-A	7,532,000	7,623,000	7,563,000	7,664,000	7,777,000	7,721,000	7,841,000	7,824,000	8,037,000	8,256,000
Base Transfer (Construction)	9.19%	Table 24	0	0	0	0	0	0	0	0	0	0
Prop. B Adjustment	\$186	/res & emp. ¹	12,528,000	12,904,000	13,291,000	13,689,000	14,100,000	14,523,000	14,959,000	15,408,000	15,870,000	16,346,000
Total Transfer			20,060,000	20,527,000	20,854,000	21,353,000	21,877,000	22,244,000	22,800,000	23,232,000	23,907,000	24,602,000
MTA BALANCE AFTER GF TRANSFER			13,704,000	13,969,000	14,093,000	14,380,000	14,685,000	14,827,000	15,152,000	15,346,000	15,778,000	16,217,000

Notes

¹ Table 22-B.

³ Table 16.

² Table 6.

Table 21-B

**MTA IMPACTS: CAPITAL COST DETAIL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

BASIS			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
expense appreciation ¹			1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
residential units ²			0	0	0	42	275	699	1,406	2,074	2,670	3,523	4,409
residents ²			0	0	0	109	658	1,613	3,087	4,457	5,671	7,366	9,181
residents & employees (day & nighttime population) ²			0	0	0	128	724	1,736	3,443	4,872	6,185	8,287	10,162
population build-out ²			0.0%	0.0%	0.0%	0.7%	4.0%	9.9%	18.9%	27.3%	34.7%	45.1%	56.2%
CAPITAL COST DETAIL													
New Capital Costs													
New Buses Purchased	2 yrs. prior ¹		0	0	0	0	0	0	0	0	0	5	0
	\$1,040,000 /bus ¹		0	0	0	0	0	0	0	0	0	6,784,821	0
New Facility Share ¹			\$4,610,909	0	0	0	0	0	0	0	0	4,610,909	0
Amortized Costs ¹													
New Buses	5% interest	14 years	0	0	0	0	0	0	0	0	0	685,430	685,430
New Facility	5% interest	30 years	0	0	0	0	0	0	0	0	0	465,812	465,812

Notes

¹ Table 22-B.

² Table 6.

Table 21-B
MTA IMPACTS: CAPITAL COST DETAIL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
expense appreciation ¹			1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
residential units ²			5,154	5,863	6,677	7,295	7,851	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			10,689	12,111	13,734	14,952	16,043	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			11,721	13,897	15,576	17,449	18,577	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			65.5%	74.2%	84.1%	91.6%	98.3%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CAPITAL COST DETAIL													
New Capital Costs													
New Buses Purchased	2	yrs. prior ¹	0	0	0	1	0	0	0	0	0	0	0
	\$1,040,000	/bus ¹	0	0	0	1,573,608	0	0	0	0	0	0	0
New Facility Share ¹			\$4,610,909	0	0	0	0	0	0	0	0	0	0
Amortized Costs ¹													
New Buses	5% interest	14 years	685,430	685,430	685,430	844,402	844,402	844,402	844,402	844,402	844,402	844,402	844,402
New Facility	5% interest	30 years	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812

Notes

¹ Table 22-B.

² Table 6.

Table 21-B

**MTA IMPACTS: CAPITAL COST DETAIL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

BASIS			2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
expense appreciation ¹			1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
residential units ²			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CAPITAL COST DETAIL													
New Capital Costs													
New Buses Purchased	2 yrs. prior ¹		0	0	0	0	0	0	0	0	0	0	0
	\$1,040,000 /bus ¹		0	0	0	0	0	0	0	0	0	0	0
New Facility Share ¹	\$4,610,909		0	0	0	0	0	0	0	0	0	0	0
Amortized Costs¹													
New Buses	5% interest	14 years	844,402	158,972	158,972	158,972	158,972	158,972	0	0	0	0	0
New Facility	5% interest	30 years	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812	465,812

Notes

¹ Table 22-B.

² Table 6.

Table 21-B
MTA IMPACTS: CAPITAL COST DETAIL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

BASIS			2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
expense appreciation ¹			2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
residential units ²			8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
residents ²			16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
residents & employees (day & nighttime population) ²			18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
population build-out ²			100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
CAPITAL COST DETAIL													
New Capital Costs													
New Buses Purchased	2	yrs. prior ¹	0	0	0	0	0	0	0	0	0	0	0
	\$1,040,000	/bus ¹	0	0	0	0	0	0	0	0	0	0	0
New Facility Share ¹	\$4,610,909		0	0	0	0	0	0	0	0	0	0	0
Amortized Costs ¹													
New Buses	5% interest	14 years	0	0	0	0	0	0	0	0	0	0	0
New Facility	5% interest	30 years	465,812	465,812	465,812	465,812	465,812	465,812	0	0	0	0	0

Notes

¹ Table 22-B.

² Table 6.

Table 21-B
MTA IMPACTS: CAPITAL COST DETAIL
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA **August 15, 2016**

	BASIS	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
	expense appreciation ¹	3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
	residential units ²	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
	residents ²	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326	16,326
	residents & employees (day & nighttime population) ²	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870	18,870
	population build-out ²	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

CAPITAL COST DETAIL

New Capital Costs

New Buses Purchased	2 yrs. prior ¹	0	0	0	0	0	0	0	0	0
	\$1,040,000 /bus ¹	0	0	0	0	0	0	0	0	0
New Facility Share ¹	\$4,610,909	0	0	0	0	0	0	0	0	0

Amortized Costs¹

New Buses	5% interest	14 years	0	0	0	0	0	0	0	0
New Facility	5% interest	30 years	0	0	0	0	0	0	0	0

Notes

¹ Table 22-B.

² Table 6.

Table 22-A

MTA OPERATING COST ASSUMPTIONS¹
 FISCAL IMPACT ANALYSIS
 TREASURE ISLAND REDEVELOPMENT
 CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

PHASE	NEW		OPERATING COSTS (2010\$)			OPERATING COSTS (2016\$)	ANNUAL RIDERSHIP ²	NUMBER OF BUSES	BUSES PURCHASED
	UNITS		TRANSBAY	CIVIC CNTR.	TOTAL				
	Up to:					Inflation Factor: 2%			
Existing	-	DU	\$3,678,000	\$0	\$3,678,000	\$4,142,025	474,500	4	
1	1,000	DU	\$3,678,000	\$0	\$3,678,000	\$4,142,025	484,483	4	-
2	2,000	DU	\$3,842,000	\$0	\$3,842,000	\$4,326,716	820,690	4	-
3	3,000	DU	\$4,699,000	\$0	\$4,699,000	\$5,291,837	1,156,897	4	-
4	4,000	DU	\$3,767,000	\$0	\$3,767,000	\$4,242,254	1,493,103	4	-
5	5,000	DU	\$3,969,000	\$0	\$3,969,000	\$4,469,739	1,975,862	9	5
6	6,000	DU	\$3,969,000	\$0	\$3,969,000	\$4,469,739	2,193,103	9	-
7	7,000	DU	\$3,969,000	\$3,996,000	\$7,965,000	\$8,969,884	2,513,793	9	-
8	8,000	DU	\$4,828,000	\$3,996,000	\$8,824,000	\$9,937,257	3,003,448	10	1

Notes

¹ Per the report, Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project, by Economic Planning Systems in May 2011.

² Derived from EPS report based on farebox revenue projection, using factor of \$.58 per rider.

Table 22-B

MTA OPERATING EXPENSE AND REVENUE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

Global Escalation Assumption	3.0%	Per Year ¹
2015 City/County Service	845,602	Resident Population ²
Population Estimate	613,200	Employment Base ²
	1,060,222	Service Population ²
	1,458,802	Day and Evening Population ²

I. EXPENSES

Operating Cost	See Table 22-A		
Other Muni Costs	\$353,218	other MTA costs upon build-out (2010\$) ³	
	2%	Inflation Factor	
	18,870	day and evening population upon build-out ⁴	
	\$17	per Resident/Employee (2010\$)	
	\$21	per Resident Employee (2016\$)	
Capital Costs: Buses	\$1,510,000	Cost Per Articulated Bus (2010\$) ³	
	\$1,118,976	Direct Cost Per Articulated Bus (2016\$) ⁵	6 buses
	14%	Tax, Warranty, and Consultant Support ⁶	
	\$1,300,000	Total Cost Per Articulated Bus (2016\$)	
	80%	Non-Project Funded ⁷	
	\$1,040,000	Net Non-Project Cost	
	2	years in advance of phase ⁷	
	5%	Amortization Rate ⁷	
	14	Amortization Period ⁷	
Capital Costs: Islais Creek Motorcoach Facility	\$90,750,000	Estimated Project Cost (2010\$) ⁷	
	\$126,800,000	Estimated Project Cost (2016\$) ⁸	
	165	Bus Capacity of Facility ⁹	
	\$768,485	Per Bus	
	\$4,610,909	Treasure Island Share	6 buses
	30	Amortization Period ⁷	
	5%	Annual Rate ⁷	
	\$299,946	Annual Payment	

Table 22-B

**MTA OPERATING EXPENSE AND REVENUE ASSUMPTIONS
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

II. REVENUE

Parking Tax (80% MTA Share)	0%	Excluded ¹⁰
Proposition K Sales Tax	0.50%	Sales Tax ¹¹
	37%	Share Allocated to Transit - Sytem Maintenance and Renovation ¹⁴
AB 1107 Sales Tax	0.50%	Sales Tax ¹²
	12.50%	MTA Share ¹²
TDA Sales Tax	0.25%	Sales Tax ¹²
State Transit Assistance	\$35,490,000	MTA Revenues FY16 ¹³
	845,602	Residents
	\$41.97	Per Resident
Farebox Revenue	\$182,280,000	Transit Fares FY16 ¹⁴
	212,586,375	Annual Unlinked Passenger Trips ¹⁵
	\$0.86	Fare Revenue/Trip
Advertising	\$5,390,000	Vehicle Advertising Revenues FY16 ¹³
	769	Average Number of Vehicles Operating at Peak Demand ¹⁵
	\$7,005	Revenue per vehicle
	50%	Administrative Costs ⁷
	\$3,503	Net Revenue Per Vehicle

¹ KMA assumption.

² Table 7.

³ Per the report, "Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project," by Economic Planning Systems in May 2011. Reported to include annual maintenance of stop signs, signals, and bike lanes.

⁴ Table 6.

⁵ Derived from MTA Contract No. CPT 713 (Procurement of 40-Ft and 60-Ft Low Floor Diesel Hybrid Coaches) with New Flyer of America Inc. to purchase 61 articulated low floor buses, in an amount not to exceed \$68.257,536.

⁶ Based on staff report accompanying amendment to Amendment No. 2 to Contract No. CPT 713 with New Flyer of America Inc.

⁷ Per the report, Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project, by Economic Planning Systems in May 2011.

⁸ San Francisco County Transportation Authority, MUNI Modernization Projects Fact Sheet, July 2015. Cost in EPS report was estimated to be \$89.9M (2006\$).

⁹ San Francisco County Transportation Authority, MUNI Modernization Projects Fact Sheet, July 2015.

¹⁰ Per the report, Fiscal Analysis of the Treasure Island/Yerba Buena Island Development Project, by Economic Planning Systems in May 2011, parking will be under the jurisdiction of the Treasure Island Transportation Management Agency.

¹¹ San Francisco County Transportation Authority. Prop K Expenditure Plan (last updated January 2016).

¹² Metropolitan Transportation Commission. Resolution No. 4220. Annual Fund Estimate and proposed apportionment and distribution of \$626 million in Transportation Development Act (TDA), State Transit Assistance (STA) Population-Based funds, Assembly Bill 1107 (AB 1107), and transit-related bridge toll funds for FY 2016-17.

¹³ SFMTA Adopted Operating Budget, FY2015-16.

¹⁴ SFMTA Adopted Operating Budget, FY2015-16. Excludes Cable Car Fares.

¹⁵ National Transit Database Monthly Data, February 2015-January 2016.

Table 23
LIBRARY/ COMMUNITY FACILITY EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
expense appreciation ¹		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
Percent Buildout Population ²		0%	0%	0%	1%	4%	10%	19%	27%	35%	45%	56%
LIBRARY EXPENSES												
Annual Operating	\$222,958 2016\$	0	0	0	0	0	0	89,000	183,000	282,000	291,000	300,000
Initial Capital Expense	\$89,673 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,000</u>	<u>60,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>
		0	0	0	0	0	0	119,000	243,000	372,000	381,000	390,000
(LESS) BASELINE TRANSFERS TO LIBRARY ³		(8,000)	(40,000)	(95,000)	(128,000)	(165,000)	(262,000)	(322,000)	(372,000)	(534,000)	(617,000)	(643,000)
ADDITIONAL G.F SUPPORT REQUIRED		0	0	0	0	0	0	0	0	0	0	0
LIBRARY BALANCE		8,000	40,000	95,000	128,000	165,000	262,000	203,000	129,000	162,000	236,000	253,000
COMMUNITY FACILITIES EXPENSES												
Annual Operating	\$375,888 2016\$	0	0	0	0	0	0	150,000	308,000	476,000	490,000	505,000
Initial Capital Expense	\$165,478 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>55,000</u>	<u>110,000</u>	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>
		0	0	0	0	0	0	205,000	418,000	641,000	655,000	670,000
TOTAL LIBRARY/COMM. FACILITIES GEN. FUND EXPENSES		0	0	0	0	0	0	205,000	418,000	641,000	655,000	670,000

Notes

¹ Table 16.

² Table 6.

³ Table 11-A.

Table 23
LIBRARY/ COMMUNITY FACILITY EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
expense appreciation ¹		1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81	1.86
Percent Buildout Population ²		65%	74%	84%	92%	98%	100%	100%	100%	100%	100%	100%
LIBRARY EXPENSES												
Annual Operating	\$222,958 2016\$	309,000	318,000	327,000	337,000	347,000	358,000	369,000	380,000	391,000	403,000	415,000
Initial Capital Expense	\$89,673 /yr (5 yrs.)	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		399,000	318,000	327,000	337,000	347,000	358,000	369,000	380,000	391,000	403,000	415,000
(LESS) BASELINE TRANSFERS TO LIBRARY ³		(761,000)	(821,000)	(845,000)	(911,000)	(957,000)	(927,000)	(944,000)	(991,000)	(1,016,000)	(1,042,000)	(1,069,000)
ADDITIONAL G.F SUPPORT REQUIRED												
		0	0	0	0	0	0	0	0	0	0	0
LIBRARY BALANCE		362,000	503,000	518,000	574,000	610,000	569,000	575,000	611,000	625,000	639,000	654,000
COMMUNITY FACILITIES EXPENSES												
Annual Operating	\$375,888 2016\$	520,000	536,000	552,000	569,000	586,000	603,000	621,000	640,000	659,000	679,000	699,000
Initial Capital Expense	\$165,478 /yr (5 yrs.)	<u>165,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		685,000	536,000	552,000	569,000	586,000	603,000	621,000	640,000	659,000	679,000	699,000
TOTAL LIBRARY/COMM. FACILITIES GEN. FUND EXPENSES		685,000	536,000	552,000	569,000	586,000	603,000	621,000	640,000	659,000	679,000	699,000

Notes

¹ Table 16.

² Table 6.

³ Table 11-A.

Table 23
LIBRARY/ COMMUNITY FACILITY EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
expense appreciation ¹		1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36	2.43	2.50	2.58
Percent Buildout Population ²		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
LIBRARY EXPENSES												
Annual Operating	\$222,958 2016\$	427,000	440,000	453,000	467,000	481,000	495,000	510,000	525,000	541,000	557,000	574,000
Initial Capital Expense	\$89,673 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		427,000	440,000	453,000	467,000	481,000	495,000	510,000	525,000	541,000	557,000	574,000
(LESS) BASELINE TRANSFERS TO LIBRARY ³		(1,096,000)	(1,124,000)	(1,153,000)	(1,182,000)	(1,213,000)	(1,244,000)	(1,276,000)	(1,309,000)	(1,342,000)	(1,377,000)	(1,413,000)
ADDITIONAL G.F SUPPORT REQUIRED												
LIBRARY BALANCE		0	0	0	0	0	0	0	0	0	0	0
LIBRARY BALANCE		669,000	684,000	700,000	715,000	732,000	749,000	766,000	784,000	801,000	820,000	839,000
COMMUNITY FACILITIES EXPENSES												
Annual Operating	\$375,888 2016\$	720,000	742,000	764,000	787,000	811,000	835,000	860,000	886,000	912,000	940,000	968,000
Initial Capital Expense	\$165,478 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		720,000	742,000	764,000	787,000	811,000	835,000	860,000	886,000	912,000	940,000	968,000
TOTAL LIBRARY/COMM. FACILITIES GEN. FUND EXPENSES		720,000	742,000	764,000	787,000	811,000	835,000	860,000	886,000	912,000	940,000	968,000

Notes

¹ Table 16.

² Table 6.

³ Table 11-A.

Table 23
LIBRARY/ COMMUNITY FACILITY EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE¹		2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59
expense appreciation ¹		2.65	2.73	2.81	2.90	2.99	3.07	3.17	3.26	3.36	3.46	3.56
Percent Buildout Population ²		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
LIBRARY EXPENSES												
Annual Operating	\$222,958 2016\$	591,000	609,000	627,000	646,000	666,000	686,000	706,000	727,000	749,000	772,000	795,000
Initial Capital Expense	\$89,673 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		591,000	609,000	627,000	646,000	666,000	686,000	706,000	727,000	749,000	772,000	795,000
(LESS) BASELINE TRANSFERS TO LIBRARY³		(1,449,000)	(1,487,000)	(1,525,000)	(1,565,000)	(1,605,000)	(1,647,000)	(1,690,000)	(1,734,000)	(1,779,000)	(1,825,000)	(1,873,000)
ADDITIONAL G.F SUPPORT REQUIRED		0	0	0	0	0	0	0	0	0	0	0
LIBRARY BALANCE		858,000	878,000	898,000	919,000	939,000	961,000	984,000	1,007,000	1,030,000	1,053,000	1,078,000
COMMUNITY FACILITIES EXPENSES												
Annual Operating	\$375,888 2016\$	997,000	1,027,000	1,058,000	1,089,000	1,122,000	1,156,000	1,190,000	1,226,000	1,263,000	1,301,000	1,340,000
Initial Capital Expense	\$165,478 /yr (5 yrs.)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		997,000	1,027,000	1,058,000	1,089,000	1,122,000	1,156,000	1,190,000	1,226,000	1,263,000	1,301,000	1,340,000
TOTAL LIBRARY/COMM. FACILITIES GEN. FUND EXPENSES		997,000	1,027,000	1,058,000	1,089,000	1,122,000	1,156,000	1,190,000	1,226,000	1,263,000	1,301,000	1,340,000

Notes

¹ Table 16.

² Table 6.

³ Table 11-A.

Table 23
LIBRARY/ COMMUNITY FACILITY EXPENSES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

MEASURE ¹		2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68
expense appreciation ¹		3.67	3.78	3.90	4.01	4.13	4.26	4.38	4.52	4.65
Percent Buildout Population ²		100%	100%	100%	100%	100%	100%	100%	100%	100%
LIBRARY EXPENSES										
Annual Operating	\$222,958 2016\$	819,000	843,000	868,000	894,000	921,000	949,000	977,000	1,007,000	1,037,000
Initial Capital Expense	\$89,673 /yr (5 yrs.)	0	0	0	0	0	0	0	0	0
		819,000	843,000	868,000	894,000	921,000	949,000	977,000	1,007,000	1,037,000
(LESS) BASELINE TRANSFERS TO LIBRARY ³		(1,896,000)	(1,881,000)	(1,906,000)	(1,934,000)	(1,920,000)	(1,950,000)	(1,946,000)	(1,998,000)	(2,053,000)
ADDITIONAL G.F SUPPORT REQUIRED		0	0	0	0	0	0	0	0	0
LIBRARY BALANCE		1,077,000	1,038,000	1,038,000	1,040,000	999,000	1,001,000	969,000	991,000	1,016,000
COMMUNITY FACILITIES EXPENSES										
Annual Operating	\$375,888 2016\$	1,380,000	1,421,000	1,464,000	1,508,000	1,553,000	1,600,000	1,648,000	1,697,000	1,748,000
Initial Capital Expense	\$165,478 /yr (5 yrs.)	0	0	0	0	0	0	0	0	0
		1,380,000	1,421,000	1,464,000	1,508,000	1,553,000	1,600,000	1,648,000	1,697,000	1,748,000
TOTAL LIBRARY/COMM. FACILITIES GEN. FUND EXPENSES		1,380,000	1,421,000	1,464,000	1,508,000	1,553,000	1,600,000	1,648,000	1,697,000	1,748,000

Notes

¹ Table 16.

² Table 6.

³ Table 11-A.

Table 24

**CONSTRUCTION REVENUE SUMMARY
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

Fiscal Year: July 1 - June 30											
SET ASIDE ²	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
CONSTRUCTION REVENUES (GROSS)¹											
Discretionary											
Transfer Tax On Initial Pad & Unit Sales	116,000	1,118,000	2,826,000	3,644,000	4,095,000	8,133,000	6,693,000	5,460,000	8,997,000	9,764,000	8,337,000
Gross Receipts Taxes / Construction	28,000	175,000	554,000	1,115,000	1,619,000	1,275,000	1,256,000	2,215,000	2,078,000	2,072,000	2,064,000
Payroll Tax / Construction	111,000	226,000	237,000	0	0	0	0	0	0	0	0
Construction Sales Tax (General)	<u>80,000</u>	<u>250,000</u>	<u>530,000</u>	<u>800,000</u>	<u>1,160,000</u>	<u>910,000</u>	<u>900,000</u>	<u>1,580,000</u>	<u>1,480,000</u>	<u>1,480,000</u>	<u>1,470,000</u>
Subtotal-Discretionary	335,000	1,769,000	4,147,000	5,559,000	6,874,000	10,318,000	8,849,000	9,255,000	12,555,000	13,316,000	11,871,000
Construction Sales Tax (Public Safety)	40,000	125,000	265,000	400,000	580,000	455,000	450,000	790,000	740,000	740,000	735,000
TOTAL	375,000	1,894,000	4,412,000	5,959,000	7,454,000	10,773,000	9,299,000	10,045,000	13,295,000	14,056,000	12,606,000
CONSTRUCTION REVENUES (NET OF SET-ASIDES)											
Discretionary	20% set aside										
Transfer Tax On Initial Pad & Unit Sales		93,000	892,000	2,254,000	2,907,000	3,266,000	6,487,000	5,339,000	4,355,000	7,176,000	6,650,000
Gross Receipts Taxes / Construction		22,000	140,000	442,000	889,000	1,291,000	1,017,000	1,002,000	1,767,000	1,657,000	1,646,000
Payroll Tax / Construction		89,000	180,000	189,000	0	0	0	0	0	0	0
Construction Sales Tax (General)		<u>64,000</u>	<u>199,000</u>	<u>423,000</u>	<u>638,000</u>	<u>925,000</u>	<u>726,000</u>	<u>718,000</u>	<u>1,260,000</u>	<u>1,181,000</u>	<u>1,173,000</u>
Subtotal-Discretionary		268,000	1,411,000	3,308,000	4,434,000	5,482,000	8,230,000	7,059,000	7,382,000	10,014,000	9,469,000
Construction Sales Tax (Public Safety)	0% set aside	40,000	125,000	265,000	400,000	580,000	455,000	450,000	790,000	740,000	735,000
TOTAL NET		308,000	1,536,000	3,573,000	4,834,000	6,062,000	8,685,000	7,509,000	8,172,000	10,754,000	10,204,000
BASELINE SET-ASIDES											
MTA	9.2% of ADR	31,000	163,000	381,000	511,000	632,000	949,000	813,000	851,000	1,154,000	1,091,000
Library	2.3% of ADR	8,000	40,000	95,000	127,000	157,000	236,000	202,000	212,000	287,000	271,000
Children's Services	8.8% of ADR	<u>29,000</u>	<u>155,000</u>	<u>363,000</u>	<u>487,000</u>	<u>602,000</u>	<u>904,000</u>	<u>775,000</u>	<u>810,000</u>	<u>1,099,000</u>	<u>1,166,000</u>
TOTAL		68,000	358,000	839,000	1,125,000	1,391,000	2,089,000	1,790,000	1,873,000	2,540,000	2,402,000

Notes:¹ Tables 25 and 26.² Table 10.

Table 24

**CONSTRUCTION REVENUE SUMMARY
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	SET ASIDE ²	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-2033	2033-34	2034-35	2035-36
CONSTRUCTION REVENUES (GROSS)¹											
Discretionary											
Transfer Tax On Initial Pad & Unit Sales		10,381,000	8,672,000	6,491,000	6,487,000	6,120,000	1,840,000	0	0	0	0
Gross Receipts Taxes / Construction		1,886,000	1,780,000	1,679,000	498,000	0	0	0	0	0	0
Payroll Tax / Construction		0	0	0	0	0	0	0	0	0	0
Construction Sales Tax (General)		<u>1,350,000</u>	<u>1,270,000</u>	<u>1,200,000</u>	<u>360,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-Discretionary		13,617,000	11,722,000	9,370,000	7,345,000	6,120,000	1,840,000	0	0	0	0
Construction Sales Tax (Public Safety)		675,000	635,000	600,000	180,000	0	0	0	0	0	0
TOTAL		14,292,000	12,357,000	9,970,000	7,525,000	6,120,000	1,840,000	0	0	0	0
CONSTRUCTION REVENUES (NET OF SET-ASIDES)											
Discretionary <i>20% set aside</i>											
Transfer Tax On Initial Pad & Unit Sales		8,280,000	6,917,000	5,177,000	5,174,000	4,882,000	1,468,000	0	0	0	0
Gross Receipts Taxes / Construction		1,504,000	1,420,000	1,339,000	397,000	0	0	0	0	0	0
Payroll Tax / Construction		0	0	0	0	0	0	0	0	0	0
Construction Sales Tax (General)		<u>1,077,000</u>	<u>1,013,000</u>	<u>957,000</u>	<u>287,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal-Discretionary		10,861,000	9,350,000	7,473,000	5,858,000	4,882,000	1,468,000	0	0	0	0
Construction Sales Tax (Public Safety)	<i>0% set aside</i>	675,000	635,000	600,000	180,000	0	0	0	0	0	0
TOTAL NET		11,536,000	9,985,000	8,073,000	6,038,000	4,882,000	1,468,000	0	0	0	0
BASELINE SET-ASIDES											
MTA	<i>9.2% of ADR</i>	1,252,000	1,078,000	861,000	675,000	563,000	169,000	0	0	0	0
Library	<i>2.3% of ADR</i>	311,000	268,000	214,000	168,000	140,000	42,000	0	0	0	0
Children's Services	<i>8.8% of ADR</i>	<u>1,192,000</u>	<u>1,026,000</u>	<u>821,000</u>	<u>643,000</u>	<u>536,000</u>	<u>161,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL		2,755,000	2,372,000	1,896,000	1,486,000	1,239,000	372,000	0	0	0	0

Notes:¹ Tables 25 and 26.² Table 10.

Table 25

**SELECT CONSTRUCTION REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

BASIS ¹		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
vertical cost appreciation ¹		1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
I. TRANSFER TAX ON INITIAL PAD & UNIT SALES												
Initial Site Acquisition (\$000s) ²	65,180	5,780	7,480	7,260	7,040	6,820	6,600	6,380	6,160	5,940	5,720	0
Residential Pad Sales (\$000s) ²	1,587,731	0	48,416	134,038	146,521	82,922	220,295	119,754	80,440	188,283	167,079	85,376
Hotel Pad Sales (\$000s) ²		0	0	0	2,500	0	3,500	0	0	0	0	0
Residential Unit Sales (\$000s) ²												
Market	8,726,532	0	0	0	69,074	304,051	465,567	549,832	491,288	675,686	834,975	877,645
BMR	79,999	0	0	0	669	3,092	4,919	6,754	6,348	6,538	6,734	6,937
Total Transfer Tax												
Initial Purchase	\$20.00 /\$1,000	116,000	150,000	145,000	141,000	136,000	132,000	128,000	123,000	119,000	114,000	0
Residential Pad Sales	\$20.00 /\$1,000	0	968,000	2,681,000	2,930,000	1,658,000	4,406,000	2,395,000	1,609,000	3,766,000	3,342,000	1,708,000
Hotel Pad Sales	\$20.00 /\$1,000	0	0	0	50,000	0	70,000	0	0	0	0	0
Residential Home Sales (Market)	\$7.50 /\$1,000	0	0	0	518,000	2,280,000	3,492,000	4,124,000	3,685,000	5,068,000	6,262,000	6,582,000
Residential Home Sales (BMR)	\$6.80 /\$1,000	0	0	0	5,000	21,000	33,000	46,000	43,000	44,000	46,000	47,000
Total		116,000	1,118,000	2,826,000	3,644,000	4,095,000	8,133,000	6,693,000	5,460,000	8,997,000	9,764,000	8,337,000
II. GROSS RECEIPTS TAXES / CONSTRUCTION												
Contractor Gross Receipts (\$000s) ²												
Horizontal Hard Costs Costs	785,578 hard cost	31,951	100,248	104,571	67,900	33,562	27,436	57,407	94,785	87,665	66,084	69,686
Vertical Costs												
Residential												
YBI Townhomes	1,041 cost/du	0	0	40,936	84,329	86,858	37,277	0	0	0	0	0
TI Townhomes	831 cost/du	0	0	0	31,814	57,828	6,949	0	36,861	16,271	67,038	47,184
Flats	605 cost/du	0	0	65,367	134,657	138,696	142,857	147,143	151,557	156,104	160,787	165,611
Neighborhood Tower	677 cost/du	0	0	0	0	145,531	149,897	154,394	159,026	163,797	168,711	173,772
High Rise	780 cost/du	0	0	0	0	0	0	0	122,084	125,747	129,519	133,405
Branded Condo	752 cost/du	0	0	0	0	0	0	0	68,587	44,153	0	0
Subtotal -Vertical	0	0	0	106,303	250,800	428,914	336,980	301,537	538,115	506,072	526,055	519,971
Total Gross Receipts		31,951	100,248	210,875	318,700	462,476	364,416	358,944	632,899	593,737	592,139	589,657
Phase-In Rate	25%	50%	75%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Gross Receipts Tax	\$3.50 /\$1,000	28,000	175,000	554,000	1,115,000	1,619,000	1,275,000	1,256,000	2,215,000	2,078,000	2,072,000	2,064,000
III. PAYROLL TAXES/CONSTRUCTION												
Payroll (\$000s)	40% hard cost	12,780	40,099	84,350	127,480	184,990	145,766	143,577	253,160	237,495	236,856	235,863
Payroll Adjusted (\$000s)	25% exemption	9,585	30,074	63,262	95,610	138,743	109,325	107,683	189,870	178,121	177,642	176,897
Rate	1.162%	0.8%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Payroll Taxes		111,000	226,000	237,000	0	0	0	0	0	0	0	0

Notes

¹ Table 10.² TICD Pro Forma (March 2016).

Table 25

**SELECT CONSTRUCTION REVENUE ESTIMATES
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

BASIS ¹		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
vertical cost appreciation ¹		1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81
I. TRANSFER TAX ON INITIAL PAD & UNIT SALES											
Initial Site Acquisition (\$000s) ²	65,180	0	0	0	0	0	0	0	0	0	0
Residential Pad Sales (\$000s) ²	1,587,731	191,940	113,081	9,586	0	0	0	0	0	0	0
Hotel Pad Sales (\$000s) ²		0	0	0	0	0	0	0	0	0	0
Residential Unit Sales (\$000s) ²											
Market	8,726,532	865,778	848,007	832,925	857,912	809,672	244,121	0	0	0	0
BMR	79,999	7,145	7,359	7,580	7,807	6,866	1,251	0	0	0	0
Total Transfer Tax											
Initial Purchase	\$20.00 /\$1,000	0	0	0	0	0	0	0	0	0	0
Residential Pad Sales	\$20.00 /\$1,000	3,839,000	2,262,000	192,000	0	0	0	0	0	0	0
Hotel Pad Sales	\$20.00 /\$1,000	0	0	0	0	0	0	0	0	0	0
Residential Home Sales (Market)	\$7.50 /\$1,000	6,493,000	6,360,000	6,247,000	6,434,000	6,073,000	1,831,000	0	0	0	0
Residential Home Sales (BMR)	\$6.80 /\$1,000	<u>49,000</u>	<u>50,000</u>	<u>52,000</u>	<u>53,000</u>	<u>47,000</u>	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total		10,381,000	8,672,000	6,491,000	6,487,000	6,120,000	1,840,000	0	0	0	0
II. GROSS RECEIPTS TAXES / CONSTRUCTION											
Contractor Gross Receipts (\$000s) ²											
Horizontal Hard Costs Costs	785,578 hard cost	29,491	6,951	7,263	579	0	0	0	0	0	0
Vertical Costs											
Residential											
YBI Townhomes	1,041 cost/du	0	0	0	0	0	0	0	0	0	0
TI Townhomes	831 cost/du	22,522	0	0	0	0	0	0	0	0	0
Flats	605 cost/du	170,579	175,696	136,668	0	0	0	0	0	0	0
Neighborhood Tower	677 cost/du	178,985	184,355	189,885	72,800	0	0	0	0	0	0
High Rise	780 cost/du	137,407	141,529	145,775	68,818	0	0	0	0	0	0
Branded Condo	752 cost/du	0	0	0	0	0	0	0	0	0	0
Subtotal -Vertical		<u>509,493</u>	<u>501,580</u>	<u>472,328</u>	<u>141,618</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Receipts		538,984	508,531	479,591	142,197	0	0	0	0	0	0
Phase-In Rate		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Total Gross Receipts Tax	\$3.50 /\$1,000	1,886,000	1,780,000	1,679,000	498,000	0	0	0	0	0	0
III. PAYROLL TAXES/CONSTRUCTION											
Payroll (\$000s)	40% hard cost	215,593	203,413	191,836	56,879	0	0	0	0	0	0
Payroll Adjusted (\$000s)	25% exemption	161,695	152,559	143,877	42,659	0	0	0	0	0	0
Rate		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Payroll Taxes		0	0	0	0	0	0	0	0	0	0

Notes¹ Table 10.² TICD Pro Forma (March 2016).

Table 26

**CONSTRUCTION-RELATED SALES TAX REVENUE
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	BASIS¹	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	vertical cost appreciation ¹	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30	1.34
CONSTRUCTION-RELATED SALES TAX												
Taxable material sales/use (\$000s) ²	50% hard cost	15,980	50,120	105,440	159,350	231,240	182,210	179,470	316,450	296,870	296,070	294,830
CCSF as Point of Sale	50% of materials	8,000	25,000	53,000	80,000	116,000	91,000	90,000	158,000	148,000	148,000	147,000
Sales Tax (General)	1.0% tax rate	80,000	250,000	530,000	800,000	1,160,000	910,000	900,000	1,580,000	1,480,000	1,480,000	1,470,000
Public Safety Sales Tax	0.5% tax rate	40,000	125,000	265,000	400,000	580,000	455,000	450,000	790,000	740,000	740,000	735,000
SALES TAXES- OTHER FUNDS												
Proposition K												
System Maintenance (DPW)	0.0500% tax ¹	4,000	13,000	27,000	40,000	58,000	46,000	45,000	79,000	74,000	74,000	74,000
System Maintenance (Transit)	0.1842% tax ³	15,000	46,000	98,000	147,000	214,000	168,000	166,000	291,000	273,000	273,000	271,000
AB 1107 (MTA)	0.0625% tax ³	5,000	16,000	33,000	50,000	73,000	57,000	56,000	99,000	93,000	93,000	92,000
TDA (MTA)	0.2500% tax ³	20,000	63,000	133,000	200,000	290,000	228,000	225,000	395,000	370,000	370,000	368,000

¹ Table 10.

² Hard cost: Table 23-a.

³ Table 22-B.

Table 26

**CONSTRUCTION-RELATED SALES TAX REVENUE
FISCAL IMPACT ANALYSIS
TREASURE ISLAND REDEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO, CA**

August 15, 2016

	BASIS¹	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
	vertical cost appreciation ¹	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	1.81
CONSTRUCTION-RELATED SALES TAX											
Taxable material sales/use (\$000s) ²	50% hard cost	269,490	254,270	239,800	71,100	0	0	0	0	0	0
CCSF as Point of Sale	50% of materials	135,000	127,000	120,000	36,000	0	0	0	0	0	0
Sales Tax (General)	1.0% tax rate	1,350,000	1,270,000	1,200,000	360,000	0	0	0	0	0	0
Public Safety Sales Tax	0.5% tax rate	675,000	635,000	600,000	180,000	0	0	0	0	0	0
SALES TAXES- OTHER FUNDS											
Proposition K											
System Maintenance (DPW)	0.0500% tax ¹	68,000	64,000	60,000	18,000	0	0	0	0	0	0
System Maintenance (Transit)	0.1842% tax ³	249,000	234,000	221,000	66,000	0	0	0	0	0	0
AB 1107 (MTA)	0.0625% tax ³	84,000	79,000	75,000	23,000	0	0	0	0	0	0
TDA (MTA)	0.2500% tax ³	338,000	318,000	300,000	90,000	0	0	0	0	0	0

¹ Table 10.

² Hard cost: Table 23-a.

³ Table 22-B.

Appendix Table A - 1

SUMMARY OF CITY AND COUNTY OF SAN FRANCISCO REVENUE SOURCES IN FY2015/16

FISCAL IMPACT ANALYSIS

TREASURE ISLAND REDEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

GENERAL FUND REVENUE CATEGORY	FY 2015/16 BUDGET	BASIS OF PROJECTION
<u>Regular Revenues Included in the Analysis</u>		
Taxes		
Possessory Interest/Property Tax	\$1,044,519,000	Based on AV, less IFD share
Property Tax In Lieu of Vehicle License Fee	\$201,490,000	Based on AV, less IFD share
Property Transfer Tax	\$275,280,000	Estimated property sales, City tax rate
Sales and Use Tax	\$172,937,000	Estimated taxable sales, City tax rate
Telephone Users Tax	\$49,190,000	Per resident/employee
Access Line Tax	\$45,594,000	Per resident/employee
Water Users Tax	\$3,740,000	Per employee
Gas Electric Steam Users Tax	\$40,620,000	Per employee
Gross Receipts Tax	\$173,795,000	Estimated gross receipts, City tax rate
Business Registration Tax	\$44,952,000	Number of businesses, City tax rate
Hotel Room Tax	\$384,090,000	Estimated room rate revenues, City tax rate
Property Tax In Lieu of Sales and Use Tax	\$28,000,000	Included in sales tax estimate
	\$2,464,207,000	
<u>Deducted from Service Costs</u>		
Other Revenues		
Charges for Services (Departmental)	\$205,163,294	Deduct from corresponding departments
Rents and Concessions	\$15,431,961	Deduct from corresponding departments
	\$220,595,255	
<u>Regular Revenues Excluded from the Analysis</u>		
Taxes		
Property Tax Increment Pass Through	\$16,991,000	independent of analysis
Parking Tax	\$89,727,000	independent of analysis
Payroll Tax	\$416,233,000	To be phased out by FY18
Stadium Admission Tax	\$1,357,000	independent of analysis
Licenses, Permits, and Franchise Fees	\$26,642,891	independent of analysis
Fines, Forfeitures and Penalties	\$4,577,144	independent of analysis
Other Revenues		
Charges for Services (Unallocated)	\$10,321,467	independent of analysis
Other Intergovernmental (Federal and State)	\$900,530,545	independent of analysis
Intergovernmental-Other **	\$3,656,488	independent of analysis
Other Revenues **	\$31,084,070	independent of analysis
Interest and Investment Income	\$10,680,000	independent of analysis
Other Financing Sources	\$917,500	independent of analysis
	\$1,512,718,105	
Total Regular GF Revenues	\$4,197,520,360	

Appendix Table A - 1**SUMMARY OF CITY AND COUNTY OF SAN FRANCISCO REVENUE SOURCES IN FY2015/16****FISCAL IMPACT ANALYSIS****TREASURE ISLAND REDEVELOPMENT****CITY AND COUNTY OF SAN FRANCISCO, CA****August 15, 2016**

GENERAL FUND REVENUE CATEGORY	FY 2015/16 BUDGET	BASIS OF PROJECTION
<u>Other Revenue Adjustments (Excluded)</u>		independent of analysis
Total GF Revenues		
Gross		
Prior Year Balance	\$180,179,205	
Fund Reserve	\$3,070,000	
Transfers Into General Fund	\$206,782,461	
	\$4,587,552,026	
w/ Intrafund Transfers, Expenditure Recovery	\$126,691,499	
	\$4,714,243,525	
Net		
(Less) Transfer Adjustments	(\$1,056,306,837)	
	\$3,657,936,688	
Net GF Revenues + Related Funds		
Revenues Diverted to Related Funds	\$661,824,552	
Net GF Revenues + Related Funds	\$4,319,761,240	
<u>Special Revenue Funds</u>		
Gas Tax	\$16,903,154	deduct from Public Works expense

Source: City and County of San Francisco. Budget and Appropriation Ordinance. Fiscal Year Ending June 30, 2016.

Appendix Table A - 2

SUMMARY OF CITY AND COUNTY OF SAN FRANCISCO BUDGET EXPENDITURES IN FY2015/16

FISCAL IMPACT ANALYSIS

TREASURE ISLAND REDEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

GENERAL FUND EXPENDITURES	NET GF EXPENDITURES	RELATED FUND ALLOCATION	NET GF & RELATED EXPENDITURES	(LESS) GF REVENUE OFFSETS	TOTAL INCLUDED
General Administration and Finance					
Elections	\$18,531,335	\$0	\$18,531,335	(\$124,704)	\$18,406,631
Assessor/Recorder	\$20,975,395	\$0	\$20,975,395	(\$2,430,000)	\$18,545,395
311	\$5,263,041	\$0	\$5,263,041	\$0	\$5,263,041
Other Admin	\$242,101,446	\$0	\$242,101,446	(\$43,193,183)	\$198,908,263
Public Safety					
Fire	\$329,039,381	\$0	\$329,039,381	(\$45,403,391)	\$283,635,990
Police	\$477,297,830	\$0	\$477,297,830	(\$5,257,584)	\$472,040,246
911	\$53,824,447	\$0	\$53,824,447	(\$2,170)	\$53,822,277
Other Public Protection	\$363,819,538	\$0	\$363,819,538	(\$2,871,291)	\$360,948,247
Public Health	\$787,554,393	\$292,124,552	\$1,079,678,945	(\$67,302,676)	\$1,012,376,269
Public Works	\$131,323,606	\$0	\$131,323,606	(\$17,107,888)	\$114,215,718
Human Welfare & Nbdhd. Development	\$857,055,062	\$30,100,000	\$887,155,062	(\$1,541,000)	\$885,614,062
Culture and Recreation					
Recreation and Park	\$94,741,098	\$0	\$94,741,098	(\$33,455,230)	\$61,285,868
Libraries	\$1,611,832	\$67,600,000	\$69,211,832	\$0	\$69,211,832
Other Culture and Recreation	\$40,708,598	\$0	\$40,708,598	(\$797,534)	\$39,911,064
Transportation & Economic Development	\$30,221,216	\$272,000,000	\$302,221,216	(\$72,890,204)	\$229,331,012
General City Responsibility					
City Responsibility	\$203,868,470	\$0	\$203,868,470	(\$17,945,400)	\$185,923,070
GF Unallocated	\$0	\$0	\$0	\$0	\$0
Total	\$3,657,936,688	\$661,824,552	\$4,319,761,240	(\$310,322,255)	\$4,009,438,985
Regular Net Expenditures					
(Less) Capital Projects	(117,580,504)				
(Less) Facilities Maintenance	(7,925,826)				
(Less) Reserves	(66,987,198)				
	<u>3,465,443,160</u>				

Source: City and County of San Francisco. Budget and Appropriation Ordinance. Fiscal Year Ending June 30, 2016.

Appendix Table A - 3

ESTIMATED OFF-SITE TAXABLE SALES TO BE GENERATED BY TREASURE ISLAND RESIDENTS

FISCAL IMPACT ANALYSIS

TREASURE ISLAND REDEVELOPMENT

CITY AND COUNTY OF SAN FRANCISCO, CA

August 15, 2016

	YBI Townhomes	TI Townhomes	Flats	Neighbhd. Tower	Highrise	Branded Condo	Rental ¹	TIDA
Share of Units ²								
Market	95%	100%	95%	95%	100%	100%	86%	0%
BMR	5%	0%	5%	5%	0%	0%	14%	100%
Average Price ³								
Market	\$1,790,000	\$1,410,000	\$1,037,000	\$1,202,000	\$1,377,000	\$1,140,000	n/a	n/a
BMR	\$346,753	\$352,908	\$287,765	\$226,219	\$226,219	\$175,031	n/a	n/a
Weighted	\$1,721,000	\$1,410,000	\$996,000	\$1,152,000	\$1,377,000	\$1,140,000	n/a	n/a
Mort.% ⁴	0.8	0.8	0.8	0.8	0.8	0.8	n/a	n/a
Mortgage ⁴	\$1,376,800	\$1,128,000	\$796,800	\$921,600	\$1,101,600	\$912,000	n/a	n/a
Annual Mortgage ⁴	\$105,432	\$86,379	\$61,017	\$70,574	\$84,358	\$69,839	n/a	n/a
Property taxes ⁴	\$19,690	\$15,510	\$11,407	\$13,222	\$15,147	\$12,540	n/a	n/a
HOA Dues ⁴	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	n/a	n/a
Insurance ⁴	\$250	\$250	\$250	\$250	\$250	\$250	n/a	n/a
Total Annual Hsg. Costs	\$130,172	\$106,939	\$77,474	\$88,846	\$104,555	\$87,429	\$44,400	\$21,600
Housing Costs as % of Inc. ⁴	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Annual Income	\$371,919	\$305,541	\$221,354	\$253,845	\$298,728	\$249,796	\$126,857	\$61,714
Expenditures as % Income (Excl. Housing) ⁵	0.44	0.44	0.44	0.44	0.44	0.44	0.57	0.65
Taxable Share ⁵	0.32	0.32	0.32	0.32	0.32	0.32	0.36	0.42
Taxable Expend	\$52,036	\$42,749	\$30,970	\$35,516	\$41,796	\$34,950	\$26,377	\$17,002
San Francisco Capture ⁶	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Taxable Sales - San Francisco	\$41,629	\$34,199	\$24,776	\$28,413	\$33,437	\$27,960	\$21,101	\$13,601

Notes

¹ KMA has estimated rental housing costs based on unit types.

² Table 3.

³ TICD Pro Forma (March 2016).

⁴ KMA assumption.

⁵ Derived from Table 2301 of Consumer Expenditure Survey, 2014, which establishes annual expenditures for higher-income groups. Assumes 80% of retail goods taxable, per BOE.

⁶ Based on retail leakage analysis using state BOE data for 2013-14 in comparison with San Francisco resident expenditure potential.

Appendix Table A - 4**HOUSEHOLD SIZE ASSUMPTIONS****FISCAL IMPACT ANALYSIS****TREASURE ISLAND REDEVELOPMENT****CITY AND COUNTY OF SAN FRANCISCO, CA****August 15, 2016**

Unit Type	Tenancy	Neighborhood	Avg. HH Size¹
Yerba Buena Island Townhomes	Owner-Occupied	San Francisco (Citywide)	2.71
Treasure Island Townhomes	Owner-Occupied	San Francisco (Citywide)	2.71
Flats (Low Rise (4-5 stories))	All Units	Mission Bay	2.03
Neighborhood Tower (15-20 stories)	All Units	Mission Bay	2.03
High Rise (23+ stories)	All Units	Rincon Hill	1.65
Branded condo with hotel services	All Units	Rincon Hill	1.65
For Rent Units	Renter-Occupied	San Francisco (Citywide)	2.10
TIDA (BMR)	Renter-Occupied	San Francisco (Citywide)	2.10

Notes

¹ Source: American Community Survey 2010-2014, for select block groups within San Francisco.

FACILITIES TO BE PROVIDED BY THE PRIVATE SECTOR:

Facility	Estimated Project Costs	Costs + 50% Contingency (1)	Estimated Timing	Estimated Location
Acquisition	65,180,000	65,180,000	2015-2024	Entire Project
Abatement & Hazardous Soil Removal	72,513,615	108,770,422	2016-2025	Entire Project
Demolition	65,380,042	98,070,064	2016-2025	Entire Project
Supplemental Fire Water Supply System	10,012,998	15,019,498	2019-2020	Entire Project
Low Pressure Water	33,202,333	49,803,499	2016-2025	Entire Project
Water Tank Facilities	26,817,949	40,226,923	2016-2017	Entire Project
Recycled Water	16,174,120	24,261,180	2016-2027	Entire Project
Storm Drainage System	55,228,259	82,842,389	2016-2027	Entire Project
Separated Sanitary Sewer	56,517,810	84,776,715	2016-2027	Entire Project
Joint Trench	40,308,677	60,463,015	2016-2027	Entire Project
Earthwork	254,464,925	381,697,388	2016-2027	Entire Project
Retaining Walls	5,218,564	7,827,847	2016-2027	Entire Project
Highway Ramps, Roadways, Pathways, Curb, & Gutter	70,054,009	105,081,013	2016-2027	Entire Project
Traffic	17,502,045	26,253,068	2016-2027	Entire Project
Streetscape	34,359,622	51,539,433	2016-2029	Entire Project
Shoreline Improvements	13,247,420	19,871,129	2016-2027	Entire Project
Parks	134,760,285	202,140,427	2017-2029	Entire Project
Ferry Terminal	61,014,632	91,521,948	2019-2026	Entire Project
Other Hard & Soft Costs	20,647,328	30,970,991	2016-2025	Entire Project
Community Facilities	104,703,224	157,054,837	2017-2028	Entire Project
Historic Renovation	25,000,000	37,500,000	2019-2023	Entire Project
Subsidies	179,124,259	179,124,259	2017-2029	Entire Project
Total	1,361,432,116	1,919,996,044		

(1) No contingency is included for acquisition costs or subsidies.

FACILITIES TO BE PROVIDED BY PUBLIC SECTOR:

Upgrades and rehabilitation of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, and piers. The publicly-owned facilities to be provided by the public sector shall include any facilities described in the City's capital improvement program documents, as they may be amended from time-to-time. All of the publicly-owned assets are located on Treasure Island or Yerba Buena Island.

The City will be responsible for upgrading and rehabilitation of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, piers, roads and utilities. The City will also be responsible for future seal-level rise adaptations and for the parks, open spaces, and public infrastructure provided by the developer and dedicated to the City some of which may require capital renewal or improvement before the expiration of the IRFD. All of these publicly-owned assets are or will be located on Treasure Island or Yerba Buena Island. Periodically during the life of the IRFD, TIDA will prepare a capital plan for Treasure Island and Yerba Buena Island for incorporation into the City Capital Plan. After the Developer has been reimbursed for all Qualified Project Costs, the City may dedicate Net Available Increment to finance projects included in the Treasure Island/Yerba Buena Island Capital Plan, as it may be amended from time to time, that otherwise meet the requirements for IRFD financing. Over the projected life of the IRFD and future annexation areas, the costs of these improvements could exceed \$250,000,000 and will be specified in the Treasure Island/Yerba Buena Island Capital Plan, as it may be amended from time to time.

AFFORDABLE HOUSING TO BE PROVIDED BY TIDA:

TIDA intends to construct, or cause the construction of, approximately 1,866 units of affordable housing on Treasure Island. The estimated cost of the projected affordable housing units to be constructed, or cause to be constructed, by TIDA is \$970 million (2016 dollars). The number and cost of affordable housing units to be constructed or financed by the IRFD may be amended by the Board from time to time, as described in this Infrastructure Financing Plan.

**APPENDIX D: Net Available Increment and Conditional City Increment
(Amended to reflect amended Table 3)**

Appendix D Table 1

Net Available Increment Allocated to IRFD- 56.588206% of TI (\$000) - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

		6%										
	Fiscal Year	NPV	Total	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
IRFD Year - Project Area 1				-	-	1	2	3	4	5	6	7
Y1.1 Townhomes		\$13,000	\$47,624	\$0	\$0	\$33	\$176	\$600	\$758	\$778	\$799	\$820
Y1.2 Townhomes		\$15,000	\$56,549	\$0	\$0	\$38	\$198	\$422	\$613	\$934	\$958	\$984
Y3 Townhomes		\$5,000	\$20,352	\$0	\$0	\$14	\$24	\$75	\$171	\$339	\$348	\$357
Y4.1 Townhomes		\$13,000	\$49,027	\$0	\$0	\$37	\$63	\$193	\$292	\$591	\$844	\$866
Y4.2 Mid-Rise		\$10,000	\$40,546	\$0	\$0	\$21	\$35	\$114	\$187	\$236	\$705	\$723
Y2. H Hotel		\$6,000	\$23,269	\$0	\$0	\$5	\$7	\$58	\$230	\$442	\$451	\$460
Total Project Area 1		\$64,000	\$237,366	\$0	\$0	\$148	\$503	\$1,462	\$2,251	\$3,319	\$4,104	\$4,210
Distribution to TIDA Housing - 17.5%		\$11,000	\$41,539	\$0	\$0	\$26	\$88	\$256	\$394	\$581	\$718	\$737
Distribution to IRFD Facilities - 82.5%		\$52,000	\$195,827	\$0	\$0	\$122	\$415	\$1,206	\$1,857	\$2,738	\$3,386	\$3,474
IRFD Year - Project Area 2				-	-	-	1	2	3	4	5	6
C3.3 Townhomes		\$6,000	\$21,049	\$0	\$0	\$0	\$80	\$165	\$312	\$332	\$340	\$350
B1.1 Low Rise		\$6,000	\$22,831	\$0	\$0	\$0	\$74	\$141	\$243	\$362	\$372	\$382
B1.2 Low Rise		\$6,000	\$20,864	\$0	\$0	\$0	\$128	\$171	\$262	\$329	\$337	\$346
C2.3 Low Rise		\$20,000	\$79,098	\$0	\$0	\$0	\$48	\$311	\$659	\$845	\$1,304	\$1,339
C2.2 Mid Rise		\$21,000	\$84,817	\$0	\$0	\$0	\$39	\$213	\$260	\$539	\$709	\$1,465
C3.4 Rental		\$6,000	\$21,446	\$0	\$0	\$0	\$50	\$134	\$261	\$389	\$396	\$404
Total Project Area 2		\$64,000	\$250,104	\$0	\$0	\$0	\$419	\$1,135	\$1,998	\$2,795	\$3,459	\$4,286
Distribution to TIDA Housing - 17.5%		\$11,000	\$43,768	\$0	\$0	\$0	\$73	\$199	\$350	\$489	\$605	\$750
Distribution to IRFD Facilities - 82.5%		\$53,000	\$206,336	\$0	\$0	\$0	\$346	\$937	\$1,648	\$2,306	\$2,854	\$3,536
IRFD Year - Project Area 3				-	-	-	-	-	-	1	2	3
C1.1 High Rise		\$46,000	\$216,253	\$0	\$0	\$0	\$0	\$0	\$0	\$457	\$892	\$1,339
C1.2 High Rise		\$46,000	\$220,120	\$0	\$0	\$0	\$0	\$0	\$0	\$113	\$482	\$930
Total Project Area 3		\$92,000	\$436,372	\$0	\$0	\$0	\$0	\$0	\$0	\$570	\$1,374	\$2,269
Distribution to TIDA Housing - 17.5%		\$16,000	\$76,365	\$0	\$0	\$0	\$0	\$0	\$0	\$100	\$240	\$397
Distribution to IRFD Facilities - 82.5%		\$76,000	\$360,007	\$0	\$0	\$0	\$0	\$0	\$0	\$470	\$1,133	\$1,872
IRFD Year - Project Area 4				-	-	-	-	-	-	-	1	2
C2.1 High Rise		\$55,000	\$281,281	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155	\$617
C3.5 High Rise		\$30,000	\$156,197	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124	\$127
Total Project Area 4		\$84,000	\$437,479	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$279	\$744
Distribution to TIDA Housing - 17.5%		\$15,000	\$76,559	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49	\$130
Distribution to IRFD Facilities - 82.5%		\$70,000	\$360,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$230	\$614
IRFD Year - Project Area 5				-	-	-	-	-	-	1	2	3
C2.4 Branded Condo		\$27,000	\$125,588	\$0	\$0	\$0	\$0	\$0	\$0	\$271	\$614	\$997
C2. H Hotel		\$9,000	\$40,024	\$0	\$0	\$0	\$0	\$0	\$0	\$34	\$201	\$709
Total Project Area 5		\$36,000	\$165,612	\$0	\$0	\$0	\$0	\$0	\$0	\$304	\$816	\$1,706
Distribution to TIDA Housing - 17.5%		\$6,000	\$28,982	\$0	\$0	\$0	\$0	\$0	\$0	\$53	\$143	\$299
Distribution to IRFD Facilities - 82.5%		\$30,000	\$136,630	\$0	\$0	\$0	\$0	\$0	\$0	\$251	\$673	\$1,407
Total Initial IRFD		\$340,000	\$1,526,933	\$0	\$0	\$148	\$922	\$2,597	\$4,249	\$6,988	\$10,031	\$13,216
Distribution to TIDA Housing - 17.5%		\$60,000	\$267,213	\$0	\$0	\$26	\$161	\$455	\$744	\$1,223	\$1,756	\$2,313
Distribution to IRFD Facilities - 82.5%		\$281,000	\$1,259,720	\$0	\$0	\$122	\$761	\$2,143	\$3,506	\$5,765	\$8,276	\$10,903

Appendix D Table 1

Net Available Increment Allocated to IRFD- 56.588206% of TI (\$000) - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

		6%										
	Fiscal Year	NPV	Total	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
IRFD Year - Project Area 1				8	9	10	11	12	13	14	15	16
Y1.1 Townhomes		\$13,000	\$47,624	\$842	\$864	\$887	\$911	\$935	\$960	\$986	\$1,012	\$1,039
Y1.2 Townhomes		\$15,000	\$56,549	\$1,010	\$1,037	\$1,065	\$1,093	\$1,122	\$1,152	\$1,183	\$1,215	\$1,247
Y3 Townhomes		\$5,000	\$20,352	\$367	\$377	\$387	\$397	\$407	\$418	\$429	\$441	\$453
Y4.1 Townhomes		\$13,000	\$49,027	\$889	\$913	\$938	\$963	\$988	\$1,015	\$1,042	\$1,069	\$1,098
Y4.2 Mid-Rise		\$10,000	\$40,546	\$743	\$762	\$783	\$804	\$825	\$847	\$870	\$893	\$917
Y2. H Hotel		\$6,000	\$23,269	\$469	\$478	\$488	\$497	\$507	\$518	\$528	\$538	\$549
Total Project Area 1		\$64,000	\$237,366	\$4,320	\$4,432	\$4,547	\$4,665	\$4,786	\$4,910	\$5,037	\$5,168	\$5,303
Distribution to TIDA Housing - 17.5%		\$11,000	\$41,539	\$756	\$776	\$796	\$816	\$838	\$859	\$882	\$904	\$928
Distribution to IRFD Facilities - 82.5%		\$52,000	\$195,827	\$3,564	\$3,656	\$3,751	\$3,848	\$3,948	\$4,051	\$4,156	\$4,264	\$4,375
IRFD Year - Project Area 2				7	8	9	10	11	12	13	14	15
C3.3 Townhomes		\$6,000	\$21,049	\$359	\$368	\$378	\$388	\$399	\$409	\$420	\$431	\$443
B1.1 Low Rise		\$6,000	\$22,831	\$392	\$402	\$413	\$424	\$435	\$447	\$459	\$471	\$484
B1.2 Low Rise		\$6,000	\$20,864	\$356	\$365	\$375	\$385	\$395	\$406	\$416	\$427	\$439
C2.3 Low Rise		\$20,000	\$79,098	\$1,375	\$1,411	\$1,449	\$1,488	\$1,527	\$1,568	\$1,610	\$1,653	\$1,697
C2.2 Mid Rise		\$21,000	\$84,817	\$1,504	\$1,544	\$1,585	\$1,627	\$1,671	\$1,715	\$1,761	\$1,808	\$1,856
C3.4 Rental		\$6,000	\$21,446	\$412	\$421	\$429	\$438	\$446	\$455	\$464	\$474	\$483
Total Project Area 2		\$64,000	\$250,104	\$4,397	\$4,512	\$4,629	\$4,750	\$4,874	\$5,001	\$5,131	\$5,265	\$5,402
Distribution to TIDA Housing - 17.5%		\$11,000	\$43,768	\$770	\$790	\$810	\$831	\$853	\$875	\$898	\$921	\$945
Distribution to IRFD Facilities - 82.5%		\$53,000	\$206,336	\$3,628	\$3,722	\$3,819	\$3,919	\$4,021	\$4,126	\$4,233	\$4,343	\$4,457
IRFD Year - Project Area 3				4	5	6	7	8	9	10	11	12
C1.1 High Rise		\$46,000	\$216,253	\$1,893	\$3,575	\$3,670	\$3,768	\$3,868	\$3,971	\$4,077	\$4,186	\$4,298
C1.2 High Rise		\$46,000	\$220,120	\$1,391	\$1,660	\$3,801	\$3,903	\$4,007	\$4,114	\$4,223	\$4,336	\$4,452
Total Project Area 3		\$92,000	\$436,372	\$3,284	\$5,235	\$7,471	\$7,671	\$7,875	\$8,085	\$8,301	\$8,522	\$8,749
Distribution to TIDA Housing - 17.5%		\$16,000	\$76,365	\$575	\$916	\$1,307	\$1,342	\$1,378	\$1,415	\$1,453	\$1,491	\$1,531
Distribution to IRFD Facilities - 82.5%		\$76,000	\$360,007	\$2,709	\$4,319	\$6,164	\$6,328	\$6,497	\$6,670	\$6,848	\$7,031	\$7,218
IRFD Year - Project Area 4				3	4	5	6	7	8	9	10	11
C2.1 High Rise		\$55,000	\$281,281	\$1,092	\$1,689	\$1,896	\$4,264	\$5,005	\$5,139	\$5,276	\$5,417	\$5,561
C3.5 High Rise		\$30,000	\$156,197	\$455	\$636	\$1,149	\$1,648	\$2,396	\$2,885	\$2,962	\$3,041	\$3,122
Total Project Area 4		\$84,000	\$437,479	\$1,547	\$2,325	\$3,046	\$5,912	\$7,401	\$8,024	\$8,238	\$8,458	\$8,683
Distribution to TIDA Housing - 17.5%		\$15,000	\$76,559	\$271	\$407	\$533	\$1,035	\$1,295	\$1,404	\$1,442	\$1,480	\$1,520
Distribution to IRFD Facilities - 82.5%		\$70,000	\$360,920	\$1,276	\$1,918	\$2,513	\$4,878	\$6,106	\$6,620	\$6,796	\$6,978	\$7,164
IRFD Year - Project Area 5				4	5	6	7	8	9	10	11	12
C2.4 Branded Condo		\$27,000	\$125,588	\$1,425	\$1,750	\$2,126	\$2,182	\$2,241	\$2,300	\$2,362	\$2,425	\$2,489
C2. H Hotel		\$9,000	\$40,024	\$723	\$738	\$752	\$768	\$783	\$799	\$814	\$831	\$847
Total Project Area 5		\$36,000	\$165,612	\$2,149	\$2,488	\$2,878	\$2,950	\$3,023	\$3,099	\$3,176	\$3,255	\$3,337
Distribution to TIDA Housing - 17.5%		\$6,000	\$28,982	\$376	\$435	\$504	\$516	\$529	\$542	\$556	\$570	\$584
Distribution to IRFD Facilities - 82.5%		\$30,000	\$136,630	\$1,773	\$2,052	\$2,374	\$2,434	\$2,494	\$2,557	\$2,620	\$2,686	\$2,753
Total Initial IRFD		\$340,000	\$1,526,933	\$15,696	\$18,991	\$22,571	\$25,947	\$27,959	\$29,119	\$29,883	\$30,668	\$31,474
Distribution to TIDA Housing - 17.5%		\$60,000	\$267,213	\$2,747	\$3,323	\$3,950	\$4,541	\$4,893	\$5,096	\$5,230	\$5,367	\$5,508
Distribution to IRFD Facilities - 82.5%		\$281,000	\$1,259,720	\$12,949	\$15,668	\$18,621	\$21,407	\$23,066	\$24,023	\$24,654	\$25,301	\$25,966

Appendix D Table 1

Net Available Increment Allocated to IRFD- 56.588206% of TI (\$000) - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

		6%										
	Fiscal Year	NPV	Total	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43
IRFD Year - Project Area 1				17	18	19	20	21	22	23	24	25
Y1.1 Townhomes		\$13,000	\$47,624	\$1,067	\$1,095	\$1,124	\$1,154	\$1,185	\$1,217	\$1,249	\$1,282	\$1,317
Y1.2 Townhomes		\$15,000	\$56,549	\$1,280	\$1,314	\$1,349	\$1,385	\$1,422	\$1,460	\$1,499	\$1,539	\$1,580
Y3 Townhomes		\$5,000	\$20,352	\$465	\$477	\$490	\$503	\$516	\$530	\$544	\$559	\$574
Y4.1 Townhomes		\$13,000	\$49,027	\$1,127	\$1,157	\$1,188	\$1,220	\$1,252	\$1,286	\$1,320	\$1,355	\$1,391
Y4.2 Mid-Rise		\$10,000	\$40,546	\$941	\$966	\$992	\$1,019	\$1,046	\$1,074	\$1,102	\$1,132	\$1,162
Y2. H Hotel		\$6,000	\$23,269	\$560	\$571	\$583	\$595	\$606	\$619	\$631	\$644	\$656
Total Project Area 1		\$64,000	\$237,366	\$5,440	\$5,582	\$5,727	\$5,875	\$6,028	\$6,185	\$6,346	\$6,511	\$6,680
Distribution to TIDA Housing - 17.5%		\$11,000	\$41,539	\$952	\$977	\$1,002	\$1,028	\$1,055	\$1,082	\$1,110	\$1,139	\$1,169
Distribution to IRFD Facilities - 82.5%		\$52,000	\$195,827	\$4,488	\$4,605	\$4,724	\$4,847	\$4,973	\$5,103	\$5,235	\$5,371	\$5,511
IRFD Year - Project Area 2				16	17	18	19	20	21	22	23	24
C3.3 Townhomes		\$6,000	\$21,049	\$455	\$467	\$479	\$492	\$505	\$519	\$533	\$547	\$561
B1.1 Low Rise		\$6,000	\$22,831	\$496	\$510	\$523	\$537	\$552	\$566	\$581	\$597	\$613
B1.2 Low Rise		\$6,000	\$20,864	\$451	\$463	\$475	\$488	\$501	\$514	\$528	\$542	\$556
C2.3 Low Rise		\$20,000	\$79,098	\$1,742	\$1,789	\$1,836	\$1,885	\$1,936	\$1,987	\$2,040	\$2,095	\$2,151
C2.2 Mid Rise		\$21,000	\$84,817	\$1,906	\$1,957	\$2,009	\$2,062	\$2,117	\$2,174	\$2,232	\$2,291	\$2,352
C3.4 Rental		\$6,000	\$21,446	\$493	\$503	\$513	\$523	\$534	\$544	\$555	\$566	\$578
Total Project Area 2		\$64,000	\$250,104	\$5,543	\$5,687	\$5,836	\$5,988	\$6,144	\$6,304	\$6,469	\$6,638	\$6,811
Distribution to TIDA Housing - 17.5%		\$11,000	\$43,768	\$970	\$995	\$1,021	\$1,048	\$1,075	\$1,103	\$1,132	\$1,162	\$1,192
Distribution to IRFD Facilities - 82.5%		\$53,000	\$206,336	\$4,573	\$4,692	\$4,814	\$4,940	\$5,069	\$5,201	\$5,337	\$5,476	\$5,619
IRFD Year - Project Area 3				13	14	15	16	17	18	19	20	21
C1.1 High Rise		\$46,000	\$216,253	\$4,412	\$4,530	\$4,651	\$4,775	\$4,902	\$5,033	\$5,167	\$5,305	\$5,446
C1.2 High Rise		\$46,000	\$220,120	\$4,570	\$4,692	\$4,817	\$4,946	\$5,078	\$5,213	\$5,352	\$5,495	\$5,641
Total Project Area 3		\$92,000	\$436,372	\$8,983	\$9,222	\$9,468	\$9,721	\$9,980	\$10,246	\$10,519	\$10,800	\$11,088
Distribution to TIDA Housing - 17.5%		\$16,000	\$76,365	\$1,572	\$1,614	\$1,657	\$1,701	\$1,746	\$1,793	\$1,841	\$1,890	\$1,940
Distribution to IRFD Facilities - 82.5%		\$76,000	\$360,007	\$7,411	\$7,608	\$7,811	\$8,019	\$8,233	\$8,453	\$8,678	\$8,910	\$9,147
IRFD Year - Project Area 4				12	13	14	15	16	17	18	19	20
C2.1 High Rise		\$55,000	\$281,281	\$5,709	\$5,862	\$6,018	\$6,178	\$6,343	\$6,512	\$6,686	\$6,864	\$7,047
C3.5 High Rise		\$30,000	\$156,197	\$3,205	\$3,291	\$3,379	\$3,469	\$3,561	\$3,656	\$3,754	\$3,854	\$3,957
Total Project Area 4		\$84,000	\$437,479	\$8,915	\$9,152	\$9,397	\$9,647	\$9,904	\$10,168	\$10,440	\$10,718	\$11,004
Distribution to TIDA Housing - 17.5%		\$15,000	\$76,559	\$1,560	\$1,602	\$1,644	\$1,688	\$1,733	\$1,779	\$1,827	\$1,876	\$1,926
Distribution to IRFD Facilities - 82.5%		\$70,000	\$360,920	\$7,355	\$7,551	\$7,752	\$7,959	\$8,171	\$8,389	\$8,613	\$8,842	\$9,078
IRFD Year - Project Area 5				13	14	15	16	17	18	19	20	21
C2.4 Branded Condo		\$27,000	\$125,588	\$2,556	\$2,624	\$2,694	\$2,766	\$2,839	\$2,915	\$2,993	\$3,073	\$3,155
C2. H Hotel		\$9,000	\$40,024	\$864	\$882	\$899	\$917	\$936	\$954	\$973	\$993	\$1,013
Total Project Area 5		\$36,000	\$165,612	\$3,420	\$3,505	\$3,593	\$3,683	\$3,775	\$3,869	\$3,966	\$4,065	\$4,167
Distribution to TIDA Housing - 17.5%		\$6,000	\$28,982	\$599	\$613	\$629	\$645	\$661	\$677	\$694	\$711	\$729
Distribution to IRFD Facilities - 82.5%		\$30,000	\$136,630	\$2,822	\$2,892	\$2,964	\$3,038	\$3,114	\$3,192	\$3,272	\$3,354	\$3,438
Total Initial IRFD		\$340,000	\$1,526,933	\$32,300	\$33,149	\$34,020	\$34,914	\$35,831	\$36,773	\$37,739	\$38,731	\$39,750
Distribution to TIDA Housing - 17.5%		\$60,000	\$267,213	\$5,653	\$5,801	\$5,953	\$6,110	\$6,270	\$6,435	\$6,604	\$6,778	\$6,956
Distribution to IRFD Facilities - 82.5%		\$281,000	\$1,259,720	\$26,648	\$27,348	\$28,066	\$28,804	\$29,561	\$30,338	\$31,135	\$31,953	\$32,793

Appendix D Table 1

Net Available Increment Allocated to IRFD- 56.588206% of TI (\$000) - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

		6%										
	Fiscal Year	NPV	Total	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52
IRFD Year - Project Area 1				26	27	28	29	30	31	32	33	34
Y1.1 Townhomes		\$13,000	\$47,624	\$1,352	\$1,388	\$1,425	\$1,463	\$1,502	\$1,542	\$1,583	\$1,625	\$1,669
Y1.2 Townhomes		\$15,000	\$56,549	\$1,622	\$1,666	\$1,710	\$1,756	\$1,802	\$1,851	\$1,900	\$1,951	\$2,003
Y3 Townhomes		\$5,000	\$20,352	\$589	\$605	\$621	\$637	\$654	\$672	\$690	\$708	\$727
Y4.1 Townhomes		\$13,000	\$49,027	\$1,428	\$1,467	\$1,506	\$1,546	\$1,587	\$1,629	\$1,673	\$1,717	\$1,763
Y4.2 Mid-Rise		\$10,000	\$40,546	\$1,193	\$1,225	\$1,257	\$1,291	\$1,325	\$1,360	\$1,397	\$1,434	\$1,472
Y2. H Hotel		\$6,000	\$23,269	\$670	\$683	\$697	\$711	\$725	\$739	\$754	\$769	\$784
Total Project Area 1		\$64,000	\$237,366	\$6,854	\$7,032	\$7,215	\$7,403	\$7,595	\$7,793	\$7,996	\$8,204	\$8,418
Distribution to TIDA Housing - 17.5%		\$11,000	\$41,539	\$1,199	\$1,231	\$1,263	\$1,295	\$1,329	\$1,364	\$1,399	\$1,436	\$1,473
Distribution to IRFD Facilities - 82.5%		\$52,000	\$195,827	\$5,654	\$5,801	\$5,952	\$6,107	\$6,266	\$6,429	\$6,597	\$6,769	\$6,945
IRFD Year - Project Area 2				25	26	27	28	29	30	31	32	33
C3.3 Townhomes		\$6,000	\$21,049	\$576	\$592	\$607	\$624	\$640	\$657	\$675	\$693	\$711
B1.1 Low Rise		\$6,000	\$22,831	\$629	\$646	\$663	\$681	\$699	\$718	\$737	\$756	\$777
B1.2 Low Rise		\$6,000	\$20,864	\$571	\$586	\$602	\$618	\$634	\$651	\$669	\$687	\$705
C2.3 Low Rise		\$20,000	\$79,098	\$2,208	\$2,267	\$2,327	\$2,389	\$2,453	\$2,518	\$2,586	\$2,654	\$2,725
C2.2 Mid Rise		\$21,000	\$84,817	\$2,415	\$2,479	\$2,546	\$2,613	\$2,683	\$2,755	\$2,828	\$2,904	\$2,981
C3.4 Rental		\$6,000	\$21,446	\$589	\$601	\$613	\$625	\$638	\$650	\$663	\$677	\$690
Total Project Area 2		\$64,000	\$250,104	\$6,989	\$7,171	\$7,358	\$7,550	\$7,747	\$7,950	\$8,157	\$8,371	\$8,589
Distribution to TIDA Housing - 17.5%		\$11,000	\$43,768	\$1,223	\$1,255	\$1,288	\$1,321	\$1,356	\$1,391	\$1,428	\$1,465	\$1,503
Distribution to IRFD Facilities - 82.5%		\$53,000	\$206,336	\$5,766	\$5,916	\$6,070	\$6,229	\$6,392	\$6,559	\$6,730	\$6,906	\$7,086
IRFD Year - Project Area 3				22	23	24	25	26	27	28	29	30
C1.1 High Rise		\$46,000	\$216,253	\$5,592	\$5,741	\$5,894	\$6,051	\$6,212	\$6,378	\$6,548	\$6,723	\$6,902
C1.2 High Rise		\$46,000	\$220,120	\$5,792	\$5,946	\$6,105	\$6,267	\$6,435	\$6,606	\$6,782	\$6,963	\$7,149
Total Project Area 3		\$92,000	\$436,372	\$11,383	\$11,687	\$11,998	\$12,318	\$12,647	\$12,984	\$13,330	\$13,686	\$14,051
Distribution to TIDA Housing - 17.5%		\$16,000	\$76,365	\$1,992	\$2,045	\$2,100	\$2,156	\$2,213	\$2,272	\$2,333	\$2,395	\$2,459
Distribution to IRFD Facilities - 82.5%		\$76,000	\$360,007	\$9,391	\$9,642	\$9,899	\$10,163	\$10,434	\$10,712	\$10,998	\$11,291	\$11,592
IRFD Year - Project Area 4				21	22	23	24	25	26	27	28	29
C2.1 High Rise		\$55,000	\$281,281	\$7,235	\$7,428	\$7,626	\$7,830	\$8,038	\$8,253	\$8,473	\$8,699	\$8,931
C3.5 High Rise		\$30,000	\$156,197	\$4,062	\$4,170	\$4,282	\$4,396	\$4,513	\$4,633	\$4,757	\$4,884	\$5,014
Total Project Area 4		\$84,000	\$437,479	\$11,297	\$11,599	\$11,908	\$12,225	\$12,551	\$12,886	\$13,230	\$13,583	\$13,945
Distribution to TIDA Housing - 17.5%		\$15,000	\$76,559	\$1,977	\$2,030	\$2,084	\$2,139	\$2,196	\$2,255	\$2,315	\$2,377	\$2,440
Distribution to IRFD Facilities - 82.5%		\$70,000	\$360,920	\$9,320	\$9,569	\$9,824	\$10,086	\$10,355	\$10,631	\$10,915	\$11,206	\$11,504
IRFD Year - Project Area 5				22	23	24	25	26	27	28	29	30
C2.4 Branded Condo		\$27,000	\$125,588	\$3,239	\$3,325	\$3,414	\$3,505	\$3,598	\$3,694	\$3,793	\$3,894	\$3,998
C2. H Hotel		\$9,000	\$40,024	\$1,033	\$1,054	\$1,075	\$1,096	\$1,118	\$1,140	\$1,163	\$1,187	\$1,210
Total Project Area 5		\$36,000	\$165,612	\$4,272	\$4,379	\$4,488	\$4,601	\$4,716	\$4,835	\$4,956	\$5,080	\$5,208
Distribution to TIDA Housing - 17.5%		\$6,000	\$28,982	\$748	\$766	\$785	\$805	\$825	\$846	\$867	\$889	\$911
Distribution to IRFD Facilities - 82.5%		\$30,000	\$136,630	\$3,524	\$3,612	\$3,703	\$3,796	\$3,891	\$3,989	\$4,089	\$4,191	\$4,297
Total Initial IRFD		\$340,000	\$1,526,933	\$40,795	\$41,867	\$42,968	\$44,098	\$45,258	\$46,448	\$47,670	\$48,924	\$50,211
Distribution to TIDA Housing - 17.5%		\$60,000	\$267,213	\$7,139	\$7,327	\$7,519	\$7,717	\$7,920	\$8,128	\$8,342	\$8,562	\$8,787
Distribution to IRFD Facilities - 82.5%		\$281,000	\$1,259,720	\$33,655	\$34,540	\$35,449	\$36,381	\$37,338	\$38,320	\$39,327	\$40,362	\$41,424

Appendix D Table 1

Net Available Increment Allocated to IRFD- 56.588206% of TI (\$000) - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

		6%							
	Fiscal Year	NPV	Total	2052/53	2053/54	2054/55	2055/56	2056/57	2057/58
IRFD Year - Project Area 1				35	36	37	38	39	40
Y1.1 Townhomes		\$13,000	\$47,624	\$1,713	\$1,759	\$1,806	\$1,854	\$1,903	\$1,954
Y1.2 Townhomes		\$15,000	\$56,549	\$2,056	\$2,111	\$2,167	\$2,225	\$2,284	\$2,345
Y3 Townhomes		\$5,000	\$20,352	\$746	\$766	\$787	\$808	\$829	\$851
Y4.1 Townhomes		\$13,000	\$49,027	\$1,810	\$1,859	\$1,908	\$1,959	\$2,011	\$2,065
Y4.2 Mid-Rise		\$10,000	\$40,546	\$1,511	\$1,552	\$1,593	\$1,636	\$1,679	\$1,724
Y2. H Hotel		\$6,000	\$23,269	\$800	\$816	\$832	\$849	\$866	\$883
Total Project Area 1		\$64,000	\$237,366	\$8,637	\$8,862	\$9,093	\$9,330	\$9,573	\$9,823
Distribution to TIDA Housing - 17.5%		\$11,000	\$41,539	\$1,512	\$1,551	\$1,591	\$1,633	\$1,675	\$1,719
Distribution to IRFD Facilities - 82.5%		\$52,000	\$195,827	\$7,126	\$7,311	\$7,502	\$7,697	\$7,898	\$8,104
IRFD Year - Project Area 2				34	35	36	37	38	39
C3.3 Townhomes		\$6,000	\$21,049	\$730	\$750	\$770	\$790	\$811	\$833
B1.1 Low Rise		\$6,000	\$22,831	\$797	\$819	\$840	\$863	\$886	\$909
B1.2 Low Rise		\$6,000	\$20,864	\$724	\$743	\$763	\$783	\$804	\$825
C2.3 Low Rise		\$20,000	\$79,098	\$2,798	\$2,873	\$2,949	\$3,028	\$3,109	\$3,191
C2.2 Mid Rise		\$21,000	\$84,817	\$3,061	\$3,142	\$3,226	\$3,312	\$3,400	\$3,491
C3.4 Rental		\$6,000	\$21,446	\$704	\$718	\$732	\$747	\$762	\$777
Total Project Area 2		\$64,000	\$250,104	\$8,814	\$9,044	\$9,280	\$9,523	\$9,772	\$10,028
Distribution to TIDA Housing - 17.5%		\$11,000	\$43,768	\$1,542	\$1,583	\$1,624	\$1,667	\$1,710	\$1,755
Distribution to IRFD Facilities - 82.5%		\$53,000	\$206,336	\$7,271	\$7,461	\$7,656	\$7,857	\$8,062	\$8,273
IRFD Year - Project Area 3				31	32	33	34	35	36
C1.1 High Rise		\$46,000	\$216,253	\$7,086	\$7,275	\$7,469	\$7,668	\$7,873	\$8,083
C1.2 High Rise		\$46,000	\$220,120	\$7,340	\$7,535	\$7,736	\$7,943	\$8,154	\$8,372
Total Project Area 3		\$92,000	\$436,372	\$14,426	\$14,810	\$15,205	\$15,611	\$16,027	\$16,454
Distribution to TIDA Housing - 17.5%		\$16,000	\$76,365	\$2,524	\$2,592	\$2,661	\$2,732	\$2,805	\$2,880
Distribution to IRFD Facilities - 82.5%		\$76,000	\$360,007	\$11,901	\$12,218	\$12,544	\$12,879	\$13,222	\$13,575
IRFD Year - Project Area 4				30	31	32	33	34	35
C2.1 High Rise		\$55,000	\$281,281	\$9,169	\$9,413	\$9,664	\$9,922	\$10,187	\$10,458
C3.5 High Rise		\$30,000	\$156,197	\$5,148	\$5,285	\$5,426	\$5,571	\$5,719	\$5,872
Total Project Area 4		\$84,000	\$437,479	\$14,317	\$14,698	\$15,090	\$15,493	\$15,906	\$16,330
Distribution to TIDA Housing - 17.5%		\$15,000	\$76,559	\$2,505	\$2,572	\$2,641	\$2,711	\$2,784	\$2,858
Distribution to IRFD Facilities - 82.5%		\$70,000	\$360,920	\$11,811	\$12,126	\$12,450	\$12,781	\$13,122	\$13,472
IRFD Year - Project Area 5				31	32	33	34	35	36
C2.4 Branded Condo		\$27,000	\$125,588	\$4,104	\$4,214	\$4,326	\$4,441	\$4,560	\$4,681
C2. H Hotel		\$9,000	\$40,024	\$1,234	\$1,259	\$1,284	\$1,310	\$1,336	\$1,363
Total Project Area 5		\$36,000	\$165,612	\$5,339	\$5,473	\$5,610	\$5,751	\$5,896	\$6,044
Distribution to TIDA Housing - 17.5%		\$6,000	\$28,982	\$934	\$958	\$982	\$1,007	\$1,032	\$1,058
Distribution to IRFD Facilities - 82.5%		\$30,000	\$136,630	\$4,404	\$4,515	\$4,629	\$4,745	\$4,864	\$4,987
Total Initial IRFD		\$340,000	\$1,526,933	\$51,532	\$52,888	\$54,279	\$55,708	\$57,174	\$58,679
Distribution to TIDA Housing - 17.5%		\$60,000	\$267,213	\$9,018	\$9,255	\$9,499	\$9,749	\$10,005	\$10,269
Distribution to IRFD Facilities - 82.5%		\$281,000	\$1,259,720	\$42,514	\$43,632	\$44,781	\$45,959	\$47,169	\$48,410

Appendix D Table 2

Conditional City Increment - 8.0% of Tax Inc. \$000 - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

	Fiscal Year	NPV	Total	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
IRFD Year - Project Area 1				0	0	1	2	3	4	5	6	7
Y1.1 Townhomes		\$2,000	\$6,733	\$0	\$0	\$5	\$25	\$85	\$107	\$110	\$113	\$116
Y1.2 Townhomes		\$2,000	\$7,994	\$0	\$0	\$5	\$28	\$60	\$87	\$132	\$135	\$139
Y3 Townhomes		\$1,000	\$2,877	\$0	\$0	\$2	\$3	\$11	\$24	\$48	\$49	\$50
Y4.1 Townhomes		\$2,000	\$6,931	\$0	\$0	\$5	\$9	\$27	\$41	\$84	\$119	\$122
Y4.2 Mid-Rise		\$1,000	\$5,732	\$0	\$0	\$3	\$5	\$16	\$26	\$33	\$100	\$102
Y2. H Hotel		<u>\$1,000</u>	<u>\$3,290</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>	<u>\$8</u>	<u>\$33</u>	<u>\$62</u>	<u>\$64</u>	<u>\$65</u>
Total Project Area 1		\$9,000	\$33,557	\$0	\$0	\$21	\$71	\$207	\$318	\$469	\$580	\$595
IRFD Year - Project Area 2				0	0	0	1	2	3	4	5	6
C3.3 Townhomes		\$1,000	\$2,976	\$0	\$0	\$0	\$11	\$23	\$44	\$47	\$48	\$49
B1.1 Low Rise		\$1,000	\$3,228	\$0	\$0	\$0	\$11	\$20	\$34	\$51	\$53	\$54
B1.2 Low Rise		\$1,000	\$2,950	\$0	\$0	\$0	\$18	\$24	\$37	\$46	\$48	\$49
C2.3 Low Rise		\$3,000	\$11,182	\$0	\$0	\$0	\$7	\$44	\$93	\$120	\$184	\$189
C2.2 Mid Rise		\$3,000	\$11,991	\$0	\$0	\$0	\$6	\$30	\$37	\$76	\$100	\$207
C3.4 Rental		<u>\$1,000</u>	<u>\$3,032</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$7</u>	<u>\$19</u>	<u>\$37</u>	<u>\$55</u>	<u>\$56</u>	<u>\$57</u>
Total Project Area 2		\$9,000	\$35,358	\$0	\$0	\$0	\$59	\$161	\$282	\$395	\$489	\$606
IRFD Year - Project Area 3				0	0	0	0	0	0	1	2	3
C1.1 High Rise		\$7,000	\$30,572	\$0	\$0	\$0	\$0	\$0	\$0	\$65	\$126	\$189
C1.2 High Rise		<u>\$6,000</u>	<u>\$31,119</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16</u>	<u>\$68</u>	<u>\$131</u>
Total Project Area 3		\$13,000	\$61,691	\$0	\$0	\$0	\$0	\$0	\$0	\$81	\$194	\$321
IRFD Year - Project Area 4				0	0	0	0	0	0	0	1	2
C2.1 High Rise		\$8,000	\$39,765	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22	\$87
C3.5 High Rise		<u>\$4,000</u>	<u>\$22,082</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$18</u>	<u>\$18</u>
Total Project Area 4		\$12,000	\$61,847	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39	\$105
IRFD Year - Project Area 5				0	0	0	0	0	0	1	2	3
C2.4 Branded Condo		\$4,000	\$17,755	\$0	\$0	\$0	\$0	\$0	\$0	\$38	\$87	\$141
C2. H Hotel		<u>\$1,000</u>	<u>\$5,658</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5</u>	<u>\$28</u>	<u>\$100</u>
Total Project Area 5		\$5,000	\$23,413	\$0	\$0	\$0	\$0	\$0	\$0	\$43	\$115	\$241
Total Initial IRFD		\$48,000	\$215,866	\$0	\$0	\$21	\$130	\$367	\$601	\$988	\$1,418	\$1,868

Appendix D Table 2

Conditional City Increment - 8.0% of Tax Inc. \$000 - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

Fiscal Year	NPV	Total	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>	<u>2029/30</u>	<u>2030/31</u>	<u>2031/32</u>	<u>2032/33</u>	<u>2033/34</u>
IRFD Year - Project Area 1											
			8	9	10	11	12	13	14	15	16
Y1.1 Townhomes	\$2,000	\$6,733	\$119	\$122	\$125	\$129	\$132	\$136	\$139	\$143	\$147
Y1.2 Townhomes	\$2,000	\$7,994	\$143	\$147	\$151	\$155	\$159	\$163	\$167	\$172	\$176
Y3 Townhomes	\$1,000	\$2,877	\$52	\$53	\$55	\$56	\$58	\$59	\$61	\$62	\$64
Y4.1 Townhomes	\$2,000	\$6,931	\$126	\$129	\$133	\$136	\$140	\$143	\$147	\$151	\$155
Y4.2 Mid-Rise	\$1,000	\$5,732	\$105	\$108	\$111	\$114	\$117	\$120	\$123	\$126	\$130
Y2. H Hotel	<u>\$1,000</u>	<u>\$3,290</u>	<u>\$66</u>	<u>\$68</u>	<u>\$69</u>	<u>\$70</u>	<u>\$72</u>	<u>\$73</u>	<u>\$75</u>	<u>\$76</u>	<u>\$78</u>
Total Project Area 1	\$9,000	\$33,557	\$611	\$627	\$643	\$659	\$677	\$694	\$712	\$731	\$750
IRFD Year - Project Area 2											
			7	8	9	10	11	12	13	14	15
C3.3 Townhomes	\$1,000	\$2,976	\$51	\$52	\$53	\$55	\$56	\$58	\$59	\$61	\$63
B1.1 Low Rise	\$1,000	\$3,228	\$55	\$57	\$58	\$60	\$62	\$63	\$65	\$67	\$68
B1.2 Low Rise	\$1,000	\$2,950	\$50	\$52	\$53	\$54	\$56	\$57	\$59	\$60	\$62
C2.3 Low Rise	\$3,000	\$11,182	\$194	\$200	\$205	\$210	\$216	\$222	\$228	\$234	\$240
C2.2 Mid Rise	\$3,000	\$11,991	\$213	\$218	\$224	\$230	\$236	\$243	\$249	\$256	\$262
C3.4 Rental	<u>\$1,000</u>	<u>\$3,032</u>	<u>\$58</u>	<u>\$59</u>	<u>\$61</u>	<u>\$62</u>	<u>\$63</u>	<u>\$64</u>	<u>\$66</u>	<u>\$67</u>	<u>\$68</u>
Total Project Area 2	\$9,000	\$35,358	\$622	\$638	\$654	\$672	\$689	\$707	\$725	\$744	\$764
IRFD Year - Project Area 3											
			4	5	6	7	8	9	10	11	12
C1.1 High Rise	\$7,000	\$30,572	\$268	\$505	\$519	\$533	\$547	\$561	\$576	\$592	\$608
C1.2 High Rise	<u>\$6,000</u>	<u>\$31,119</u>	<u>\$197</u>	<u>\$235</u>	<u>\$537</u>	<u>\$552</u>	<u>\$566</u>	<u>\$582</u>	<u>\$597</u>	<u>\$613</u>	<u>\$629</u>
Total Project Area 3	\$13,000	\$61,691	\$464	\$740	\$1,056	\$1,084	\$1,113	\$1,143	\$1,173	\$1,205	\$1,237
IRFD Year - Project Area 4											
			3	4	5	6	7	8	9	10	11
C2.1 High Rise	\$8,000	\$39,765	\$154	\$239	\$268	\$603	\$708	\$726	\$746	\$766	\$786
C3.5 High Rise	<u>\$4,000</u>	<u>\$22,082</u>	<u>\$64</u>	<u>\$90</u>	<u>\$163</u>	<u>\$233</u>	<u>\$339</u>	<u>\$408</u>	<u>\$419</u>	<u>\$430</u>	<u>\$441</u>
Total Project Area 4	\$12,000	\$61,847	\$219	\$329	\$431	\$836	\$1,046	\$1,134	\$1,165	\$1,196	\$1,228
IRFD Year - Project Area 5											
			4	5	6	7	8	9	10	11	12
C2.4 Branded Condo	\$4,000	\$17,755	\$201	\$247	\$301	\$309	\$317	\$325	\$334	\$343	\$352
C2. H Hotel	<u>\$1,000</u>	<u>\$5,658</u>	<u>\$102</u>	<u>\$104</u>	<u>\$106</u>	<u>\$109</u>	<u>\$111</u>	<u>\$113</u>	<u>\$115</u>	<u>\$117</u>	<u>\$120</u>
Total Project Area 5	\$5,000	\$23,413	\$304	\$352	\$407	\$417	\$427	\$438	\$449	\$460	\$472
Total Initial IRFD	\$48,000	\$215,866	\$2,219	\$2,685	\$3,191	\$3,668	\$3,953	\$4,117	\$4,225	\$4,336	\$4,449

Appendix D Table 2

Conditional City Increment - 8.0% of Tax Inc. \$000 - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

Fiscal Year	NPV	Total	<u>2034/35</u>	<u>2035/36</u>	<u>2036/37</u>	<u>2037/38</u>	<u>2038/39</u>	<u>2039/40</u>	<u>2040/41</u>	<u>2041/42</u>	<u>2042/43</u>
IRFD Year - Project Area 1											
			17	18	19	20	21	22	23	24	25
Y1.1 Townhomes	\$2,000	\$6,733	\$151	\$155	\$159	\$163	\$168	\$172	\$177	\$181	\$186
Y1.2 Townhomes	\$2,000	\$7,994	\$181	\$186	\$191	\$196	\$201	\$206	\$212	\$218	\$223
Y3 Townhomes	\$1,000	\$2,877	\$66	\$67	\$69	\$71	\$73	\$75	\$77	\$79	\$81
Y4.1 Townhomes	\$2,000	\$6,931	\$159	\$164	\$168	\$172	\$177	\$182	\$187	\$192	\$197
Y4.2 Mid-Rise	\$1,000	\$5,732	\$133	\$137	\$140	\$144	\$148	\$152	\$156	\$160	\$164
Y2. H Hotel	<u>\$1,000</u>	<u>\$3,290</u>	<u>\$79</u>	<u>\$81</u>	<u>\$82</u>	<u>\$84</u>	<u>\$86</u>	<u>\$87</u>	<u>\$89</u>	<u>\$91</u>	<u>\$93</u>
Total Project Area 1	\$9,000	\$33,557	\$769	\$789	\$810	\$831	\$852	\$874	\$897	\$920	\$944
IRFD Year - Project Area 2											
			16	17	18	19	20	21	22	23	24
C3.3 Townhomes	\$1,000	\$2,976	\$64	\$66	\$68	\$70	\$71	\$73	\$75	\$77	\$79
B1.1 Low Rise	\$1,000	\$3,228	\$70	\$72	\$74	\$76	\$78	\$80	\$82	\$84	\$87
B1.2 Low Rise	\$1,000	\$2,950	\$64	\$65	\$67	\$69	\$71	\$73	\$75	\$77	\$79
C2.3 Low Rise	\$3,000	\$11,182	\$246	\$253	\$260	\$267	\$274	\$281	\$288	\$296	\$304
C2.2 Mid Rise	\$3,000	\$11,991	\$269	\$277	\$284	\$292	\$299	\$307	\$316	\$324	\$333
C3.4 Rental	<u>\$1,000</u>	<u>\$3,032</u>	<u>\$70</u>	<u>\$71</u>	<u>\$72</u>	<u>\$74</u>	<u>\$75</u>	<u>\$77</u>	<u>\$78</u>	<u>\$80</u>	<u>\$82</u>
Total Project Area 2	\$9,000	\$35,358	\$784	\$804	\$825	\$847	\$869	\$891	\$914	\$938	\$963
IRFD Year - Project Area 3											
			13	14	15	16	17	18	19	20	21
C1.1 High Rise	\$7,000	\$30,572	\$624	\$640	\$657	\$675	\$693	\$712	\$730	\$750	\$770
C1.2 High Rise	<u>\$6,000</u>	<u>\$31,119</u>	<u>\$646</u>	<u>\$663</u>	<u>\$681</u>	<u>\$699</u>	<u>\$718</u>	<u>\$737</u>	<u>\$757</u>	<u>\$777</u>	<u>\$798</u>
Total Project Area 3	\$13,000	\$61,691	\$1,270	\$1,304	\$1,339	\$1,374	\$1,411	\$1,448	\$1,487	\$1,527	\$1,567
IRFD Year - Project Area 4											
			12	13	14	15	16	17	18	19	20
C2.1 High Rise	\$8,000	\$39,765	\$807	\$829	\$851	\$873	\$897	\$921	\$945	\$970	\$996
C3.5 High Rise	<u>\$4,000</u>	<u>\$22,082</u>	<u>\$453</u>	<u>\$465</u>	<u>\$478</u>	<u>\$490</u>	<u>\$503</u>	<u>\$517</u>	<u>\$531</u>	<u>\$545</u>	<u>\$559</u>
Total Project Area 4	\$12,000	\$61,847	\$1,260	\$1,294	\$1,328	\$1,364	\$1,400	\$1,438	\$1,476	\$1,515	\$1,556
IRFD Year - Project Area 5											
			13	14	15	16	17	18	19	20	21
C2.4 Branded Condo	\$4,000	\$17,755	\$361	\$371	\$381	\$391	\$401	\$412	\$423	\$434	\$446
C2. H Hotel	<u>\$1,000</u>	<u>\$5,658</u>	<u>\$122</u>	<u>\$125</u>	<u>\$127</u>	<u>\$130</u>	<u>\$132</u>	<u>\$135</u>	<u>\$138</u>	<u>\$140</u>	<u>\$143</u>
Total Project Area 5	\$5,000	\$23,413	\$483	\$496	\$508	\$521	\$534	\$547	\$561	\$575	\$589
Total Initial IRFD	\$48,000	\$215,866	\$4,566	\$4,686	\$4,809	\$4,936	\$5,066	\$5,199	\$5,335	\$5,476	\$5,619

Appendix D Table 2

Conditional City Increment - 8.0% of Tax Inc. \$000 - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

Fiscal Year	NPV	Total	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52
IRFD Year - Project Area 1			26	27	28	29	30	31	32	33	34
Y1.1 Townhomes	\$2,000	\$6,733	\$191	\$196	\$201	\$207	\$212	\$218	\$224	\$230	\$236
Y1.2 Townhomes	\$2,000	\$7,994	\$229	\$235	\$242	\$248	\$255	\$262	\$269	\$276	\$283
Y3 Townhomes	\$1,000	\$2,877	\$83	\$85	\$88	\$90	\$93	\$95	\$98	\$100	\$103
Y4.1 Townhomes	\$2,000	\$6,931	\$202	\$207	\$213	\$219	\$224	\$230	\$236	\$243	\$249
Y4.2 Mid-Rise	\$1,000	\$5,732	\$169	\$173	\$178	\$182	\$187	\$192	\$197	\$203	\$208
Y2. H Hotel	<u>\$1,000</u>	<u>\$3,290</u>	<u>\$95</u>	<u>\$97</u>	<u>\$98</u>	<u>\$100</u>	<u>\$102</u>	<u>\$105</u>	<u>\$107</u>	<u>\$109</u>	<u>\$111</u>
Total Project Area 1	\$9,000	\$33,557	\$969	\$994	\$1,020	\$1,047	\$1,074	\$1,102	\$1,130	\$1,160	\$1,190
IRFD Year - Project Area 2			25	26	27	28	29	30	31	32	33
C3.3 Townhomes	\$1,000	\$2,976	\$81	\$84	\$86	\$88	\$91	\$93	\$95	\$98	\$101
B1.1 Low Rise	\$1,000	\$3,228	\$89	\$91	\$94	\$96	\$99	\$101	\$104	\$107	\$110
B1.2 Low Rise	\$1,000	\$2,950	\$81	\$83	\$85	\$87	\$90	\$92	\$95	\$97	\$100
C2.3 Low Rise	\$3,000	\$11,182	\$312	\$320	\$329	\$338	\$347	\$356	\$366	\$375	\$385
C2.2 Mid Rise	\$3,000	\$11,991	\$341	\$351	\$360	\$369	\$379	\$389	\$400	\$410	\$421
C3.4 Rental	<u>\$1,000</u>	<u>\$3,032</u>	<u>\$83</u>	<u>\$85</u>	<u>\$87</u>	<u>\$88</u>	<u>\$90</u>	<u>\$92</u>	<u>\$94</u>	<u>\$96</u>	<u>\$98</u>
Total Project Area 2	\$9,000	\$35,358	\$988	\$1,014	\$1,040	\$1,067	\$1,095	\$1,124	\$1,153	\$1,183	\$1,214
IRFD Year - Project Area 3			22	23	24	25	26	27	28	29	30
C1.1 High Rise	\$7,000	\$30,572	\$790	\$812	\$833	\$855	\$878	\$902	\$926	\$950	\$976
C1.2 High Rise	<u>\$6,000</u>	<u>\$31,119</u>	<u>\$819</u>	<u>\$841</u>	<u>\$863</u>	<u>\$886</u>	<u>\$910</u>	<u>\$934</u>	<u>\$959</u>	<u>\$984</u>	<u>\$1,011</u>
Total Project Area 3	\$13,000	\$61,691	\$1,609	\$1,652	\$1,696	\$1,741	\$1,788	\$1,836	\$1,885	\$1,935	\$1,986
IRFD Year - Project Area 4			21	22	23	24	25	26	27	28	29
C2.1 High Rise	\$8,000	\$39,765	\$1,023	\$1,050	\$1,078	\$1,107	\$1,136	\$1,167	\$1,198	\$1,230	\$1,263
C3.5 High Rise	<u>\$4,000</u>	<u>\$22,082</u>	<u>\$574</u>	<u>\$590</u>	<u>\$605</u>	<u>\$621</u>	<u>\$638</u>	<u>\$655</u>	<u>\$673</u>	<u>\$690</u>	<u>\$709</u>
Total Project Area 4	\$12,000	\$61,847	\$1,597	\$1,640	\$1,683	\$1,728	\$1,774	\$1,822	\$1,870	\$1,920	\$1,971
IRFD Year - Project Area 5			22	23	24	25	26	27	28	29	30
C2.4 Branded Condo	\$4,000	\$17,755	\$458	\$470	\$483	\$495	\$509	\$522	\$536	\$550	\$565
C2. H Hotel	<u>\$1,000</u>	<u>\$5,658</u>	<u>\$146</u>	<u>\$149</u>	<u>\$152</u>	<u>\$155</u>	<u>\$158</u>	<u>\$161</u>	<u>\$164</u>	<u>\$168</u>	<u>\$171</u>
Total Project Area 5	\$5,000	\$23,413	\$604	\$619	\$635	\$650	\$667	\$683	\$701	\$718	\$736
Total Initial IRFD	\$48,000	\$215,866	\$5,767	\$5,919	\$6,074	\$6,234	\$6,398	\$6,566	\$6,739	\$6,916	\$7,098

Appendix D Table 2

Conditional City Increment - 8.0% of Tax Inc. \$000 - 6% annual escalation of home prices

Yerba Buena and Stage 1 Treasure Island

Fiscal Year	NPV	Total	<u>2052/53</u>	<u>2053/54</u>	<u>2054/55</u>	<u>2055/56</u>	<u>2056/57</u>	<u>2057/58</u>
IRFD Year - Project Area 1								
			35	36	37	38	39	40
Y1.1 Townhomes	\$2,000	\$6,733	\$242	\$249	\$255	\$262	\$269	\$276
Y1.2 Townhomes	\$2,000	\$7,994	\$291	\$298	\$306	\$315	\$323	\$332
Y3 Townhomes	\$1,000	\$2,877	\$106	\$108	\$111	\$114	\$117	\$120
Y4.1 Townhomes	\$2,000	\$6,931	\$256	\$263	\$270	\$277	\$284	\$292
Y4.2 Mid-Rise	\$1,000	\$5,732	\$214	\$219	\$225	\$231	\$237	\$244
Y2. H Hotel	<u>\$1,000</u>	<u>\$3,290</u>	<u>\$113</u>	<u>\$115</u>	<u>\$118</u>	<u>\$120</u>	<u>\$122</u>	<u>\$125</u>
Total Project Area 1	\$9,000	\$33,557	\$1,221	\$1,253	\$1,286	\$1,319	\$1,353	\$1,389
IRFD Year - Project Area 2								
			34	35	36	37	38	39
C3.3 Townhomes	\$1,000	\$2,976	\$103	\$106	\$109	\$112	\$115	\$118
B1.1 Low Rise	\$1,000	\$3,228	\$113	\$116	\$119	\$122	\$125	\$129
B1.2 Low Rise	\$1,000	\$2,950	\$102	\$105	\$108	\$111	\$114	\$117
C2.3 Low Rise	\$3,000	\$11,182	\$396	\$406	\$417	\$428	\$439	\$451
C2.2 Mid Rise	\$3,000	\$11,991	\$433	\$444	\$456	\$468	\$481	\$494
C3.4 Rental	<u>\$1,000</u>	<u>\$3,032</u>	<u>\$100</u>	<u>\$102</u>	<u>\$104</u>	<u>\$106</u>	<u>\$108</u>	<u>\$110</u>
Total Project Area 2	\$9,000	\$35,358	\$1,246	\$1,279	\$1,312	\$1,346	\$1,381	\$1,418
IRFD Year - Project Area 3								
			31	32	33	34	35	36
C1.1 High Rise	\$7,000	\$30,572	\$1,002	\$1,028	\$1,056	\$1,084	\$1,113	\$1,143
C1.2 High Rise	<u>\$6,000</u>	<u>\$31,119</u>	<u>\$1,038</u>	<u>\$1,065</u>	<u>\$1,094</u>	<u>\$1,123</u>	<u>\$1,153</u>	<u>\$1,184</u>
Total Project Area 3	\$13,000	\$61,691	\$2,039	\$2,094	\$2,150	\$2,207	\$2,266	\$2,326
IRFD Year - Project Area 4								
			30	31	32	33	34	35
C2.1 High Rise	\$8,000	\$39,765	\$1,296	\$1,331	\$1,366	\$1,403	\$1,440	\$1,479
C3.5 High Rise	<u>\$4,000</u>	<u>\$22,082</u>	<u>\$728</u>	<u>\$747</u>	<u>\$767</u>	<u>\$788</u>	<u>\$809</u>	<u>\$830</u>
Total Project Area 4	\$12,000	\$61,847	\$2,024	\$2,078	\$2,133	\$2,190	\$2,249	\$2,309
IRFD Year - Project Area 5								
			31	32	33	34	35	36
C2.4 Branded Condo	\$4,000	\$17,755	\$580	\$596	\$612	\$628	\$645	\$662
C2. H Hotel	<u>\$1,000</u>	<u>\$5,658</u>	<u>\$175</u>	<u>\$178</u>	<u>\$182</u>	<u>\$185</u>	<u>\$189</u>	<u>\$193</u>
Total Project Area 5	\$5,000	\$23,413	\$755	\$774	\$793	\$813	\$834	\$855
Total Initial IRFD	\$48,000	\$215,866	\$7,285	\$7,477	\$7,674	\$7,876	\$8,083	\$8,296

FIRST SUPPLEMENTAL INDENTURE

Dated as of December 1, 2023

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee**

Relating to

\$7,615,000

**City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island)
Tax Increment Revenue Bonds, Series 2023A
(Facilities Increment)**

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APPENDIX A FORM OF SERIES 2023A FACILITIES BOND

FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture (this "First Supplement"), dated as of December 1, 2023, is by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, in order to provide necessary funds to finance authorized purposes of the IRFD, the IRFD previously issued its \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the "Series 2022A Facilities Bonds"), pursuant to an Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and the Trustee (the "Original Indenture");

WHEREAS, the Original Indenture permits the issuance of Parity Facilities Debt as Facilities Bonds (as defined in the Original Indenture) payable from Pledged Facilities Increment (as defined in the Original Indenture) on a parity with the Series 2022A Facilities Bonds, subject to certain terms and conditions set forth in the Original Indenture;

WHEREAS, the Original Indenture further permits the issuance of Parity Facilities Debt as 2022 Related Facilities Bonds (as defined in the Original Indenture) if the related Supplemental Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Facilities Bonds;

WHEREAS, in order to provide additional necessary funds to finance authorized purposes of the IRFD, the IRFD proposes to issue its \$7,615,000 aggregate principal amount of its City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the "Series 2023A Facilities Bonds");

WHEREAS, the IRFD has determined that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, the Series 2023A Facilities Bonds, and, consequently, the Series 2023A Facilities Bonds are being issued as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture and, to that end, this First Supplement is entered

into pursuant to and in accordance with the provisions of and conditions applicable to the issuance of the Series 2023A Facilities Bonds as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds under the Original Indenture, and for the purposes of supplementing and amending the Original Indenture with respect thereto; and

WHEREAS, the IRFD has certified that all acts and proceedings required by law necessary to make the Series 2023A Facilities Bonds, when executed by the IRFD, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the IRFD, and to constitute this First Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the First Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE X

ADDITIONAL DEFINITIONS RELATING TO THE SERIES 2023A FACILITIES BONDS

Section 10.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 10.01 shall, for all purposes of the Indenture, have the respective meanings specified in this Section 10.01. All terms defined in Section 1.02 and not otherwise defined in this Section 10.01 shall, when used in this First Supplement, have the respective meanings given to such terms in Section 1.02.

"Closing Date" means, with respect to the Series 2023A Facilities Bonds, the date on which the Series 2023A Facilities Bonds are delivered to the original purchasers thereof.

"Continuing Disclosure Certificate" means, with respect to the Series 2023A Facilities Bonds, that certain Continuing Disclosure Certificate relating to the Series 2023A Facilities Bonds executed by the IRFD and dated the date of issuance and delivery of the Series 2023A Facilities Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"First Supplement" means this First Supplemental Indenture, dated as of December 1, 2023, by and between the IRFD and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"Interest Payment Date" means, with respect to the Series 2023A Facilities Bonds, each March 1 and September 1, commencing March 1, 2024, for so long as any of the Series 2023A Facilities Bonds remain Outstanding hereunder.

"Original Indenture" means the Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and Zions Bancorporation, National Association, as trustee.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Resolution" means the Original Resolution of Issuance, as supplemented, including by Resolution No. 549-23, adopted by the Board of Supervisors on November 28, 2023, and signed by the Mayor on November 30, 2023.

"Series 2023A Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 12.02.

"Series 2023A Facilities Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment), issued in the initial aggregate principal amount of \$7,615,000.

"Series 2023A Project Account" means the Account by that name established and held by the Trustee within the Facilities Project Fund pursuant to Section 12.03.

ARTICLE XI

AUTHORIZATION OF SERIES 2023A FACILITIES BONDS

Section 11.01. Authorization of Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds have been authorized to be issued by the IRFD pursuant to the Resolution. The Series 2023A Facilities Bonds are being issued as Parity Facilities Debt, Facilities Bonds and 2022 Related Facilities Bonds.

The Series 2023A Facilities Bonds shall be issued in the aggregate principal amount of Seven Million Six Hundred Fifteen Thousand Dollars (\$7,615,000), under and subject to the terms of this Indenture, the Resolution and the Law, for the purpose of providing funds to finance authorized purposes of the IRFD.

The Indenture, including this First Supplement, constitutes a continuing agreement with the Owners of all of the Series 2023A Facilities Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all Series 2023A Facilities Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The Series 2023A Facilities Bonds shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment)".

Section 11.02. Terms of Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds shall be dated as of the Closing Date. The Series 2023A Facilities Bonds shall be issued in fully registered form without coupons in denominations of \$100,000 or any multiple of \$5,000 in excess thereof. The Series 2023A Facilities Bonds shall be issued in Book-Entry Form as provided in Section 2.12 of the Indenture.

The Series 2023A Facilities Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2023A Facilities Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate
2033 (T)	\$1,225,000	5.000%
2043 (T)	1,805,000	5.000
2053 (T)	4,585,000	5.500

(T) Term Bond

Each Series 2023A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2024, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2023A Facilities Bond, interest thereon is in default, such Series 2023A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2023A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2023A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2023A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2023A Facilities Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 11.03. Redemption. The Series 2023A Facilities Bonds shall be subject to redemption as provided in this Section 11.03.

(a) Optional Redemption – Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds maturing on or before September 1, 2033 are not subject to optional redemption prior to their respective stated maturities. The Series 2023A Facilities Bonds maturing on and after September 1, 2043, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2033, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds that are Term Facilities Bonds and maturing September 1, 2033, September 1, 2043 and September 1, 2053 shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Facilities Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Facilities Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee).

Term Facilities Bonds maturing September 1, 2033

<u>September 1</u>	<u>Principal Amount</u>
2024	\$205,000
2025	95,000
2026	100,000
2027	100,000
2028	110,000
2029	110,000
2030	115,000
2031	125,000
2032	130,000
2033 (maturity)	135,000

Term Facilities Bonds maturing September 1, 2043

<u>September 1</u>	<u>Principal Amount</u>
2034	\$145,000
2035	150,000
2036	155,000
2037	165,000
2038	175,000
2039	185,000
2040	195,000
2041	200,000
2042	215,000
2043 (maturity)	220,000

Term Facilities Bonds maturing September 1, 2053

<u>September 1</u>	<u>Principal Amount</u>
2044	\$235,000
2045	245,000
2046	260,000
2047	275,000
2048	290,000
2049	305,000
2050	320,000
2051	340,000
2052	360,000
2053 (maturity)	1,955,000

(c) Redemption Procedures. Except as provided in this Section 11.03 to the contrary, the provisions of Section 2.03 shall apply to the redemption of the Series 2023A Facilities Bonds.

Section 11.04. Form and Execution of Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2023A Facilities Bonds shall be executed as provided in Section 2.05 of this Indenture.

Section 11.05. Additional Transfer Restrictions Applicable to the Series 2023A Facilities Bonds. No transfer, sale or other disposition of any Series 2023A Facilities Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2023A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2023A Facilities Bond. Each transferee of a Series 2023A Facilities Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2023A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2023A Facilities Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2023A Facilities Bonds are payable from Pledged Facilities Increment and such other funds described in the Indenture, (iii) the Series 2023A Facilities Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2023A Facilities Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2023A Facilities Bonds shall deposit the Series 2023A Facilities Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2023A Facilities Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2023A Facilities Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2023A Facilities Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 11.05. In the event that a holder of the Series 2023A A Facilities Bonds makes an assignment of its beneficial ownership interest in the Series 2023A Facilities Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2023A Facilities Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2023A Facilities Bond registered in the name of DTC or the Nominee shall be deemed to comply with this Indenture so long as each Beneficial Owner of such Series 2023A Facilities Bond is a Qualified Purchaser.

ARTICLE XII

APPLICATION OF PROCEEDS OF SERIES 2023A FACILITIES BONDS; CREATION OF FUNDS AND ACCOUNTS

Section 12.01. Application of Proceeds of Sale of Series 2023A Facilities Bonds.

On the Closing Date, the proceeds of sale of the Series 2023A Facilities Bonds (being \$7,510,254.73, representing the par amount of the Series 2023A Facilities Bonds (\$7,615,000), plus net original issue premium of \$19,451.60, less an underwriter's discount of \$124,196.87), shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of \$408,000 in the Series 2023A Costs of Issuance Fund.

(ii) The Trustee shall deposit the amount of \$6,637,330.60 in the Series 2023A Project Account of the Facilities Project Fund.

(iii) The Trustee shall deposit \$464,924.13, being the remaining amount of proceeds of the Series 2023A Facilities Bonds, in the 2022 Facilities Reserve Account.

Section 12.02. Series 2023A Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2023A Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2023A Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2023A Facilities Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Series 2023A Facilities Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2023A Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2023A Project Account of the Facilities Project Fund. At such time, the Series 2023A Costs of Issuance Fund shall be closed.

Section 12.03. Series 2023A Project Account of the Facilities Project Fund.

(a) There is hereby established a separate account within the Facilities Project Fund to be known as the "Series 2023A Project Account", which shall be held by the Trustee in trust for the benefit of the IRFD. The moneys in the Series 2023A Project Account shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Series 2023A Project Account shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Series 2023A Project Account shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Series 2023A Project Account upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B to the Indenture. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the Director of the Office of Public Finance of the City or her or his designee. Pursuant to a Written Certificate of the IRFD, the IRFD may direct the Trustee in writing to close the Series 2023A Project Account and dispose of any remaining funds in the Series 2023A Project Account.

(c) Moneys in the Series 2023A Project Account shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Series 2023A Project Account.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Security for Series 2023A Facilities Bonds. The Series 2023A Facilities Bonds shall be Facilities Bonds, Parity Facilities Debt and 2022 Related Facilities Bonds within the meaning of such terms in Section 1.02 of the Indenture and shall be secured in the manner and to the extent set forth in Section 4.01 of the Indenture.

Section 13.02. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or Beneficial Owner of the Facilities Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 13.03. Tax Covenants.

(a) Private Activity Bond Limitation. The IRFD will assure that the proceeds of the Series 2023A Facilities Bonds are not so used as to cause the Series 2023A Facilities Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2023A Facilities Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2023A Facilities Bonds.

(d) No Arbitrage. The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2023A Facilities Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2023A Facilities Bonds would have caused the Series 2023A Facilities Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2023A Facilities Bonds from the gross income of the Owners of the Series 2023A Facilities Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2023A Facilities Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2023A Facilities Bonds for at least 3 years after the Series 2023A Facilities Bonds mature or are redeemed (whichever is earlier); however,

if the Series 2023A Facilities Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2023A Facilities Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2023A Facilities Bonds. The covenants of this Section will survive payment in full or defeasance of the Facilities Bonds.

Section 13.04. Benefits Limited to Parties. Nothing in this First Supplement, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the Owners of the Bonds, any right, remedy, claim under or by reason of this First Supplement. Any covenants, stipulations, promises or agreements in this First Supplement contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 13.05. Effect of this First Supplement. Except as in this First Supplement expressly provided or except to the extent inconsistent with any provision of this First Supplement, the Series 2023A Facilities Bonds shall be deemed to be Facilities Bonds under and within the meaning thereof as set forth in Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the Series 2023A Facilities Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplement.

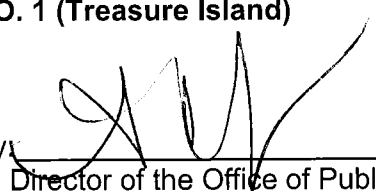
Section 13.06. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2023A Facilities Bonds and the rights and benefits provided in the Indenture.

Section 13.07. Execution in Counterparts. This First Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

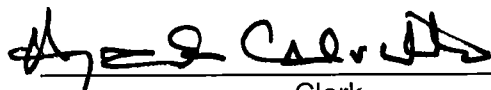
Section 13.08. Governing Law. This First Supplement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: 
Director of the Office of Public Finance
City and County of San Francisco

Attest:


Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

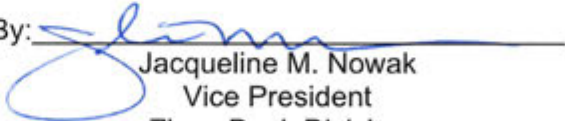
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By:  _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

APPENDIX A

FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 11.05 OF THE INDENTURE OF TRUST. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 11.05. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO**

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2023A
(Facilities Increment)**

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Facilities Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the

interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on this Bond (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Bond is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment)" (the "Series 2023A Facilities Bonds") in the aggregate principal amount of \$7,615,000. The issuance of the Series 2023A Facilities Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022, as supplemented by as First Supplemental Indenture, dated as of December 1, 2023 (as supplemented, the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Indenture of Trust is authorized under, the Series 2023A Facilities Bonds are issued under and both are to be construed in accordance with, the laws of the State of California. The Series 2023A Facilities Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented by Resolution No. 549-23, adopted by the Board of Supervisors of the City and County of San Francisco on November 28, 2023, under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized facilities.

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Facilities Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Facilities Increment, except to the extent that provision for payment has been made by the IRFD, as may be permitted by law. The Series 2023A Facilities Bonds are Facilities Bonds and 2022 Related Facilities Bonds as defined in the Indenture, and are secured by and payable on a parity basis as set forth in the Indenture of Trust with the outstanding \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) and certain Parity Facilities Debt that may be issued in the future.

The Series 2023A Facilities Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Series 2023A Facilities Bonds, and the Series 2023A Facilities Bonds shall be payable exclusively from the Pledged Facilities Increment and the specified funds held under the Indenture of Trust. The Series 2023A Facilities Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Series 2023A Facilities Bonds maturing on or before September 1, 2033 are not subject to optional redemption prior to their respective stated maturities. The Series 2023A Facilities Bonds maturing on and after September 1, 2043, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2033, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The following Series 2023A Facilities Bonds are Term Facilities Bonds that are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Facilities Bonds maturing September 1, 2033

<u>September 1</u>	<u>Principal Amount</u>
2024	\$205,000
2025	95,000
2026	100,000
2027	100,000
2028	110,000
2029	110,000
2030	115,000
2031	125,000
2032	130,000
2033 (maturity)	135,000

Term Facilities Bonds maturing September 1, 2043

<u>September 1</u>	<u>Principal Amount</u>
2034	\$145,000
2035	150,000
2036	155,000
2037	165,000
2038	175,000
2039	185,000
2040	195,000
2041	200,000
2042	215,000
2043 (maturity)	220,000

Term Facilities Bonds maturing September 1, 2053

<u>September 1</u>	<u>Principal Amount</u>
2044	\$235,000
2045	245,000
2046	260,000
2047	275,000
2048	290,000
2049	305,000
2050	320,000
2051	340,000
2052	360,000
2053 (maturity)	1,955,000

Provided, however, if some but not all of the Term Facilities Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future sinking fund payments relating to such maturity shall be reduced by the aggregate principal amount of Term Facilities Bonds of such maturity so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 as determined by the IRFD, notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee.

Notice of redemption with respect to the Series 2023A Facilities Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Series 2023A Facilities Bonds for redemption or (ii) with respect to an Owner of a Series 2023A Facilities Bond after any Series 2023A Facilities Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Series 2023A Facilities Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Series 2023A Facilities Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Series 2023A Facilities Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

FIRST SUPPLEMENTAL INDENTURE

Dated as of December 1, 2023

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee**

Relating to

\$1,595,000

**City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island)
Tax Increment Revenue Bonds, Series 2023B
(Housing Increment)**

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APPENDIX A FORM OF SERIES 2023B HOUSING BOND

FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture (this "First Supplement"), dated as of December 1, 2023, is by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, in order to provide necessary funds to finance authorized purposes of the IRFD, the IRFD previously issued its \$5,120,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the "Series 2022B Housing Bonds"), pursuant to an Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and the Trustee (the "Original Indenture");

WHEREAS, the Original Indenture permits the issuance of Parity Housing Debt as Housing Bonds (as defined in the Original Indenture) payable from Pledged Housing Increment (as defined in the Original Indenture) on a parity with the Series 2022B Housing Bonds, subject to certain terms and conditions set forth in the Original Indenture;

WHEREAS, the Original Indenture further permits the issuance of Parity Housing Debt as 2022 Related Housing Bonds (as defined in the Original Indenture) if the related Supplemental Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Housing Bonds;

WHEREAS, in order to provide additional necessary funds to finance authorized purposes of the IRFD, the IRFD proposes to issue its \$1,595,000 aggregate principal amount of its City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the "Series 2023B Housing Bonds");

WHEREAS, the IRFD has determined that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, the Series 2023B Housing Bonds, and, consequently, the Series 2023B Housing Bonds are being issued as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds under Section 3.05 and Section 7.01(c) of the Original Indenture and, to that end, this First Supplement is entered

into pursuant to and in accordance with the provisions of and conditions applicable to the issuance of the Series 2023B Housing Bonds as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds under the Original Indenture, and for the purposes of supplementing and amending the Original Indenture with respect thereto; and

WHEREAS, the IRFD has certified that all acts and proceedings required by law necessary to make the Series 2023B Housing Bonds, when executed by the IRFD, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the IRFD, and to constitute this First Supplement a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the First Supplement have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE X

ADDITIONAL DEFINITIONS RELATING TO THE SERIES 2023B HOUSING BONDS

Section 10.01. Definitions. Unless the context otherwise requires, the terms defined in this Section 10.01 shall, for all purposes of the Indenture, have the respective meanings specified in this Section 10.01. All terms defined in Section 1.02 and not otherwise defined in this Section 10.01 shall, when used in this First Supplement, have the respective meanings given to such terms in Section 1.02.

"Closing Date" means, with respect to the Series 2023B Housing Bonds, the date on which the Series 2023B Housing Bonds are delivered to the original purchasers thereof.

"Continuing Disclosure Certificate" means, with respect to the Series 2023B Housing Bonds, that certain Continuing Disclosure Certificate relating to the Series 2023B Housing Bonds executed by the IRFD and dated the date of issuance and delivery of the Series 2023B Housing Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"First Supplement" means this First Supplemental Indenture, dated as of December 1, 2023, by and between the IRFD and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"Interest Payment Date" means, with respect to the Series 2023B Housing Bonds, each March 1 and September 1, commencing March 1, 2024, for so long as any of the Series 2023B Housing Bonds remain Outstanding hereunder.

"Original Indenture" means the Indenture of Trust, dated as of September 1, 2022, by and between the IRFD and Zions Bancorporation, National Association, as trustee.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Resolution" means the Original Resolution of Issuance, as supplemented, including by Resolution No. 549-23, adopted by the Board of Supervisors on November 28, 2023, and signed by the Mayor on November 30, 2023.

"Series 2023B Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 12.02.

"Series 2023B Housing Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment), issued in the initial aggregate principal amount of \$1,595,000.

"Series 2023B Project Account" means the Account by that name established and held by the Trustee within the Housing Project Fund pursuant to Section 12.03.

ARTICLE XI

AUTHORIZATION OF SERIES 2023B HOUSING BONDS

Section 11.01. Authorization of Series 2023B Housing Bonds. The Series 2023B Housing Bonds have been authorized to be issued by the IRFD pursuant to the Resolution. The Series 2023B Housing Bonds are being issued as Parity Housing Debt, Housing Bonds and 2022 Related Housing Bonds.

The Series 2023B Housing Bonds shall be issued in the aggregate principal amount of One Million Five Hundred Ninety-Five Thousand Dollars (\$1,595,000), under and subject to the terms of this Indenture, the Resolution and the Law, for the purpose of providing funds to finance authorized purposes of the IRFD.

The Indenture, including this First Supplement, constitutes a continuing agreement with the Owners of all of the Series 2023B Housing Bonds issued hereunder and at any time Outstanding to secure the full and final payment of principal of and premium, if any, and interest on all Series 2023B Housing Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

The Series 2023B Housing Bonds shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment)".

Section 11.02. Terms of Series 2023B Housing Bonds. The Series 2023B Housing Bonds shall be dated as of the Closing Date. The Series 2023B Housing Bonds shall be issued in fully registered form without coupons in denominations of \$100,000 or any denomination of \$5,000 in excess thereof. The Series 2023B Housing Bonds shall be issued in Book-Entry Form as provided in Section 2.12 of the Indenture.

The Series 2023B Housing Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2023B Housing Bonds

Maturity Date	Principal	Interest
<u>(September 1)</u>	<u>Amount</u>	<u>Rate</u>
<u>2053 (T)</u>	<u>\$1,595,000</u>	<u>5.500%</u>

(T) Term Bond

Each Series 2023B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2024, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2023B Housing Bond, interest thereon is in default, such Series 2023B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2023B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2023B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2023B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2023B Housing Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 11.03. Redemption. The Series 2023B Housing Bonds shall be subject to redemption as provided in this Section 11.03.

(a) Optional Redemption – Series 2023B Housing Bonds. The Series 2023B Housing Bonds are subject to redemption, at the option of the IRFD on any date on or after September 1, 2033, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2023B Housing Bonds. The Series 2023B Housing Bonds shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Housing Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Housing Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee).

<u>September 1</u>	<u>Principal Amount</u>
2024	\$45,000
2025	20,000
2026	20,000
2027	20,000
2028	20,000
2029	20,000
2030	20,000
2031	25,000
2032	25,000
2033	30,000
2034	30,000
2035	30,000
2036	35,000
2037	35,000
2038	35,000
2039	35,000
2040	40,000
2041	45,000
2042	45,000
2043	45,000
2044	50,000
2045	50,000
2046	55,000
2047	55,000
2048	60,000
2049	65,000
2050	70,000
2051	75,000
2052	80,000
2053 (maturity)	415,000

(c) Redemption Procedures. Except as provided in this Section 11.03 to the contrary, the provisions of Section 2.03 shall apply to the redemption of the Series 2023B Housing Bonds.

Section 11.04. Form and Execution of Series 2023B Housing Bonds. The Series 2023B Housing Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the respective forms set forth in Appendix A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Series 2023B Housing Bonds shall be executed as provided in Section 2.05 of the Indenture.

Section 11.05. Additional Transfer Restrictions Applicable to the Series 2023B Housing Bonds. No transfer, sale or other disposition of any Series 2023B Housing Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2023B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2023B Housing Bond. Each transferee

of a Series 2023B Housing Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2023B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2023B Housing Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2023B Housing Bonds are payable from Pledged Housing Increment and such other funds described in the Indenture, (iii) the Series 2023B Housing Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2023B Housing Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2023B Housing Bonds shall deposit the Series 2023B Housing Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2023B Housing Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2023B Housing Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2023B Housing Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 11.05. In the event that a holder of the Series 2023B Housing Bonds makes an assignment of its beneficial ownership interest in the Series 2023B Housing Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2023B Housing Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2023B Housing Bond registered in the name of DTC or the Nominee shall be deemed to comply with this Indenture so long as each Beneficial Owner of such Series 2023B Housing Bond is a Qualified Purchaser.

ARTICLE XII

APPLICATION OF PROCEEDS OF SERIES 2023B HOUSING BONDS; CREATION OF FUNDS AND ACCOUNTS

Section 12.01. Application of Proceeds of Sale of Series 2023B Housing Bonds.

On the Closing Date, the proceeds of sale of the Series 2023B Housing Bonds (being \$1,559,591.80, representing the par amount of the Series 2023B Housing Bonds (\$1,595,000), less original issue discount of \$9,394.55, less an underwriter's discount of \$26,013.65), shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of \$110,000.00 in the Series 2023B Costs of Issuance Fund.

(ii) The Trustee shall deposit the amount of \$1,350,238.58 in the Series 2023B Project Account of the Housing Project Fund.

(iii) The Trustee shall deposit \$99,353.22, being the remaining amount of proceeds of the Series 2023B Housing Bonds, in the 2022 Housing Reserve Account.

Section 12.02. Series 2023B Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2023B Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2023B Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2023B Housing Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six (6) months following the Closing Date with respect to the Series 2023B Housing Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2023B Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2023B Project Account of the Housing Project Fund. At such time, the Series 2023B Costs of Issuance Fund shall be closed.

Section 12.03. Series 2023B Project Account of the Housing Project Fund.

(a) There is hereby established a separate account within the Housing Project Fund to be known as the "Series 2023B Project Account", which shall be held by the Trustee in trust for the benefit of the IRFD. The moneys in the Series 2023B Project Account shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Series 2023B Project Account shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Series 2023B Project Account shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Series 2023B Project Account upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B to the Indenture. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the Director of the Office of Public Finance of the City or her or his designee. Pursuant to a Written Certificate of the IRFD, the IRFD may direct the Trustee in writing to close the Series 2023B Project Account and dispose of any remaining funds in the Series 2023B Project Account.

(c) Moneys in the Series 2023B Project Account shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Series 2023B Project Account.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Security for Series 2023B Housing Bonds. The Series 2023B Housing Bonds shall be Housing Bonds, Parity Housing Debt and 2022 Related Housing Bonds within the meaning of such terms in Section 1.02 of the Indenture and shall be secured in the manner and to the extent set forth in Section 4.01 of the Indenture.

Section 13.02. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or Beneficial Owner of the Housing Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 13.03. Tax Covenants.

(a) Private Activity Bond Limitation. The IRFD will assure that the proceeds of the Series 2023B Housing Bonds are not so used as to cause the Series 2023B Housing Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2023B Housing Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2023B Housing Bonds.

(d) No Arbitrage. The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2023B Housing Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2023B Housing Bonds would have caused the Series 2023B Housing Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2023B Housing Bonds from the gross income of the Owners of the Series 2023B Housing Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2023B Housing Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2023B Housing Bonds for at least 3 years after the Series 2023B Housing Bonds mature or are redeemed (whichever is earlier); however,

if the Series 2023B Housing Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2023B Housing Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2023B Housing Bonds (collectively, the “2023 Tax Certificate”). The covenants of this Section will survive payment in full or defeasance of the Housing Bonds.

(h) Financed Costs. The IRFD will take all actions necessary to assure that the proceeds of the Series 2023B Housing Bonds pay for costs and expenses of the project described in the 2023 Tax Certificate (the “2023 Project”) that are properly chargeable to the 2023 Project’s capital account and that the portions of the 2023 Project financed by the Series 2023B Housing Bonds will have an expected average useful life of at least 25 years.

Section 13.04. Covenant to Record Restrictive Covenant. In order to comply with Section 53369.3(c) and the Infrastructure Financing Plan, the IRFD hereby covenants that, on or before commencement of construction of the 2023 Project, it will cause a declaration of restrictions and affordable housing covenants to be recorded in the real property records of the City that contains the following covenant:

“100% of the units financed by the [Series 2023B Housing Bonds] will be restricted to occupancy by persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined by Section 50053 of the Health and Safety Code.”

Section 13.05. Benefits Limited to Parties. Nothing in this First Supplement, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the Owners of the Bonds, any right, remedy, claim under or by reason of this First Supplement. Any covenants, stipulations, promises or agreements in this First Supplement contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners of the Bonds.

Section 13.06. Effect of this First Supplement. Except as in this First Supplement expressly provided or except to the extent inconsistent with any provision of this First Supplement, the Series 2023B Housing Bonds shall be deemed to be Housing Bonds under and within the meaning thereof as set forth in Section 1.02, and every term and condition contained in the other provisions of this Indenture shall apply to the Series 2023B Housing Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this First Supplement.

Section 13.07. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Series 2023B Housing Bonds and the rights and benefits provided in the Indenture.

Section 13.08. Execution in Counterparts. This First Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.09. Governing Law. This First Supplement shall be construed and governed in accordance with the laws of the State of California.

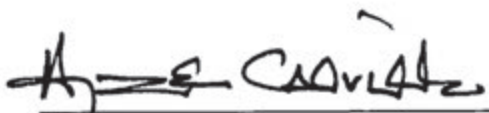
IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: 

Director of the Office of Public Finance
City and County of San Francisco

Attest:



Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By:  _____
Jacqueline M. Nowak
Vice President
Zions Bank Division

APPENDIX A

FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 11.05 OF THE INDENTURE OF TRUST. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 11.05. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2023B
(Housing Increment)

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Housing Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the

interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on this Bond (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Bond is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment)" (the "Series 2023B Housing Bonds") in the aggregate principal amount of \$1,595,000. The issuance of the Series 2023B Housing Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022, as supplemented by as First Supplemental Indenture, dated as of December 1, 2023 (as supplemented, the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Indenture of Trust is authorized under, the Series 2023B Housing Bonds are issued under and both are to be construed in accordance with, the laws of the State of California. The Series 2023B Housing Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented by Resolution No. 549-23, adopted by the Board of Supervisors of the City and County of San Francisco on November 28, 2023, under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized housing projects.

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Housing Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Housing Increment, except to the extent that provision for payment has been made by the IRFD, as may be permitted by law. The Series 2023B Housing Bonds are Housing Bonds and 2022 Related Housing Bonds as defined in the Indenture, and are secured by and payable on a parity basis as set forth in the Indenture of Trust with the outstanding \$5,120,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) and certain Parity Housing Debt that may be issued in the future.

The Series 2023B Housing Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Series 2023B Housing Bonds, and the Series 2023B Housing Bonds shall be payable exclusively from the Pledged Housing Increment and the specified funds held under the Indenture of Trust. The Series 2023B Housing Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Series 2023B Housing Bonds are subject to redemption, at the option of the IRFD on any date on or after September 1, 2033, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The following Series 2023B Housing Bonds are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

<u>September 1</u>	<u>Principal Amount</u>
2024	\$45,000
2025	20,000
2026	20,000
2027	20,000
2028	20,000
2029	20,000
2030	20,000
2031	25,000
2032	25,000
2033	30,000
2034	30,000
2035	30,000
2036	35,000
2037	35,000
2038	35,000
2039	35,000
2040	40,000
2041	45,000
2042	45,000
2043	45,000
2044	50,000
2045	50,000
2046	55,000
2047	55,000
2048	60,000
2049	65,000
2050	70,000
2051	75,000
2052	80,000
2053 (maturity)	415,000

Provided, however, if some but not all of the Term Housing Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future sinking fund payments relating to such maturity shall be reduced by the aggregate principal amount of Term Housing Bonds of such maturity so redeemed, to be

allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 as determined by the IRFD, notice of which determination, which shall include a revised sinking fund schedule, shall be given by the IRFD to the Trustee.

Notice of redemption with respect to the Series 2023B Housing Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Series 2023B Housing Bonds for redemption or (ii) with respect to an Owner of a Series 2023B Housing Bond after any Series 2023B Housing Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Series 2023B Housing Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Series 2023B Housing Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Series 2023B Housing Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

INDENTURE OF TRUST

Dated as of September 1, 2022

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee**

Relating to

**City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island)
Tax Increment Revenue Bonds
(Facilities Increment)**

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INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into as of September 1, 2022, by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, the IRFD wishes to provide for the issuance of bonds (the "Facilities Bonds") payable from Pledged Facilities Increment (as hereinafter defined) to finance authorized purposes of the IRFD;

WHEREAS, in order to provide for the authentication and delivery of the Facilities Bonds, to establish and declare the terms and conditions upon which the Facilities Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the IRFD and the Trustee have duly authorized the execution and delivery of this Indenture;

WHEREAS, the IRFD further wishes to provide for an initial series of the Facilities Bonds, designated City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the "Series 2022A Facilities Bonds");

WHEREAS, the Board of Supervisors of the City and County of San Francisco, acting as the legislative body of the IRFD, authorized the issuance of the Series 2022A Facilities Bonds and the execution and delivery of this Indenture pursuant to the Original Resolution of Issuance as supplemented by the Series 2022A Resolution of Issuance.

WHEREAS, the IRFD has determined that all acts and proceedings required by law necessary to make the Facilities Bonds when executed by the IRFD, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the IRFD, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Facilities

Bonds, including the Series 2022A Facilities Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Facilities Bonds, including the Series 2022A Facilities Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Facilities Bonds, including the Series 2022A Facilities Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the IRFD and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Facilities Bonds, including the Series 2022A Facilities Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The IRFD has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Facilities Bonds, including the Series 2022A Facilities Bonds, do exist, have happened and have been performed in due time, form and manner as required by law, and the IRFD is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2022A Facilities Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Additional Facilities Revenues" means, as of the date of calculation, the amount of Net Available Facilities Increment and Conditional City Facilities Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the IRFD within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the IRFD due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the IRFD is estimated to increase above the assessed valuation of taxable property in the IRFD as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Facilities Bonds and other Parity Facilities Debt in such Bond Year, assuming that the Outstanding Serial Facilities Bonds are retired as scheduled and that the Outstanding Term Facilities Bonds are redeemed from mandatory sinking account payments as scheduled, (b) the principal amount of the Outstanding Serial Facilities Bonds and other Parity Facilities Debt payable by their terms in such Bond Year, and (c) the principal amount of the Outstanding Term Facilities Bonds scheduled to be paid or redeemed from mandatory sinking account payments in such Bond Year.

For purposes of the calculation of Annual Debt Service, there shall be excluded the principal of and interest on any Parity Facilities Debt to the extent the proceeds thereof are then deposited in a fully self-supporting escrow fund (the fully self-supporting nature of which is evidenced by a report prepared by an Independent Economic Consultant and delivered to the Trustee) from which amounts may not be released to the IRFD unless the amount of Pledged Facilities Increment, calculated as set forth in Section 3.05(b), and Additional Facilities Revenues are then calculated to be not less than the percentage of Maximum Annual Debt Service required by the terms of Section 3.05(b).

"Base Year" for the Project Areas is defined in the Infrastructure Financing Plan as Fiscal Year 2016-17.

"Bond Counsel" means an attorney or firm of attorneys appointed by or acceptable to the IRFD, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Year" means any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date with respect to the Series 2022A Facilities Bonds and end on September 1, 2023.

"Business Day" means a day of the year on which banks in the State of California, are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"City" means the City and County of San Francisco, California, a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State.

"Closing Date" means the date on which a series of Facilities Bonds is delivered by the IRFD to the original purchaser thereof.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2022A Facilities Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2022A Facilities Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Conditional City Facilities Increment" means 82.5% of the Conditional City Increment.

"Conditional City Facilities Increment Special Account" means the account of that name established by the IRFD pursuant to Section 4.02.

"Conditional City Housing Increment" means 17.5% of the Conditional City Increment.

"Conditional City Housing Increment Special Account" means the account of that name established by the IRFD pursuant to Section 4.02.

"Conditional City Increment" means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

"Conditional City Increment Special Fund" means the Conditional City Increment Special Fund established by the IRFD pursuant to Section 4.02.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate with respect to the Series 2022A Facilities Bonds executed by the IRFD, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the IRFD relating to the authorization, issuance, sale and delivery of the Facilities Bonds, including but not limited to printing expenses, bond insurance premiums,

operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Facilities Bonds, administrative costs of the IRFD and City incurred in connection with the issuance of the Facilities Bonds, and any other cost, charge or fee in connection with the original issuance of the Facilities Bonds.

"DDA Financing Plan" means the Financing Plan (Treasure Island/Yerba Buena Island) attached to the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated June 28, 2011, by and between Treasure Island Development Authority and Treasure Island Community Development, LLC.

"Defeasance Obligations" means any of the following which, at the time of investment, are in compliance with the City's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the IRFD as conclusive certification to the Trustee that investments described therein are in compliance with the City's investment policies then in effect):

- (a) Cash;
- (b) Federal Securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
- (d) Pre-refunded municipal bonds rated "Aaa" by Moody's or "AAA" by S&P;
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the IRFD itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association; (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and
- (f) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the IRFD itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of the Student Loan Marketing Association; (v) obligations of the Resolution Funding

Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any of the events described in Section 8.01.

"Facilities Bonds" means the Series 2022A Facilities Bonds and any Parity Facilities Debt issued as bonds pursuant to a Supplemental Indenture.

"Facilities Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Facilities Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.04.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the IRFD and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the IRFD to the Trustee in writing as its official fiscal year period.

"Gross Tax Increment" means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the Project Area. Gross Tax Increment does not include any ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code.

"Incremental Assessed Property Value" means, in any year, for each Project Area, the difference between the assessed value of the property within such Project Area for that fiscal year and the assessed value of the property within such Project Area in the Base Year, to the extent that the difference is a positive number.

"Indenture" means this Indenture of Trust by and between the IRFD and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the IRFD, and who, or each of whom:

- (a) is in fact independent and not under domination of the IRFD;
 - (b) does not have any substantial interest, direct or indirect, with the IRFD;
- and
- (c) is not connected with the IRFD as an officer or employee of the IRFD, but who may be regularly retained to make reports to the IRFD.

"Independent Economic Consultant" means any consultant or firm of such consultants appointed by the IRFD and who, or each of whom:

- (a) is judged by the IRFD to have experience in matters relating to the collection of tax increment revenues or otherwise with respect to tax increment financing districts;
 - (b) is in fact independent and not under domination of the IRFD;
 - (c) does not have any substantial interest, direct or indirect, with the IRFD;
- and
- (d) is not connected with the IRFD as an officer or employee of the IRFD, but who may be regularly retained to make reports to the IRFD.

"Infrastructure Financing Plan" means the Amended and Restated Infrastructure Financing Plan for the IRFD, including the Project Areas, adopted and approved by the Board of Supervisors of the City and County of San Francisco by Ordinance No. 29-22, adopted on February 15, 2022, as heretofore amended and as may hereafter be amended in accordance with the law.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2023, for so long as any of the Facilities Bonds remain Outstanding hereunder.

"IRFD" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California.

"Law" means Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, including payments on any Parity Facilities Debt, as certified in writing by the IRFD to the Trustee.

"Moody's" means Moody's Investors Service and its successors.

"Net Available Facilities Increment" means 82.5% of the Net Available Increment.

"Net Available Facilities Increment Special Account" means the account of that name established pursuant to Section 4.02.

"Net Available Housing Increment" means 17.5% of the Net Available Increment.

"Net Available Housing Increment Special Account" means the account of that name established pursuant to Section 4.02.

"Net Available Increment" means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

"Net Available Increment Special Fund" means the fund established and held by the IRFD pursuant to Section 4.02.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Original Resolution of Issuance" means Resolution No. 7-17, which was adopted by the Board of Supervisors as the legislative body of the IRFD on January 24, 2017, and signed by the Mayor on February 3, 2017.

"Outstanding" when used as of any particular time with reference to Facilities Bonds, means (subject to the provisions of Section 9.05) all Facilities Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the IRFD pursuant hereto.

"Owner" or "Bond Owner" means, with respect to any Facilities Bond, the person in whose name the ownership of such Facilities Bond shall be registered on the Registration Books.

"Parity Facilities Debt" means any additional bonds (including any Facilities Bonds), loans, advances or indebtedness issued or incurred by the IRFD on a parity with the Series 2022A Facilities Bonds pursuant to Section 3.05.

"Parity Facilities Debt Instrument" means any Supplemental Indenture or other instrument providing for the issuance or incurrence of Parity Facilities Debt.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which at the time of investment are in compliance with the City's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the IRFD as conclusive certification to the Trustee that the investments described therein are in compliance with the City's investment policies then in effect), but only to the extent that the same are acquired at Fair Market Value:

- (a) Federal Securities;
- (b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, and Federal Housing Administration;
- (c) bonds, notes or other evidences of indebtedness rated AAA by S&P and Aaa by Moody's issued by Fannie Mae or Freddie Mac with remaining maturities not exceeding three years;
- (d) U.S. dollar denominated deposit accounts (including those with the Trustee or with any affiliate of the Trustee), federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody's, and maturing no more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody's and which matures not more than 270 days after the date of purchase;
- (f) investments in a money market fund rated AAAM or AAAM-G or better by S&P, which may include funds for which the Trustee or its affiliates provide investment advisory or other management services;
- (g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state

which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody's or (ii)(A) which are fully secured as to principal and interest and redemption premium (if any) by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium (if any) in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates under such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an independent accountant, to pay principal of and interest and redemption premium (if any) on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (h) investment agreements with a provider that is rated in one of the two highest rating categories by S&P and Moody's;
- (i) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee;
- (j) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP).

"Plan Limit" means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the IRFD pursuant to the Infrastructure Financing Plan and the Law.

"Pledged Facilities Increment" means the sum of Net Available Facilities Increment and Conditional City Facilities Increment, less the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law.

"Pledged Housing Increment" means the sum of Net Available Housing Increment and Conditional City Housing Increment, less the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Principal Corporate Trust Office" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the IRFD.

"Project Area" means, collectively, each project area established from time to time for the IRFD pursuant to the Law.

"Qualified Purchaser" means (a) a qualified institutional buyer, as that term is defined in Securities and Exchange Commission Rule 144A promulgated under the Securities Act of 1933, as amended and (b) an "institutional accredited investor," which consists of accredited investors as defined in subsections (a)(1), (2), (3) and (7) of Securities and Exchange Commission Rule 501 promulgated under the Securities Act of 1933, as amended.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, insurance policy surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) in the case of a commercial bank, the long-term credit rating of such bank at the time of delivery of the irrevocable standby or direct-pay letter of credit is at least "A" from S&P or "A" from Moody's and, in the case of an insurance company, the claims paying ability of such insurance company at the time of delivery of the insurance policy or surety bond is at least "A" from S&P, or "A" from Moody's or, if not rated by S&P or Moody's but is rated by A.M. Best & Company, is rated at the time of delivery in the highest rating category by A.M. Best & Company; (b) such letter of credit or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2022 Facilities Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account that are payable from the 2022 Facilities Reserve Account for the purpose of making payments required pursuant to 4.04 of this Indenture.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Facilities Bonds.

"Report" means a document in writing signed by an Independent Economic Consultant and including:

- (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;

- (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

- (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"S&P" means S&P Global, a division of McGraw-Hill, and its successors and assigns.

"Securities Depositories" DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the IRFD may designate in an Officer's Certificate delivered to the Trustee.

"Serial Facilities Bonds" means all Facilities Bonds other than Term Facilities Bonds.

"Series 2022A Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Series 2022A Facilities Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment).

"Series 2022A Resolution of Issuance" means Resolution No. 161-22, which was adopted by the Board of Supervisors as the legislative body of the IRFD on April 19, 2022, and signed by the Mayor on April 28, 2022.

"State" means the State of California.

"Subordinate Facilities Debt" means any loans, advances or indebtedness issued or incurred by the IRFD pursuant to Section 3.06, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Facilities Increment; or (b) secured by a pledge of or lien upon the Pledged Facilities Increment which is expressly subordinate to the pledge of and lien upon the Pledged Facilities Increment hereunder for the security of the Facilities Bonds.

"Subordinate Facilities Debt Instrument" means any instrument providing for the issuance of Subordinate Facilities Debt.

"Supplemental Indenture" means any resolution, agreement or other instrument which has been duly adopted or entered into by the IRFD, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Term Facilities Bonds" means that portion of any Facilities Bonds payable from mandatory sinking account payments.

"Trigger Amount" has the meaning given that term in the Infrastructure Financing Plan.

"Trustee" means Zions Bancorporation, National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"Written Request of the IRFD" or "Written Certificate of the IRFD" means a request or certificate, in writing signed by the Director of the Office of Public Finance on behalf of the IRFD, or such other officer of the City identified by the Controller of the City to act on behalf of the IRFD.

"2022 Facilities Reserve Account" means the fund designated the "2022 Facilities Reserve Account" established under Section 4.03 and administered under Section 4.04.

"2022 Facilities Reserve Requirement" means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds, if any, (b) 125% of average Annual Debt Service on the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds, if any and (c) 10% of the original principal of the Series 2022A Facilities Bonds and 2022 Related Facilities Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2022A Facilities Bonds or any 2022 Related Facilities Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2022A Facilities Bonds or any 2022 Related Facilities Bonds was less than 98% or more than 102% of the original principal amount of the Series 2022A Facilities Bonds or any 2022 Related Facilities Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the 2022 Facilities Reserve Account on the date of issuance of the Series 2022A Facilities Bonds (if they are the only Bonds covered by the 2022 Facilities Reserve Account) or the most recently issued series of 2022 Related Facilities Bonds except in connection with any increase associated with the issuance of 2022 Related Facilities Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Facilities Reserve Account in connection with the issuance of a series of 2022 Related Facilities Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

"2022 Related Facilities Bonds" means any series of Facilities Bonds for which (i) the proceeds are deposited into the 2022 Facilities Reserve Account so that the balance therein is equal to the 2022 Facilities Reserve Requirement following issuance of such Facilities Bonds and (ii) the related Supplemental Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Facilities Bonds.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Facilities Bonds and Series 2022A Facilities Bonds.

The Facilities Bonds are hereby authorized to be issued by the IRFD under and subject to the terms of the Original Resolution of Issuance, this Indenture and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Facilities Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Facilities Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

An initial series of Facilities Bonds, which was authorized by the Board of Supervisors, acting as the legislative body of the IRFD, pursuant to the Original Resolution of Issuance, as supplemented by the Series 2022A Resolution of Issuance, shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment)" and shall be issued in the initial aggregate principal amounts of \$24,270,000.

Section 2.02. Terms of Series 2022A Facilities Bonds. The Series 2022A Facilities Bonds shall be issued in fully registered form without coupons. The Series 2022A Facilities Bonds shall be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, so long as no Series 2022A Facilities Bond shall have more than one maturity date. The Series 2022A Facilities Bonds shall be dated as of their Closing Date. The Series 2022A Facilities Bonds shall be lettered and numbered as the Trustee shall prescribe.

The Series 2022A Facilities Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2022A Facilities Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
<u>2027 (T)</u>	<u>\$2,035,000</u>	<u>5.00%</u>
<u>2032 (T)</u>	<u>2,575,000</u>	<u>5.00</u>
<u>2037 (T)</u>	<u>3,290,000</u>	<u>5.00</u>
<u>2052 (T)</u>	<u>16,370,000</u>	<u>5.00</u>

(T) Term Bond

Each Series 2022A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2023, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2022A Facilities Bond, interest thereon is in default, such Series 2022A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2022A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2022A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2022A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2022A Facilities Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03. Redemption of Series 2022A Facilities Bonds.

(a) Optional Redemption – Series 2022A Facilities Bonds. The Series 2022A Facilities Bonds maturing on or before September 1, 2032 are not subject to optional redemption prior to their respective stated maturities. The Series 2022A Facilities Bonds maturing on and after September 1, 2037, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2032, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2022A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2022A Facilities Bonds. The Series 2022A Facilities Bonds that are Term Facilities Bonds and maturing September 1, 2027, September 1, 2032, September 1, 2037 and September 1, 2052 shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Facilities Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Facilities Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination shall be given by the IRFD to the Trustee).

Term Facilities Bonds of 2027

<u>September 1</u>	<u>Principal Amount</u>
2023	\$385,000
2024	385,000
2025	400,000
2026	420,000
2027 (maturity)	445,000

Term Facilities Bonds of 2032

<u>September 1</u>	<u>Principal Amount</u>
2028	\$465,000
2029	490,000
2030	515,000
2031	540,000
2032 (maturity)	565,000

Term Facilities Bonds of 2037

<u>September 1</u>	<u>Principal Amount</u>
2033	\$595,000
2034	625,000
2035	655,000
2036	690,000
2037 (maturity)	725,000

Term Facilities Bonds of 2052

<u>September 1</u>	<u>Principal Amount</u>
2038	\$760,000
2039	795,000
2040	835,000
2041	880,000
2042	920,000
2043	970,000
2044	1,015,000
2045	1,070,000
2046	1,120,000
2047	1,175,000
2048	1,235,000
2049	1,300,000
2050	1,365,000
2051	1,430,000
2052 (maturity)	1,500,000

(c) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the IRFD shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Facilities Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities

Rulemaking Board's Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Facilities Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the IRFD to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Facilities Bonds to be redeemed, shall state the individual number of each Facilities Bond to be redeemed or shall state that all Facilities Bonds between two stated numbers (both inclusive) or all of the Facilities Bonds Outstanding are to be redeemed, and shall require that such Facilities Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Facilities Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the IRFD shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Facilities Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The IRFD and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Facilities Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Facilities Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of Facilities Bonds. In the event only a portion of any Facilities Bond is called for redemption, then upon surrender of such Facilities Bond the IRFD shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the IRFD, a new Facilities Bond or Facilities Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Facilities Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Facilities Bonds so called for redemption shall have been duly deposited with the Trustee, such Facilities Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Unless otherwise specified in a Supplemental Indenture, whenever any Facilities Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the IRFD thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Facilities Bonds, the Trustee shall assign to each Facilities Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Facilities Bond. The Facilities Bonds to be redeemed shall be the Facilities Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such

Facilities Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Facilities Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(g) Purchase in Lieu of Redemption. In lieu of redemption of the Term Facilities Bonds, amounts on deposit in the Net Available Facilities Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the IRFD and the Trustee, respectively, at any time, upon the Written Request of the IRFD, for the purchase of the Term Facilities Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the IRFD may in its discretion determine. The par amount of any Term Facilities Bonds so purchased by the IRFD in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Facilities Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

Section 2.04. Form of Series 2022A Facilities Bonds. The Series 2022A Facilities Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of Facilities Bonds. The Facilities Bonds shall be executed on behalf of the IRFD by the City's Director of the Office of Public Finance or a designee of the City's Controller, and the signature of the Clerk of the Board of Supervisors who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Facilities Bond ceases to be such officer before delivery of the Facilities Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Facilities Bonds to the purchaser. Any Facilities Bond may be signed and attested on behalf of the IRFD by such persons as at the actual date of the execution of such Facilities Bond shall be the proper officers of the IRFD although on the date of such Facilities Bond any such person shall not have been such officer of the IRFD.

Only such of the Facilities Bonds as shall bear thereon a Trustee's Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate shall be conclusive evidence that such Facilities Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Facilities Bonds are issued pursuant to Section 2.09 hereof, the temporary Bonds may bear thereon a Trustee's Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary Facilities Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Facilities Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Facilities Bonds.

(a) General. Any Facilities Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Facilities Bond to the Trustee

at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Facilities Bond shall be surrendered for transfer, the IRFD shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Facilities Bond or Facilities Bonds of like tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Facilities Bonds pursuant to this Section 2.06. The cost of printing Facilities Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the IRFD.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Facilities Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Facilities Bonds for redemption, or (b) any Facilities Bonds selected by the Trustee for redemption.

(b) Additional Transfer Restrictions Applicable to the Series 2022A Facilities Bonds. No transfer, sale or other disposition of any Series 2022A Facilities Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2022A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2022A Facilities Bond. Each transferee of a Series 2022A Facilities Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2022A Facilities Bond for its own account for investment purposes and not with a view to distributing such Series 2022A Facilities Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2022A Facilities Bonds are payable from Pledged Facilities Increment and such other funds described in the Indenture, (iii) the Series 2022A Facilities Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2022A Facilities Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2022A Facilities Bonds shall deposit the Series 2022A Facilities Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2022A Facilities Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2022A Facilities Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2022A Facilities Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 2.06(b). In the event that a holder of the Series 2022A Facilities Bonds makes an assignment of its beneficial ownership interest in the Series 2022A Facilities Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2022A Facilities Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2022A Facilities Bond registered in the name of DTC or the Nominee shall be deemed to comply with this Indenture so long as each Beneficial Owner of such Series 2022A Facilities Bond is a Qualified Purchaser.

Section 2.07. Exchange of Facilities Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Facilities Bonds of the same tenor and maturity and of other authorized denominations. The Trustee shall collect any tax or other governmental charge on the exchange of any Facilities Bonds pursuant to this Section 2.07. The cost of printing Facilities Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the IRFD.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Facilities Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Facilities Bonds for redemption or (b) any Facilities Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Facilities Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Facilities Bonds, which shall at all times during normal business hours be open to inspection and copying by the IRFD, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Facilities Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Facilities Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Facilities Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the IRFD, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Facilities Bond shall be executed by the IRFD upon the same conditions and in substantially the same manner as the definitive Facilities Bonds. If the IRFD issues temporary Facilities Bonds, it will execute and furnish definitive Facilities Bonds without delay, and thereupon the temporary Facilities Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Facilities Bonds an equal aggregate principal amount of definitive Facilities Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Facilities Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Facilities Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Facilities Bond shall become mutilated, the IRFD, at the expense of the Owner of such Facilities Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Facilities Bond of like tenor and amount in exchange and substitution for the Facilities Bond so mutilated, but only upon surrender to the Trustee of the Facilities Bond so mutilated. Every mutilated Facilities Bond so surrendered to the Trustee shall be canceled by it. If any Facilities Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the IRFD, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Facilities Bond of like tenor and amount in lieu of and in substitution for the Facilities Bond so lost, destroyed or stolen (or if any such Facilities Bond has matured or has been called for redemption, instead of issuing a substitute Facilities Bond, the Trustee may pay

the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the IRFD). The IRFD may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Facilities Bond issued under this Section 2.10 and of the expenses which may be incurred by the IRFD and the Trustee in the premises. Any Facilities Bond issued under the provisions of this Section in lieu of any Facilities Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the IRFD whether or not the Facilities Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Facilities Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry System.

(a) Original Delivery. The Facilities Bonds shall be initially delivered in the form of a separate single fully registered Facilities Bond without coupons (which may be typewritten) for each maturity of the Facilities Bonds. Upon initial delivery, the ownership of each such Facilities Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Facilities Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Facilities Bonds the ownership of which shall be registered in the name of the Nominee, neither the IRFD nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Facilities Bonds (the "Beneficial Owners"). Without limiting the generality of the immediately preceding sentence, neither the IRFD nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Facilities Bonds, (ii) the delivery to any Depository System Participant, any Beneficial Owner or any other person, other than an Owner of a Facilities Bond as shown in the Registration Books, of any notice with respect to the Facilities Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Facilities Bonds to be redeemed in the event the IRFD elects to redeem the Facilities Bonds in part, (iv) the payment to any Depository System Participant, any Beneficial Owner or any other person, other than an Owner of a Facilities Bond as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Facilities Bonds or (v) any consent given or other action taken by the Depository as Owner of the Facilities Bonds. The IRFD and the Trustee may treat and consider the person in whose name each Facilities Bond is registered as the absolute owner of such Facilities Bond for the purpose of payment of principal, premium and interest on such Facilities Bond, for the purpose of giving notices of redemption and other matters with respect to such Facilities Bond, for the purpose of registering transfers of ownership of such Facilities Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Facilities Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Facilities Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Facilities Bond shall receive a Facilities Bond evidencing the obligation of the IRFD to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the IRFD shall promptly deliver a copy of the same to the Trustee.

DTC may determine to discontinue providing its services with respect to the Facilities Bonds at any time by giving written notice to the IRFD and the Trustee during any time that the Facilities Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The IRFD may terminate the services of DTC with respect to the Facilities Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Facilities Bonds or that continuation of the system of book-entry transfer through DTC is not in the best interest of the Beneficial Owners, and the IRFD shall mail notice of such termination to the Trustee.

Upon termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing to undertake such functions upon reasonable or customary terms, or if the IRFD determines that it is in the best interest of the Beneficial Owners of the Facilities Bonds that they be able to obtain certified Facilities Bonds, the Facilities Bonds shall no longer be restricted to being registered in the Facilities Bond register of the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners.

(b) Representation Letter. In order to qualify the Facilities Bonds for the Depository's book-entry system, the IRFD shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Facilities Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the IRFD or the Trustee any obligation whatsoever with respect to persons having interests in the Facilities Bonds other than the Owners of the Facilities Bonds. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the IRFD may take any other actions, not inconsistent with this Indenture, to qualify the Facilities Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Facilities Bonds, or (ii) the IRFD determines to terminate the Depository as such, then the IRFD shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the IRFD and the Trustee in the issuance of replacement Facilities Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Facilities Bonds, and by surrendering the Facilities Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Facilities Bonds are to be issued. The Depository, by accepting delivery of the Facilities Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the IRFD fails to identify another Securities Depository to replace the Depository, then the Facilities Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Facilities Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Facilities Bond and all notices with respect to such Facilities Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.12. Applicability of Provisions to Additional Facilities Bonds.

Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03 and 2.05 through 2.11 shall apply to additional Facilities Bonds.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2022A FACILITIES BONDS; ISSUANCE OF PARITY FACILITIES DEBT

Section 3.01. Issuance of Series 2022A Facilities Bonds. Upon the execution and delivery of this Indenture, the IRFD shall execute and deliver to the Trustee the Series 2022A Facilities Bonds in the aggregate principal amount of Twenty-Four Million Two Hundred Seventy Thousand Dollars (\$24,270,000), and the Trustee shall authenticate and deliver the Series 2022A Facilities Bonds upon the Written Request of the IRFD.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date, the proceeds of sale of the Series 2022A Facilities Bonds, (being \$24,710,084.09, representing the par amount of the Series 2022A Facilities Bonds (\$24,270,000.00), plus original issue premium of \$793,085.00, less an underwriter's discount of \$353,000.91), shall be paid to the Trustee and applied as follows:

- (i) The Trustee shall deposit the amount of \$684,000.00 in the Series 2022A Costs of Issuance Fund.
- (ii) The Trustee shall deposit the amount of \$22,446,334.09 in the Series 2022A Project Account of the Facilities Project Fund.
- (iii) The Trustee shall deposit \$1,579,750.00, being the remaining amount of proceeds of the Series 2022A Facilities Bonds, in the 2022 Facilities Reserve Account.

Section 3.03. Series 2022A Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2022A Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2022A Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2022A Facilities Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is twelve (12) months following the Closing Date with respect to the Series 2022A Facilities Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2022A Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2022A Project Account of the Facilities Project Fund. At such time, the Series 2022A Costs of Issuance Fund shall be closed. Additional costs of issuance accounts may be opened in connection with the issuance of an additional series of Facilities Bonds issued pursuant to a Supplemental Indenture.

Section 3.04. Facilities Project Fund.

(a) There shall be established with respect to the IRFD a separate and segregated fund to be known as the "IRFD Facilities Project Fund" (the "Facilities Project Fund"), which the Trustee shall hold in trust for the benefit of the IRFD. The moneys in the Facilities Project Fund shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Facilities Project Fund shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Facilities Project Fund shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Facilities Project Fund and the accounts therein upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the Director of the Office of Public Finance of the City or her or his designee.

(c) Within the Facilities Project Fund there shall be established as a separate account therein an account designated the "Series 2022A Project Account". The IRFD may direct the Trustee to establish additional accounts within the Facilities Project Fund pursuant to a Supplemental Indenture. The IRFD may direct the Trustee in writing to close an account within the Facilities Project Fund.

(d) Moneys in the Facilities Project Fund (or account therein) shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Facilities Project Fund (or account therein).

Section 3.05. Issuance of Parity Facilities Debt. In addition to the Series 2022A Facilities Bonds, the IRFD may issue Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the IRFD with Net Available Facilities Increment in such principal amount as shall be determined by the IRFD. Any Parity Facilities Debt shall be secured by a pledge of Pledged Facilities Increment as set forth in Section 4.01. The IRFD may issue and deliver any such Parity Facilities Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Facilities Debt:

(a) Except as provided in subsection (i) below, no event of default hereunder, under any Parity Facilities Debt Instrument or under any Subordinate Facilities Debt Instrument shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Facilities Debt, and the IRFD shall otherwise be in compliance with all covenants set forth in this Indenture.

(b) Except as provided in subsection (i) below, based on the most recent taxable valuation of property in the Project Areas of the IRFD that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the IRFD that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the IRFD or the City, plus at the option of the IRFD the amount of any Additional Facilities Revenues, the Pledged Facilities Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Facilities Debt then proposed to be issued or incurred.

(c) In the case of Parity Facilities Debt issued as additional Facilities Bonds under this Indenture, the Supplemental Indenture providing for the issuance of such Facilities Bonds shall provide for (i) a deposit to the 2022 Facilities Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Facilities Reserve Requirement following issuance of the additional Facilities Bonds, or (ii) a deposit to a reserve account for such additional Facilities Bonds (and such other series of Facilities Bonds identified by the IRFD) in an amount defined in such

Supplemental Indenture, as long as such Supplemental Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account and that the Owners of the Facilities Bonds covered by the 2022 Facilities Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Facilities Reserve Account or another reserve account as long as such Supplemental Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account or any other reserve account. The Supplemental Indenture may provide that the IRFD may satisfy the 2022 Facilities Reserve Requirement for a series of Parity Facilities Debt issued as additional Facilities Bonds under this Indenture by the deposit into the reserve account established pursuant to such Supplemental Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Indenture.

Nothing in this Indenture establishes a requirement for the IRFD to establish a debt service reserve account for Parity Facilities Debt that is not issued as additional Facilities Bonds under this Indenture.

(d) Principal with respect to such Parity Facilities Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the IRFD following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the IRFD. Pursuant to the Original Resolution of Issuance, the following Parity Facilities Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the IRFD: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Facilities Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the IRFD following the issuance of such Parity Facilities Debt.

(g) The proceeds of the Parity Facilities Debt shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in subsection (i), the IRFD shall deliver to the Trustee (i) a Written Certificate of the IRFD certifying that the conditions precedent to the issuance of such Parity Facilities Debt set forth in subsections (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition

precedent to the issuance of such Parity Facilities Debt set forth in subsection (g) has been satisfied.

(i) The conditions set forth in subsections (a) and (b) of this Section shall not apply to the issuance or incurrence of any Parity Facilities Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2022A Facilities Bonds or any other outstanding Parity Facilities Debt, provided that debt service payable in each year with respect to the proposed Parity Facilities Debt is less than the debt service otherwise payable in each year with respect to the Series 2022A Facilities Bonds or Parity Facilities Debt, or portion thereof, proposed to be refunded.

Section 3.06. Issuance of Subordinate Facilities Debt. (a) The IRFD may issue or incur Subordinate Facilities Debt in such principal amount as shall be determined by the IRFD. The IRFD may issue or incur such Subordinate Facilities Debt secured by a pledge of Pledged Facilities Increment that is subordinate to the pledge of Pledged Facilities Increment to the Facilities Bonds and any Parity Facilities Debt, subject to the following specific conditions precedent:

The issuance of such Subordinate Facilities Debt shall comply with the conditions set forth in Section 3.05 (e) and (f).

(b) The Subordinate Facilities Debt shall be payable from Pledged Facilities Increment and secured by a pledge of Net Available Facilities Increment on a subordinate basis to the IRFD's pledge of Net Available Facilities Increment as security for its obligation to repay the City from Net Available Facilities Increment for any Conditional City Increment used to pay debt service on obligations of the IRFD, as set forth in the Infrastructure Financing Plan.

(c) The IRFD shall deliver to the Trustee a Written Certificate of the IRFD certifying that the conditions precedent to the issuance of such Subordinate Facilities Debt set forth in the preceding subsections have been satisfied.

(d) As of the date of this Indenture, the IRFD has previously incurred a Subordinate Facilities Debt under a Subordinate Pledge Agreement, dated May 29, 2015, by the City on behalf of the IRFD for the benefit of the United States of America. The pledge of Net Available Facilities Increment under the Subordinate Pledge Agreement is subordinate to the pledge of Net Available Facilities Increment to Facilities Bonds and Parity Facilities Debt and to the IRFD's obligation to repay the City from Net Available Facilities Increment as set forth in the preceding subsection (b).

Section 3.07. Validity of Facilities Bonds. The validity of the authorization and issuance of the Facilities Bonds shall not be dependent upon the completion of the uses to which the proceeds of the Facilities Bonds are put or upon the performance by any person of his obligation with respect to the IRFD.

ARTICLE IV

SECURITY OF FACILITIES BONDS; FLOW OF FUNDS

Section 4.01. Security of Facilities Bonds; Equal Security. Except as provided in Section 6.06, the Series 2022A Facilities Bonds and any Parity Facilities Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Facilities Increment (including Pledged Facilities Increment in the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account).

The Series 2022A Facilities Bonds and any additional Facilities Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Facilities Debt Service Fund, the Interest Account, the Principal Account and the Redemption Account without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery.

The Series 2022A Facilities Bonds and all 2022 Related Facilities Bonds shall be equally secured by a pledge of, security interest in and lien on all of the moneys in the 2022 Facilities Reserve Account (except as otherwise provided herein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery.

Except for the Pledged Facilities Increment and such moneys specified above, no funds or properties of the IRFD (including but not limited to the Net Available Housing Increment and Conditional City Housing Increment deposited into the Conditional City Housing Increment Special Account) shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Bonds.

In consideration of the acceptance of the Facilities Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the IRFD and the Owners from time to time of the Facilities Bonds, and the covenants and agreements herein set forth to be performed on behalf of the IRFD shall be for the equal and proportionate benefit, security and protection of all Owners of the Facilities Bonds without preference, priority or distinction as to security or otherwise of any of the Facilities Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Special Funds and Accounts; Deposit of Net Available Facilities Increment and Conditional City Facilities Increment.

(a) Net Available Increment Special Fund; Net Available Housing Increment Special Account; Net Available Facilities Increment Special Account. The IRFD shall establish a fund to be held by or on behalf of the IRFD as a separate restricted account, to be known as the "Net Available Increment Special Fund." The IRFD shall establish the following accounts within the Net Available Increment Special Fund to be held by or on behalf of the IRFD as separate restricted accounts: the "Net Available Housing Increment Special Account" and the "Net Available Facilities Increment Special Account."

Amounts on deposit in the Net Available Housing Increment Special Account shall be transferred and applied as provided in a bond indenture or other agreement providing for the

pledge or use of the Net Available Housing Increment in accordance with the Infrastructure Financing Plan.

(b) Deposits into the Net Available Increment Special Fund, the Net Available Housing Increment Special Account and the Net Available Facilities Increment Special Account. Promptly upon receipt thereof, if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were not deducted prior to allocation to the IRFD, the IRFD shall set such amounts aside for payment pursuant to Section 53369.31.

Thereafter, or if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were deducted prior to payment of the Net Available Increment to the IRFD, the IRFD shall deposit 82.5% of the Net Available Increment received in any Bond Year in the Net Available Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel) and 17.5% of such Net Available Increment in the Net Available Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The IRFD may establish separate accounts within the Net Available Increment Special Fund, and separate sub-accounts within the Net Available Facilities Increment Special Account and the Net Available Housing Increment Special Account in its discretion.

Amounts deposited to and held by the IRFD in the Net Available Increment Special Fund and the accounts therein shall be at all times separately accounted for by the IRFD from all other funds or accounts, and the Net Available Facilities Increment shall be used and applied solely as set forth in this Indenture.

The Net Available Facilities Increment received in any Bond Year and deposited into the Net Available Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in Section 4.01 until such time during such Facilities Bond Year as the amounts on deposit in the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (i) for deposit into the Interest Account, the Principal Account, the 2022 Facilities Reserve Account, any other reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in such Bond Year pursuant to Section 4.03 hereof and, if applicable, (ii) with respect to any Parity Facilities Debt other than Bonds pursuant to the applicable Parity Facilities Debt Instrument.

All Net Available Facilities Increment received by the IRFD during any Bond Year in excess of the amount required to be deposited in the Net Available Facilities Increment Special Account during such Bond Year pursuant to the preceding paragraph of this Section shall be released from the pledge, security interest and lien hereunder for the security of the Facilities Bonds and any additional Parity Facilities Debt and may be applied by the IRFD for any lawful purpose of the IRFD, including but not limited to the repayment of the City for use of Conditional City Facilities Increment to pay debt service on the Facilities Bonds or any Parity Facilities Debt, payment of Subordinate Facilities Debt, payment of administrative expenses of the IRFD, or the payment of any amounts due and owing to the United States of America pursuant to Section 5.12.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indenture or Parity Facilities Debt Instrument, the IRFD shall not have

any beneficial right or interest in the moneys on deposit in the Net Available Facilities Increment Special Account, except as may be provided in this Indenture and in any Supplemental Indenture or Parity Facilities Debt Instrument.

(c) Conditional City Increment Special Fund; Conditional City Facilities Increment Special Account; Conditional City Housing Increment Special Account. The IRFD shall establish a fund to be held by or on behalf of the IRFD as a separate restricted account, to be known as the "Conditional City Increment Special Fund." The IRFD shall establish the following accounts within the Conditional City Increment Special Fund to be held by or on behalf of the IRFD as separate restricted accounts: the "Conditional City Facilities Increment Special Account" and the "Conditional City Housing Increment Special Account."

Amounts on deposit in the Conditional City Housing Increment Special Account shall be transferred and applied as provided in a bond indenture or other agreement providing for the pledge or use of the Conditional City Housing Increment in accordance with the Infrastructure Financing Plan.

(d) Deposits into the Conditional City Increment Special Fund, Conditional City Facilities Increment Special Account and the Conditional City Housing Increment Special Account. Promptly upon receipt thereof, if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were not deducted prior to allocation to the IRFD, the IRFD shall set such amounts aside for payment pursuant to Section 53369.31.

Thereafter, or if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were deducted prior to payment of the Conditional City Increment to the IRFD, the IRFD shall deposit 82.5% of the Conditional City Increment received in any Bond Year in the Conditional City Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel) and 17.5% of such Conditional City Increment in the Conditional City Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The IRFD may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Facilities Increment Special Account and the Conditional City Housing Increment Special Account in its discretion.

Amounts deposited to and held by the IRFD in the Conditional City Increment Special Fund and the accounts therein shall be at all times separately accounted for by the IRFD from all other funds or accounts, and the Conditional City Facilities Increment shall be used and applied solely as set forth in this Indenture.

The Conditional City Facilities Increment received in any Bond Year and deposited into the Conditional City Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in Section 4.01 until such time during such Bond Year as the amount of Net Available Facilities Increment on deposit in the Net Available Facilities Increment Special Account is equal to the aggregate amounts required to be transferred in such Bond Year (i) for deposit into the Interest Account, the Principal Account, and the Redemption Account in such Bond Year pursuant to Section 4.03 hereof and, if applicable, (ii) with respect to any Parity Facilities Debt other than additional Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Facilities Increment shall be released from the pledge, security interest and lien hereunder for the security of the Facilities Bonds and any additional Parity Facilities Debt..

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account shall be released from the pledge, security interest and lien hereunder for the security of the Facilities Bonds and any additional Parity Facilities Debt following payment of the principal or redemption price of and interest on the Facilities Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Facilities Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Facilities Increment is released as described in the preceding two paragraphs, the IRFD shall, first, use any Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Facilities Increment to the City.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indenture or Parity Facilities Debt Instrument, the IRFD shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Facilities Increment Special Account, except as may be provided in this Indenture and in any Supplemental Indenture or Parity Facilities Debt Instrument.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Facilities Debt Service Fund, which shall be held by the Trustee hereunder in trust. Moneys in the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account, in that order and as provided in this 4.03, with moneys in the Net Available Facilities Increment Special Account being exhausted before moneys in the Conditional City Facilities Increment Special Account are used, shall be transferred by the IRFD to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Facilities Debt Service Fund, and in the following order of priority (provided that, if on the fifth (5th) Business Day prior to the date the IRFD is required to transfer amounts on deposit in the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Parity Facilities Debt other than Bonds, the IRFD shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the third (3rd) Business Day preceding each Interest Payment Date, the IRFD shall withdraw from the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account, in that order, and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Facilities Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon

all of the Outstanding Facilities Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Facilities Bonds as it shall become due and payable (including accrued interest on any Facilities Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the third (3rd) Business Day preceding September 1 in each year beginning September 1, 2023_, the IRFD shall withdraw from the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account, in that order, and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Facilities Bonds and Outstanding Term Facilities Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Facilities Bonds and Term Facilities Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Facilities Bonds and the Term Facilities Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Debt Service Reserve Accounts. In the event that (i) the amount on deposit in the 2022 Facilities Reserve Account at any time becomes less than the 2022 Facilities Reserve Requirement or (ii) the amount in any other reserve account that is held by the Trustee for Bonds that are not 2002 Related Bonds becomes less than its required amount, the Trustee shall promptly notify the IRFD of such fact. Promptly upon receipt of any such notice, the IRFD shall, without preference or priority and on a pro rata basis based on the outstanding principal amount of any Facilities Bonds or other Parity Facilities Debt, (i) transfer to the Trustee an amount of Net Available Facilities Increment sufficient for the amount on deposit in the 2022 Facilities Reserve Account to equal the 2022 Facilities Reserve Requirement, (ii) transfer to the Trustee an amount of Net Available Facilities Increment sufficient for the amount on deposit in such other reserve account held by the Trustee to equal its required amount and (iii) transfer as necessary to increase the amount in a debt service reserve account for any Parity Facilities Debt that is not held by the Trustee to its required amount. If there shall then not be sufficient Net Available Facilities Increment to make the transfers described in the preceding sentence, the IRFD shall be obligated to continue making transfers as Net Available Facilities Increment becomes available in the Net Available Facilities Increment Special Account until there is an amount sufficient to make the required transfers.

Moneys in the 2022A Reserve Account shall be governed by Section 4.04.

(d) Redemption Account. On or before the Business Day preceding any date on which the Series 2022A Facilities Bonds are to be optionally redeemed pursuant to Section 2.03(a) or other series of Facilities Bonds are to be optionally redeemed pursuant to a Supplemental Indenture, the Trustee shall withdraw from the Facilities Debt Service Fund any amount transferred by the IRFD pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Series 2022A Facilities Bonds and on other Bonds to be optionally redeemed on such date pursuant to Section 2.03(a) or a similar

provision of a Supplemental Indenture. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Series 2022A Facilities Bonds and on such other Bonds to be optionally redeemed pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture on the date set for such optional redemption. Interest due on the Series 2022A Facilities Bonds or such other Bonds to be optionally redeemed on the date set for optional redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of optional redemption of any such Series 2022A Facilities Bonds or such other Bonds, the Trustee may, at the direction of the IRFD, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2022A Facilities Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Series 2022A Facilities Bonds or such other Bonds, which is payable from the Interest Account) s shall be directed by the IRFD.

Section 4.04. 2022 Facilities Reserve Account.

(a) Use of 2022 Facilities Reserve Account. Except as provided in this Section 4.04, all money in the 2022 Facilities Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority to pay principal of and interest on the Series 2022A Facilities Bonds and any 2022 Related Facilities Bonds, in the event of any deficiency at any time in any of such accounts.

So long as the IRFD is not in default hereunder, any amount in the 2022 Facilities Reserve Account in excess of the 2022 Facilities Reserve Requirement shall be withdrawn by the Trustee from the 2022 Facilities Reserve Account semiannually on or before the fifth (5th) Business Day preceding each March 1 and September 1 for the following purposes, as directed in a Written Certificate of the IRFD: (i) to make a payment to the federal government to comply with Section 5.12 and (ii) to pay for authorized costs under the DDA Financing Plan, the Infrastructure Financing Plan and the Law.

(b) Investment. Moneys in the 2022 Facilities Reserve Account shall be invested by the Trustee under Section 6.07.

(c) Qualified Reserve Account Credit Instruments. The IRFD shall have the right at any time to direct the Trustee to release funds from the 2022 Facilities Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2022A Facilities Bonds or any 2022 Related Facilities Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the IRFD to the Trustee of a written calculation of the amount permitted to be released from the 2022 Facilities Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the 2022 Facilities Reserve Account to the related account(s) in the Facilities Project

Fund to be used for the purposes thereof. Upon the scheduled expiration of any Qualified Reserve Account Credit Instrument, the IRFD shall either (i) replace such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the 2022 Facilities Reserve Requirement, which deposit shall be derived from the first Net Available Facilities Increment that is available for that Bond Year or, if necessary any succeeding Bond Years, but only after the IRFD has transferred or provided for the transfer of amounts (A) to be deposited into the Interest Account, the Principal Account, any debt service reserve account for Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in such Bond Year and (B) required in such Bond Year under a Parity Facilities Debt Instrument with respect to any Parity Facilities Debt other than Facilities Bonds.

If the Qualified Reserve Account Credit Instrument is in the form of a letter of credit and the IRFD has not renewed or replaced such letter of credit two weeks prior to its expiration or termination, the Trustee shall draw on such letter of credit in full and deposit the proceeds of such draw in the 2022 Facilities Reserve Account.

If the 2022 Facilities Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Facilities Debt Service Fund with respect to the Series 2022A Facilities Bonds and any 2022 Related Facilities Bonds. If the 2022 Facilities Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Facilities Debt Service Fund with respect to the Series 2022A Facilities Bonds and any 2022 Related Facilities Bonds shall be pro rata with respect to the stated amount of each such instrument.

In the event that a Qualified Reserve Account Credit Instrument is available to be drawn upon for only one or more particular series of Facilities Bonds covered by the 2022 Facilities Reserve Account, a separate subaccount in the 2022 Facilities Reserve Account may be established for such series, and the calculation of the 2022 Facilities Reserve Requirement with respect to the other Bonds covered by the 2022 Facilities Reserve Account shall exclude the debt service on such series of Facilities Bonds.

The IRFD will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2022 Facilities Reserve Account with cash if, at any time that the Series 2022A Facilities Bonds or any 2022 Related Facilities Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account Credit Instrument or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the IRFD shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

The IRFD and the Trustee shall comply with the terms of the Qualified Reserve Account Credit Instrument as shall be required to receive payments thereunder in the event and to the extent required under this Section.

ARTICLE V

OTHER COVENANTS OF THE IRFD

Section 5.01. Punctual Payment. The IRFD shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Facilities Bonds together with the premium thereon, if any, in strict conformity with the terms of the Facilities Bonds and of this Indenture. The IRFD shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Facilities Bonds. Nothing herein contained shall prevent the IRFD from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances. The IRFD hereby covenants that, so long as the Facilities Bonds are Outstanding, the IRFD shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Facilities Increment, excepting only (i) the Series 2022A Facilities Bonds, (ii) any Parity Facilities Debt and (iii) any Subordinate Facilities Debt. The IRFD will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Facilities Increment or other amounts pledged to the Facilities Bonds superior or equal to the pledge and lien herein created for the benefit of the Facilities Bonds.

Section 5.03. Extension of Payment. The IRFD will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Facilities Bond or claim for interest on any of the Facilities Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Facilities Bonds or claims for interest in any other manner. In case the maturity of any Facilities Bond or claim for interest shall be extended or funded, whether or not with the consent of the IRFD, any Facilities Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Facilities Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The IRFD shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the IRFD or upon the Pledged Facilities Increment or other amounts pledged to the payment of the Facilities Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Facilities Bonds. Nothing herein contained shall require the IRFD to make any such payment so long as the IRFD in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The IRFD shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the IRFD and the City and County of San Francisco, in which complete and correct entries shall be made of all transactions relating to the IRFD, the Project Areas, the Net Available Facilities Increment, the Conditional City Facilities Increment, the Facilities Project Fund, the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account. Such books of record and accounts shall at all times during business hours be subject to the Owners of not less than ten percent (10%) in aggregate principal amount of the Facilities Bonds then Outstanding, or their representatives authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The IRFD will preserve and protect the security of the Facilities Bonds and the rights of the Owners. From and after the Closing Date with respect to the Series 2022A Facilities Bonds, the Facilities Bonds shall be incontestable by the IRFD.

Section 5.07. Maintenance of Pledged Facilities Increment.

(a) The IRFD shall comply with all requirements of the Law to insure the allocation and payment to it of the Pledged Facilities Increment. The IRFD shall not undertake proceedings for amendment of the Infrastructure Financing Plan if such amendments will impair the IRFD's ability to pay debt service on the Facilities Bonds or, in and of themselves, cause the amount of Pledged Facilities Increment available to the IRFD for application hereunder in any succeeding Fiscal Year to fall below 125% of Maximum Annual Debt Service.

(b) The IRFD shall use the proceeds of the Facilities Bonds so as to ensure that the Pledged Facilities Increment may be used under the Law for the purposes set forth herein. The covenant set forth in the first sentence of this subsection (b) is of a special and unique kind and character, and there would not be an adequate remedy at law for a breach of such covenant. Therefore, the IRFD agrees that the covenant may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California. In pursuing specific performance of such covenant, the party seeking to enforce such covenant shall be entitled to petition the court for injunctive relief, including, but not limited to, an order of the court restraining any use of the proceeds of the Facilities Bonds that is inconsistent with such covenant.

Section 5.08. Compliance with the Law. The IRFD shall ensure that all activities undertaken by the IRFD are undertaken and accomplished in conformity with all applicable requirements of the Infrastructure Financing Plan and the Law.

Section 5.09. Plan Limit.

(a) The IRFD shall manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment available under the Plan Limit in the amounts and at the times required to enable the IRFD to pay the principal of and interest and premium (if any) on the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt when due.

(b) The IRFD shall annually review the total amount of Net Available Increment available to be allocated to the IRFD under the Plan Limits, as well as future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the IRFD and (v) any bonds or debt payable from Net Available Housing Increment.

In furtherance of the covenant in the preceding paragraph, if the IRFD ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the IRFD and (v) any bonds or debt payable from Net Available Housing Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the IRFD under the Plan Limits, then the IRFD shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the IRFD's

continuing ability to pay all of the debt service on the Facilities Bonds and any Parity Facilities Debt through the scheduled maturity date(s), or (ii) claim all Net Available Facilities Increment not needed to pay current or any past due debt service on Facilities Bonds or any Parity Facilities Debt for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account (the "Escrow Account") and invested in Defeasance Obligations. Moneys in the Escrow Account must be used only to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or to redeem Facilities Bonds and any Parity Facilities Debt that does not constitute Facilities Bonds.

Section 5.10. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or Beneficial Owner of the Facilities Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 5.11. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Facilities Bonds the rights and benefits provided in this Indenture.

Section 5.12. Federal Tax Law Covenants.

(a) Private Activity Bond Limitation. The IRFD will assure that the proceeds of the Series 2022A Facilities Bonds are not so used as to cause the Series 2022A Facilities Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) Federal Guarantee Prohibition. The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2022A Facilities Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) Rebate Requirement. The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2022A Facilities Bonds.

(d) No Arbitrage. The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2022A Facilities Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2022A Facilities Bonds would have caused the Series 2022A Facilities Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) Maintenance of Tax-Exemption. The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2022A Facilities Bonds from the gross income of the Owners of the Series 2022A Facilities Bonds to the same extent as such interest is

permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2022A Facilities Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2022A Facilities Bonds for at least 3 years after the Series 2022A Facilities Bonds mature or are redeemed (whichever is earlier); however, if the Series 2022A Facilities Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2022A Facilities Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2022A Facilities Bonds. The covenants of this Section will survive payment in full or defeasance of the Facilities Bonds.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The IRFD may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Facilities Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the IRFD has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the IRFD to the Trustee, whereupon the IRFD shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the IRFD and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the IRFD shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the IRFD for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the IRFD and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the IRFD or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of

conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the IRFD shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the IRFD shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Facilities Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Facilities Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each any Facilities Bond, unless such Event of Default shall have been cured before the giving of such notice.

(f) The IRFD agrees that, so long as any Facilities Bonds or any Parity Facilities Debt are Outstanding, the Trustee shall be a financial institution having a trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 6.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Facilities Bonds contained shall be taken as statements of the IRFD, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Facilities Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Facilities Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Facilities Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Facilities Bonds then Outstanding.

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Facilities Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the IRFD at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Facilities Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness, perfection or attachment of any lien or security interest of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the IRFD's certificates to establish the IRFD's compliance with its financial covenants hereunder, including, without limitation, its covenants set forth in Section 4.02 and the application of moneys on deposit in the funds and accounts established pursuant to Section 4.02 (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service on the Facilities Bonds by the IRFD or with respect to the observance or performance by the IRFD of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the IRFD pursuant to this Indenture or otherwise.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

(h) The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Facilities Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the IRFD, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of an Owner of a Facilities Bond unless and until any Facilities Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the IRFD, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively

rely on any certificate or report of any Independent Accountant or Independent Economic Consultant appointed by the IRFD.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the IRFD elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The IRFD agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the IRFD and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The IRFD shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the IRFD and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Net Available Facilities Increment Special Account and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The IRFD further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the IRFD and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Facilities Bonds and discharge of this Indenture.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Facilities Project Fund (including any accounts therein), the Facilities Debt Service Fund, the Interest Account, the Principal Account, the 2022 Facilities Reserve Account, any reserve account held

by the Trustee for Bonds that are not 2022 Related Facilities Bonds, the Redemption Account, the capitalized interest account for any Facilities Bonds and the Series 2022A Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the IRFD in the Written Request of the IRFD filed with the Trustee, except that moneys in the 2022 Facilities Reserve Account and, except as provided in a Supplemental Indenture, any reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds, shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (h) of the definition thereof. In the absence of any such Written Request of the IRFD, the Trustee shall invest any such moneys in Permitted Investments described in clause (f) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder.

The Trustee shall be entitled to rely conclusively upon the written instructions of the IRFD directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the IRFD's expense.

Moneys in the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account may be invested by the IRFD in any obligations in which the IRFD is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder (except amounts in the Facilities Project Fund) shall be deposited in the Interest Account; *provided, however*, that (i) all interest or gain from the investment of amounts in the 2022 Facilities Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the 2022 Facilities Reserve Account to equal the 2022 Facilities Reserve Requirement and (ii) all interest or gain from the investment of amounts in any other debt service reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the 2022 Facilities Reserve Account to equal the 2022 Facilities Reserve Requirement or the balance in such other reserve account to equal its required amount. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the IRFD or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The IRFD acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the IRFD the right to receive brokerage confirmations of security transactions as they occur, the IRFD specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the IRFD monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the IRFD for earnings derived from funds that have been invested.

The IRFD covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Facilities Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the IRFD at their present value (within the meaning of section 148 of the Code). Investments on deposit in the 2022 Facilities Reserve Account and the reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds shall be valued on June 30 of each year at their market value.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Facilities Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the IRFD upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the IRFD, on a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Facilities Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With and Without Consent of Owners. This Indenture and the rights and obligations of the IRFD and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Owners, to the extent permitted by law, but only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the IRFD in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the IRFD; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the IRFD may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the IRFD, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Facilities Debt in accordance with Section 3.05; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Facilities Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, in the opinion of Bond Counsel; or

(e) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument for the 2022 Facilities Reserve Account or a similar provider for any other debt service reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the IRFD and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Facilities Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Facilities Bond or otherwise alter or impair the obligation of the IRFD to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Facilities Bond without the express written consent of the Owner of any Facilities Bond, or (b) reduce the percentage of Facilities Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent.

For the avoidance of doubt, the owners of a series of Facilities Bonds shall be deemed to have consented to the provisions of a Supplemental Indenture if notice of the provisions is

given by the IRFD in an Official Statement for any Facilities Bonds prior to the sale of any Facilities Bonds.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Facilities Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the IRFD may determine that any or all of the Facilities Bonds shall bear a notation, by endorsement in form approved by the IRFD, as to such amendment or modification and in that case upon demand of the IRFD the Owners of any Facilities Bonds shall present any Facilities Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on any Facilities Bonds. In lieu of such notation, the IRFD may determine that new Bonds shall be prepared at the expense of the IRFD and executed in exchange for any or all of the Facilities Bonds, and in that case, upon demand of the IRFD, the Owners of the Facilities Bonds shall present any Facilities Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Facilities Bond held by such Owner, provided that due notation thereof is made on any Facilities Bond.

Section 7.05. Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Facilities Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Facilities Bonds from personal income taxation by the State.

Section 7.06. Copy of Supplemental Indenture to S&P and Moody's. The IRFD shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, maintain a rating on any of the Facilities Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least 15 days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the IRFD in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Facilities Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the IRFD in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Facilities Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the IRFD of written notice from the Trustee, or written notice from any Owner (with a copy of said notice delivered to the Trustee) of the occurrence of such default, provided that if in the reasonable opinion of the IRFD the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the IRFD within such thirty (30) day period and the IRFD thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the IRFD files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the IRFD seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the IRFD, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the IRFD or of the whole or any substantial part of its property.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Facilities Bonds then Outstanding the Trustee shall, (a) declare the principal of the Facilities Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Facilities Bonds to the contrary notwithstanding, and (b) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Owners of the Facilities Bonds in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the IRFD by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Facilities Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Facilities Bonds shall cease to accrue from and after the date, if any, on which the

Trustee shall have declared the Facilities Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Facilities Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Facilities Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the IRFD shall, with the written consent of a majority in aggregate principal amount of the Owners of the Facilities Bonds, deposit with the Trustee a sum sufficient to pay all principal on the Facilities Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Facilities Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Facilities Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Facilities Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Facilities Bonds then Outstanding, by written notice to the IRFD and to the Trustee, may, on behalf of the Owners of all of the Facilities Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Pledged Facilities Increment that are available to pay debt service on the Facilities Bonds and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Facilities Bonds for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding Facilities Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Facilities Bonds, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest without taking into account the availability of funds in the 2022 Facilities Reserve Account or any other reserve account.

Notwithstanding the foregoing, Conditional City Facilities Increment may only be used to pay principal and interest on the Facilities Bonds and any Parity Facilities Debt, and any Subordinate Facilities Debt.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Facilities Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Facilities Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Facilities Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Facilities Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the IRFD and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Facilities Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Facilities Bonds.

The right of any Owner of any Facilities Bond to receive payment of the principal of (and premium, if any) and interest on any Facilities Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Facilities Bonds, shall affect or impair the obligation of the IRFD, which is absolute and unconditional, to pay from the Pledged Facilities Increment and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Facilities Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Facilities Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the IRFD, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Facilities Bonds or Parity Facilities Debt shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08. Determination of Percentage of Bond Owners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Facilities Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Facilities Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Facilities Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the IRFD or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the IRFD or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Indenture. If the IRFD shall pay and discharge the entire indebtedness on all Facilities Bonds or any portion thereof in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Facilities Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Facilities Bonds, including all principal, interest and redemption premiums, or;

(iii) by irrevocably depositing with the Trustee or an escrow agent, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Facilities Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

and, if any Facilities Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(b) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the IRFD, and notwithstanding that any Facilities Bonds shall not have been surrendered for payment, the pledge of the Pledged Facilities Increment and other funds provided for in this Indenture and all other obligations of the Trustee and the IRFD under this Indenture shall cease and terminate with respect to all Outstanding Facilities Bonds or, if applicable, with respect to that portion of the Facilities Bonds which has been paid and discharged, except only (a) the covenants of the IRFD hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the IRFD under Section 6.06 hereof, and (d) the obligation of the IRFD to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee, all fees, expenses and costs of the Trustee.

In the event the IRFD shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Facilities Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the IRFD all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Facilities Bonds of any maturity of the Facilities Bonds that the IRFD has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Facilities Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the IRFD.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Facilities Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Facilities Bond shall bind all future Owners of any Facilities Bond in respect of anything done or suffered to be done by the IRFD or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Facilities Bond is owned by or for the account of the IRFD unless the IRFD is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Facilities Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the IRFD or the City and County of San Francisco (but excluding Facilities Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the IRFD shall be individually or personally liable for the payment of the principal or interest or any premium on the Facilities Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Facilities Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Facilities Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy any Facilities Bonds and upon request of the IRFD provide the IRFD a certificate of destruction. The IRFD shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any Facilities Bonds therein referred to.

Section 9.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the IRFD:	c/o City and County of San Francisco 1 Dr. Carlton B. Goodlett Place City Hall, Room 338 San Francisco, CA 94102 Attn: Director of the Office of Public Finance

If to the Trustee:	Zions Bancorporation, National Association Corporate Trust Department 550 South Hope Street, Suite 2875 Los Angeles, CA 90071

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The IRFD hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Facilities Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the Director of the Office of Public Finance of the City in trust for the benefit of the Owners. The IRFD covenants for the direct benefit of the Owners that its Finance Director in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Facilities Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

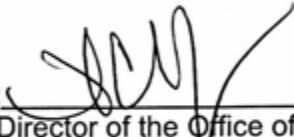
Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Facilities Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of any Facilities Bonds have become payable, shall be repaid by the Trustee to the IRFD as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the IRFD for the payment of the principal of and interest and redemption premium (if any) on of any Facilities Bonds.

Section 9.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

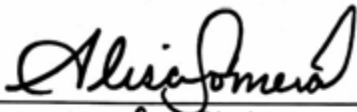
Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: 
Director of the Office of Public Finance
City and County of San Francisco

Attest:


Clerk
Board of Supervisors
City and County of San Francisco



**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**



By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

EXHIBIT A
FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.06 OF THE INDENTURE. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 2.06. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2022A
(Facilities Increment)

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Facilities Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the

interest rate set forth above, until the principal amount hereof is paid or made available for payment provided, however, that if at the time of authentication of this Facilities Bond, interest is in default on this Facilities Bond, this Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on the Facilities Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Facilities Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Facilities Bonds and any premium on the Facilities Bonds are payable in lawful money of the United States of America upon surrender of the Facilities Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Facilities Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$24,270,000. The issuance of the Facilities Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022 (the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Facilities Bond assents to said terms and conditions. The Indenture of Trust is authorized under, this Facilities Bond is issued under and both are to be construed in accordance with, the laws of the State of California. The Facilities Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented by the Series 2022A Resolution of Issuance (as defined in the Indenture), under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized facilities, and is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment)" (the "Facilities Bonds").

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Facilities Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Facilities Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Facilities Increment, except to the extent that provision for payment has been made by the IRFD, as may be permitted by law.

The Facilities Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Facilities Bonds, and the Facilities Bonds shall be payable exclusively from the Pledged Facilities Increment and the specified funds held under the Indenture of Trust. The Facilities Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Facilities Bonds maturing on or before September 1, 2032 are not subject to optional redemption prior to their respective stated maturities. The Facilities Bonds maturing on and after September 1, 2037, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2032, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of

funds, at the principal amount of the Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The Facilities Bonds are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Facilities Bonds of 2027

<u>September 1</u>	<u>Principal Amount</u>
2023	\$385,000
2024	385,000
2025	400,000
2026	420,000
2027 (maturity)	445,000

Term Facilities Bonds of 2032

<u>September 1</u>	<u>Principal Amount</u>
2028	\$465,000
2029	490,000
2030	515,000
2031	540,000
2032 (maturity)	565,000

Term Facilities Bonds of 2037

<u>September 1</u>	<u>Principal Amount</u>
2033	\$595,000
2034	625,000
2035	655,000
2036	690,000
2037 (maturity)	725,000

Term Facilities Bonds of 2052

<u>September 1</u>	<u>Principal Amount</u>
2038	\$760,000
2039	795,000
2040	835,000
2041	880,000
2042	920,000
2043	970,000
2044	1,015,000
2045	1,070,000
2046	1,120,000
2047	1,175,000
2048	1,235,000
2049	1,300,000
2050	1,365,000
2051	1,430,000
2052 (maturity)	1,500,000

Provided, however, if some but not all of the Term Facilities Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the aggregate principal amount of Term Facilities Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of \$5,000 as determined by the Trustee, notice of which determination shall be given by the Trustee to the IRFD.

Notice of redemption with respect to the Facilities Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Facilities Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Facilities Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Facilities Bonds for redemption or (ii) with respect to an Owner of a Facilities Bond after any Facilities Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Facilities Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Facilities Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Facilities Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Facilities Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Facilities Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Facilities Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Facilities Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Facilities Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____
_____, attorney, to transfer the same on the registration books of the Trustee, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be
made by a guarantor institution participating
in the Securities Transfer Agents Medallion
Program or in such other guarantee
program acceptable to the Trustee.

NOTICE: The signature on this assignment
must correspond with the name(s) as
written on the face of the within Bond in
every particular without alteration or
enlargement or any change whatsoever.

EXHIBIT B

FORM OF FACILITIES PROJECT FUND DISBURSEMENT REQUEST

DISBURSEMENT REQUEST NO.: _____

Zions Bancorporation, National Association
[address to come]
Attention: Corporate Trust Department

Re: \$24,270,000 City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds,
Series 2022A (Facilities Increment)

Ladies and Gentlemen:

In accordance with the terms of an Indenture of Trust, by and between you and the undersigned, dated as of September 1, 2022 (the "Indenture"), you are hereby authorized and requested to make immediate disbursement of funds held by you in the accounts within the Facilities Project Fund pursuant to Section 3.04 of the Indenture.

You are hereby requested to pay from the accounts designated on Schedule A attached hereto to the person(s), corporation(s) or other entity(ies) designated on Schedule A attached hereto as Payee(s), the sum set forth on said Schedule.

All of the costs listed on Schedule A are authorized expenditures of the IRFD with respect to the IRFD, are properly chargeable to the Facilities Project Fund and have not been requested to be paid from the Facilities Project Fund pursuant to any prior request.

Capitalized terms used herein but not defined have the meaning given them in the Indenture.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)

By: _____
Director of the Office of Public Finance
City and County of San Francisco

SCHEDULE A
TO
FACILITIES PROJECT FUND DISBURSEMENT REQUEST

Payee Name and <u>Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>	Account from which Amounts should be <u>paid</u>

INDENTURE OF TRUST

Dated as of September 1, 2022

by and between the

**CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)**

and

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee**

Relating to

**City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island)
Tax Increment Revenue Bonds
(Housing Increment)**

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EXHIBIT A FORM OF SERIES 2022B HOUSING BOND

EXHIBIT B FORM OF HOUSING PROJECT FUND DISBURSEMENT REQUEST

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture") is made and entered into as of September 1, 2022, by and between the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the "Trustee");

WITNESSETH:

WHEREAS, the IRFD is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California, with the legal authority to exercise powers under and pursuant to the provisions of Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), including the power to issue bonds;

WHEREAS, an Amended and Restated Infrastructure Financing Plan (the "Infrastructure Financing Plan") for the IRFD has been adopted in compliance with all requirements of the Law;

WHEREAS, the IRFD wishes to provide for the issuance of bonds (the "Housing Bonds") payable from Pledged Housing Increment (as hereinafter defined) to finance authorized purposes of the IRFD;

WHEREAS, in order to provide for the authentication and delivery of the Housing Bonds, to establish and declare the terms and conditions upon which the Housing Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and redemption premium (if any) thereon, the IRFD and the Trustee have duly authorized the execution and delivery of this Indenture;

WHEREAS, the IRFD further wishes to provide for an initial series of the Housing Bonds, designated City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the "Series 2022B Housing Bonds");

WHEREAS, the Board of Supervisors of the City and County of San Francisco, acting as the legislative body of the IRFD, authorized the issuance of the Series 2022B Housing Bonds and the execution and delivery of this Indenture pursuant to the Original Resolution of Issuance as supplemented by the Series 2022B Resolution of Issuance.

WHEREAS, the IRFD has determined that all acts and proceedings required by law necessary to make the Housing Bonds when executed by the IRFD, and authenticated and delivered by the Trustee, the valid, binding and legal special obligations of the IRFD, and to constitute this Indenture a legal, valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done or taken;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and redemption premium (if any) on all the Housing

Bonds, including the Series 2022B Housing Bonds, issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Housing Bonds, including the Series 2022B Housing Bonds, are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Housing Bonds, including the Series 2022B Housing Bonds, by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the IRFD and the Trustee do hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Housing Bonds, including the Series 2022B Housing Bonds, as follows:

ARTICLE I

DETERMINATIONS; DEFINITIONS

Section 1.01. Findings and Determinations. The IRFD has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Housing Bonds, including the Series 2022B Housing Bonds, do exist, have happened and have been performed in due time, form and manner as required by law, and the IRFD is now duly empowered, pursuant to each and every requirement of law, to issue the Series 2022B Housing Bonds in the manner and form provided in this Indenture.

Section 1.02. Definitions. Unless the context otherwise requires, the terms defined in this Section 1.02 shall, for all purposes of this Indenture, of any Supplemental Indenture, and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

"Additional Housing Revenues" means, as of the date of calculation, the amount of Net Available Housing Increment and Conditional City Housing Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the IRFD within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the IRFD due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the IRFD is estimated to increase above the assessed valuation of taxable property in the IRFD as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Housing Bonds and other Parity Housing Debt in such Bond Year, assuming that the Outstanding Serial Housing Bonds are retired as scheduled and that the Outstanding Term Housing Bonds are redeemed from mandatory sinking account payments as scheduled, (b) the principal amount of the Outstanding Serial Housing Bonds and other Parity Housing Debt payable by their terms in such Bond Year, and (c) the principal amount of the Outstanding Term Housing Bonds scheduled to be paid or redeemed from mandatory sinking account payments in such Bond Year.

For purposes of the calculation of Annual Debt Service, there shall be excluded the principal of and interest on any Parity Housing Debt to the extent the proceeds thereof are then deposited in a fully self-supporting escrow fund (the fully self-supporting nature of which is evidenced by a report prepared by an Independent Economic Consultant and delivered to the Trustee) from which amounts may not be released to the IRFD unless the amount of Pledged Housing Increment, calculated as set forth in Section 3.05(b), and Additional Housing Revenues are then calculated to be not less than the percentage of Maximum Annual Debt Service required by the terms of Section 3.05(b).

"Base Year" for the Project Areas is defined in the Infrastructure Financing Plan as Fiscal Year 2016-17.

"Bond Counsel" means an attorney or firm of attorneys appointed by or acceptable to the IRFD, of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Code.

"Bond Year" means any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date with respect to the Series 2022B Housing Bonds and end on September 1, 2023.

"Business Day" means a day of the year on which banks in the State of California, are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"City" means the City and County of San Francisco, California, a municipal corporation and chartered city duly organized and existing under the Constitution and laws of the State.

"Closing Date" means the date on which a series of Housing Bonds is delivered by the IRFD to the original purchaser thereof.

"Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series 2022B Housing Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series 2022B Housing Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"Conditional City Facilities Increment" means 82.5% of the Conditional City Increment.

"Conditional City Facilities Increment Special Account" means the account of that name established by the IRFD pursuant to Section 4.02.

"Conditional City Housing Increment" means 17.5% of the Conditional City Increment.

"Conditional City Housing Increment Special Account" means the account of that name established by the IRFD pursuant to Section 4.02.

"Conditional City Increment" means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

"Conditional City Increment Special Fund" means the Conditional City Increment Special Fund established by the IRFD pursuant to Section 4.02.

"Continuing Disclosure Certificate" means that certain Continuing Disclosure Certificate with respect to the Series 2022B Housing Bonds executed by the IRFD, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the IRFD relating to the authorization, issuance, sale and delivery of the

Housing Bonds, including but not limited to printing expenses, bond insurance premiums, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Housing Bonds, administrative costs of the IRFD and City incurred in connection with the issuance of the Housing Bonds, and any other cost, charge or fee in connection with the original issuance of the Housing Bonds.

"DDA Financing Plan" means the Financing Plan (Treasure Island/Yerba Buena Island) attached to the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated June 28, 2011, by and between Treasure Island Development Authority and Treasure Island Community Development, LLC.

"Defeasance Obligations" means any of the following which, at the time of investment, are in compliance with the City's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the IRFD as conclusive certification to the Trustee that investments described therein are in compliance with the City's investment policies then in effect):

- (a) Cash;
- (b) Federal Securities;
- (c) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form;
- (d) Pre-refunded municipal bonds rated "Aaa" by Moody's or "AAA" by S&P;
- (e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the IRFD itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) Federal Housing Administration debentures; (iv) participation certificates of the General Services Administration; (v) Federal Financing Bank bonds and debentures; (vi) guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association; (vii) guaranteed Title XI financings of the U.S. Maritime Administration; and (viii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and
- (f) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities only as stripped by the IRFD itself): (i) senior debt obligations of the Federal Home Loan Bank System; (ii) participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation; (iii) mortgaged-backed securities and senior debt obligations of Fannie Mae; (iv) senior debt obligations of the Student Loan Marketing Association; (v) obligations of the Resolution Funding

Corporation; and (vi) consolidated system-wide bonds and notes of the Farm Credit System.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.11.

"Depository System Participant" means any participant in the Depository's book-entry system.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any of the events described in Section 8.01.

"Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the IRFD and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term "investment" will include a hedge.

"Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America and CATS and TGRS), or obligations the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the IRFD to the Trustee in writing as its official fiscal year period.

"Gross Tax Increment" means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the Project Area. Gross Tax Increment does not include any ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code.

"Housing Bonds" means the Series 2022B Housing Bonds and any Parity Housing Debt issued as bonds pursuant to a Supplemental Indenture.

"Housing Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to Section 4.03.

"Housing Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.04.

"Incremental Assessed Property Value" means, in any year, for each Project Area, the difference between the assessed value of the property within such Project Area for that fiscal year and the assessed value of the property within such Project Area in the Base Year, to the extent that the difference is a positive number.

"Indenture" means this Indenture of Trust by and between the IRFD and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice as such under the laws of the State, appointed by the IRFD, and who, or each of whom:

- (a) is in fact independent and not under domination of the IRFD;
 - (b) does not have any substantial interest, direct or indirect, with the IRFD;
- and
- (c) is not connected with the IRFD as an officer or employee of the IRFD, but who may be regularly retained to make reports to the IRFD.

"Independent Economic Consultant" means any consultant or firm of such consultants appointed by the IRFD and who, or each of whom:

- (a) is judged by the IRFD to have experience in matters relating to the collection of tax increment revenues or otherwise with respect to tax increment financing districts;
 - (b) is in fact independent and not under domination of the IRFD;
 - (c) does not have any substantial interest, direct or indirect, with the IRFD;
- and
- (d) is not connected with the IRFD as an officer or employee of the IRFD, but who may be regularly retained to make reports to the IRFD.

"Infrastructure Financing Plan" means the Amended and Restated Infrastructure Financing Plan for the IRFD, including the Project Areas, adopted and approved by the Board of Supervisors of the City and County of San Francisco by Ordinance No. 29-22, adopted on February 15, 2022, as heretofore amended and as may hereafter be amended in accordance with the law.

"Interest Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(a).

"Interest Payment Date" means each March 1 and September 1, commencing March 1, 2023, for so long as any of the Housing Bonds remain Outstanding hereunder.

"IRFD" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California.

"Law" means Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year, including payments on any Parity Housing Debt, as certified in writing by the IRFD to the Trustee.

"Moody's" means Moody's Investors Service and its successors.

"Net Available Facilities Increment" means 82.5% of the Net Available Increment.

"Net Available Facilities Increment Special Account" means the account of that name established pursuant to Section 4.02.

"Net Available Housing Increment" means 17.5% of the Net Available Increment.

"Net Available Housing Increment Special Account" means the account of that name established pursuant to Section 4.02.

"Net Available Increment" means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

"Net Available Increment Special Fund" means the fund established and held by the IRFD pursuant to Section 4.02.

"Nominee" means (a) initially, Cede & Co., as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.11(a).

"Original Resolution of Issuance" means Resolution No. 7-17, which was adopted by the Board of Supervisors as the legislative body of the IRFD on January 24, 2017, and signed by the Mayor on February 3, 2017.

"Outstanding" when used as of any particular time with reference to Housing Bonds, means (subject to the provisions of Section 9.05) all Housing Bonds except:

(a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(b) Bonds paid or deemed to have been paid within the meaning of Section 9.03; and

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the IRFD pursuant hereto.

"Owner" or "Bond Owner" means, with respect to any Housing Bond, the person in whose name the ownership of such Housing Bond shall be registered on the Registration Books.

"Parity Housing Debt" means any additional bonds (including any Housing Bonds), loans, advances or indebtedness issued or incurred by the IRFD on a parity with the Series 2022B Housing Bonds pursuant to Section 3.05.

"Parity Housing Debt Instrument" means any Supplemental Indenture or other instrument providing for the issuance or incurrence of Parity Housing Debt.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Permitted Investments" means any of the following which at the time of investment are in compliance with the City's investment policies then in effect (provided that the Trustee shall be entitled to rely upon any investment direction from the IRFD as conclusive certification to the Trustee that the investments described therein are in compliance with the City's investment policies then in effect), but only to the extent that the same are acquired at Fair Market Value:

- (a) Federal Securities;
- (b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, and Federal Housing Administration;
- (c) bonds, notes or other evidences of indebtedness rated AAA by S&P and Aaa by Moody's issued by Fannie Mae or Freddie Mac with remaining maturities not exceeding three years;
- (d) U.S. dollar denominated deposit accounts (including those with the Trustee or with any affiliate of the Trustee), federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody's, and maturing no more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody's and which matures not more than 270 days after the date of purchase;
- (f) investments in a money market fund rated AAAM or AAAM-G or better by S&P, which may include funds for which the Trustee or its affiliates provide investment advisory or other management services;
- (g) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state

which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of S&P and Moody's or (ii)(A) which are fully secured as to principal and interest and redemption premium (if any) by a fund consisting only of cash or Federal Securities, which fund may be applied only to the payment of such principal of and interest and redemption premium (if any) in such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates under such irrevocable instructions, as appropriate, and (B) which fund is sufficient, as verified by an independent accountant, to pay principal of and interest and redemption premium (if any) on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

- (h) investment agreements with a provider that is rated in one of the two highest rating categories by S&P and Moody's;
- (i) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee;
- (j) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended, including but not limited to the California Asset Management Program (CAMP).

"Plan Limit" means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the IRFD pursuant to the Infrastructure Financing Plan and the Law.

"Pledged Facilities Increment" means the sum of Net Available Facilities Increment and Conditional City Facilities Increment, less the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law.

"Pledged Housing Increment" means the sum of Net Available Housing Increment and Conditional City Housing Increment, less the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law.

"Principal Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(b).

"Principal Corporate Trust Office" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the IRFD.

"Project" means the Project described in the Certificate Regarding Use of Proceeds for the Bonds, or such other project identified by the IRFD after consulting with the City Attorney and Bond Counsel.

"Project Area" means, collectively, each project area established from time to time for the IRFD pursuant to the Law.

"Qualified Project Costs" means costs and expenses of the Project that are properly chargeable to a capital account and, to the extent that such expenditures do not exceed 5% of the sale proceeds of the Series 2022B Housing Bonds, non-capital costs that are directly related to the Project. Qualified Project Costs do not include amounts to be used to reimburse expenditures paid before the date of issuance of the Series 2022B Housing Bonds other than Qualified Reimbursable Costs.

"Qualified Purchaser" means (a) a qualified institutional buyer, as that term is defined in Securities and Exchange Commission Rule 144A promulgated under the Securities Act of 1933, as amended and (b) an "institutional accredited investor," which consists of accredited investors as defined in subsections (a)(1), (2), (3) and (7) of Securities and Exchange Commission Rule 501 promulgated under the Securities Act of 1933, as amended.

"Qualified Reserve Account Credit Instrument" means an irrevocable standby or direct-pay letter of credit, insurance policy surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that all of the following requirements are met at the time of acceptance thereof by the Trustee: (a) in the case of a commercial bank, the long-term credit rating of such bank at the time of delivery of the irrevocable standby or direct-pay letter of credit is at least "A" from S&P or "A" from Moody's and, in the case of an insurance company, the claims paying ability of such insurance company at the time of delivery of the insurance policy or surety bond is at least "A" from S&P, or "A" from Moody's or, if not rated by S&P or Moody's but is rated by A.M. Best & Company, is rated at the time of delivery in the highest rating category by A.M. Best & Company; (b) such letter of credit or surety bond has a term of at least 12 months; (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the 2022 Housing Reserve Requirement with respect to which funds are proposed to be released; and (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account or the Principal Account that are payable from the 2022 Housing Reserve Account for the purpose of making payments required pursuant to 4.04 of this Indenture.

"Qualified Reimbursable Costs" means, unless otherwise determined by the City Attorney and Bond Counsel, (i) expenditures paid for costs of issuance of the Series 2022B Housing Bonds, (ii) preliminary capital expenditures (within the meaning of United States Treasury Regulations section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or construction of the Project that do not exceed 20% of the issue price of the Series 2022B Housing Bonds, and (iii) capital expenditures that (A) were paid no earlier than 60 days before the date of the adoption by the IRFD or the Corporation of a declaration of intent to reimburse such expenditures from the proceeds of obligations, and (B) are reimbursed no later than 18 months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than 3 years after the expenditure is paid).

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to Section 4.03(d).

"Registration Books" means the records maintained by the Trustee pursuant to Section 2.08 for the registration and transfer of ownership of the Housing Bonds.

"Report" means a document in writing signed by an Independent Economic Consultant and including:

(a) a statement that the person or firm making or giving such Report has read the pertinent provisions of this Indenture to which such Report relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and

(c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"S&P" means S&P Global, a division of McGraw-Hill, and its successors and assigns.

"Securities Depositories" DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the City may designate in an Officer's Certificate delivered to the Trustee.

"Serial Housing Bonds" means all Housing Bonds other than Term Housing Bonds.

"Series 2022B Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.03.

"Series 2022B Housing Bonds" means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment).

"Series 2022B Resolution of Issuance" means Resolution No. 161-22, which was adopted by the Board of Supervisors as the legislative body of the IRFD on April 19, 2022, and signed by the Mayor on April 28, 2022.

"State" means the State of California.

"Subordinate Housing Debt" means any loans, advances or indebtedness issued or incurred by the IRFD pursuant to Section 3.06, which are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Housing Increment; or (b) secured by a pledge of or lien upon the Pledged Housing Increment which is expressly subordinate to the pledge of and lien upon the Pledged Housing Increment hereunder for the security of the Housing Bonds.

"Subordinate Housing Debt Instrument" means any instrument providing for the issuance of Subordinate Housing Debt.

"Supplemental Indenture" means any resolution, agreement or other instrument which has been duly adopted or entered into by the IRFD, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

"Term Housing Bonds" means that portion of any Housing Bonds payable from mandatory sinking account payments.

"Trigger Amount" has the meaning given that term in the Infrastructure Financing Plan.

"Trustee" means Zions Bancorporation, National Association, as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"Written Request of the IRFD" or "Written Certificate of the IRFD" means a request or certificate, in writing signed by the Director of the Office of Public Finance on behalf of the IRFD, or such other officer of the City identified by the Controller of the City to act on behalf of the IRFD.

"2022 Housing Reserve Account" means the fund designated the "2022 Housing Reserve Account" established under Section 4.03 and administered under Section 4.04.

"2022 Housing Reserve Requirement" means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the Series 2022B Housing Bonds and 2022 Related Housing Bonds, if any, (b) 125% of average Annual Debt Service on the Series 2022B Housing Bonds and 2022 Related Housing Bonds, if any and (c) 10% of the original principal of the Series 2022B Housing Bonds and 2022 Related Housing Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2022B Housing Bonds or any 2022 Related Housing Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2022B Housing Bonds or any 2022 Related Housing Bonds was less than 98% or more than 102% of the original principal amount of the Series 2022B Housing Bonds or any 2022 Related Housing Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the 2022 Housing Reserve Account on the date of issuance of the Series 2022B Housing Bonds (if they are the only Bonds covered by the 2022 Housing Reserve Account) or the most recently issued series of 2022 Related Housing Bonds except in connection with any increase associated with the issuance of 2022 Related Housing Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Housing Reserve Account in connection with the issuance of a series of 2022 Related Housing Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

"2022 Related Housing Bonds" means any series of Housing Bonds for which (i) the proceeds are deposited into the 2022 Housing Reserve Account so that the balance therein is equal to the 2022 Housing Reserve Requirement following issuance of such Housing Bonds and (ii) the related Supplemental Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Housing Bonds.

Section 1.03. Rules of Construction. All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

AUTHORIZATION AND TERMS

Section 2.01. Authorization of Housing Bonds and Series 2022B Housing Bonds.

The Housing Bonds are hereby authorized to be issued by the IRFD under and subject to the terms of the Original Resolution of Issuance, this Indenture and the Law. This Indenture constitutes a continuing agreement with the Owners of all of the Housing Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal and redemption premiums (if any) and the interest on all Housing Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained.

An initial series of Housing Bonds, which was authorized by the Board of Supervisors, acting as the legislative body of the IRFD, pursuant to the Original Resolution of Issuance, as supplemented by the Series 2022B Resolution of Issuance, shall be designated the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment)" and shall be issued in the initial aggregate principal amounts of \$5,120,000.

Section 2.02. Terms of Series 2022B Housing Bonds. The Series 2022B Housing Bonds shall be issued in fully registered form without coupons. The Series 2022B Housing Bonds shall be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, so long as no Series 2022B Housing Bond shall have more than one maturity date. The Series 2022B Housing Bonds shall be dated as of their Closing Date. The Series 2022B Housing Bonds shall be lettered and numbered as the Trustee shall prescribe.

The Series 2022B Housing Bonds shall mature and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum as follows:

Series 2022B Housing Bonds

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
<u>2032 (T)</u>	<u>\$980,000</u>	<u>5.00%</u>
<u>2052 (T)</u>	<u>4,140,000</u>	<u>5.00</u>
(T) Term Bond		

Each Series 2022B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2023, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2022B Housing Bond, interest thereon is in default, such Series 2022B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2022B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of

business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2022B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2022B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request. The principal of the Series 2022B Housing Bonds and any premium upon redemption, are payable in lawful money of the United States of America upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee.

Section 2.03. Redemption of Series 2022B Housing Bonds.

(a) Optional Redemption – Series 2022B Housing Bonds. The Series 2022B Housing Bonds maturing on or before September 1, 2032 are not subject to optional redemption prior to their respective stated maturities. The Series 2022B Housing Bonds maturing on and after September 1, 2052, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2032, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2022B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium.

(b) Mandatory Sinking Fund Redemption – Series 2022B Housing Bonds. The Series 2022B Housing Bonds that are Term Housing Bonds and maturing September 1, 2032 and September 1, 2052 shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account pursuant to Section 4.03(b), at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables; provided however, that (x) in lieu of redemption thereof such Term Housing Bonds may be purchased by the IRFD pursuant to Section 2.03(h) hereof, and (y) if some but not all of such Term Housing Bonds have been redeemed pursuant to subsection (a) above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the IRFD (notice of which determination shall be given by the IRFD to the Trustee).

Term Facilities Bonds of 2032

<u>September 1</u>	<u>Principal Amount</u>
2023	\$80,000
2024	80,000
2025	85,000
2026	90,000
2027	95,000
2028	100,000
2029	105,000
2030	110,000
2031	115,000
2032 (maturity)	120,000

Term Facilities Bonds of 2052

<u>September 1</u>	<u>Principal Amount</u>
2033	\$125,000
2034	130,000
2035	140,000
2036	145,000
2037	150,000
2038	160,000
2039	170,000
2040	175,000
2041	185,000
2042	195,000
2043	205,000
2044	215,000
2045	225,000
2046	235,000
2047	250,000
2048	260,000
2049	275,000
2050	285,000
2051	300,000
2052 (maturity)	315,000

(c) Notice of Redemption; Rescission. The Trustee on behalf and at the expense of the IRFD shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Housing Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Housing Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the IRFD to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Housing Bonds to be redeemed, shall state the individual number of each Housing Bond to be redeemed or shall

state that all Housing Bonds between two stated numbers (both inclusive) or all of the Housing Bonds Outstanding are to be redeemed, and shall require that such Housing Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Housing Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the IRFD shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Housing Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under this Indenture. The IRFD and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Upon the payment of the redemption price of Housing Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Housing Bonds being redeemed with the proceeds of such check or other transfer.

(d) Partial Redemption of Housing Bonds. In the event only a portion of any Housing Bond is called for redemption, then upon surrender of such Housing Bond the IRFD shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the IRFD, a new Housing Bond or Housing Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Housing Bond to be redeemed.

(e) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Housing Bonds so called for redemption shall have been duly deposited with the Trustee, such Housing Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

(f) Manner of Redemption. Unless otherwise specified in a Supplemental Indenture, whenever any Housing Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the IRFD thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Housing Bonds, the Trustee shall assign to each Housing Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Housing Bond. The Housing Bonds to be redeemed shall be the Housing Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Housing Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All Housing Bonds redeemed or purchased pursuant to this Section 2.03 shall be cancelled and destroyed.

(g) Purchase in Lieu of Redemption. In lieu of redemption of the Term Housing Bonds, amounts on deposit in the Net Available Housing Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the IRFD and the Trustee, respectively, at any time, upon the Written Request of the IRFD, for the purchase of

the Term Housing Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the IRFD may in its discretion determine. The par amount of any Term Housing Bonds so purchased by the IRFD in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Housing Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

Section 2.04. Form of Series 2022B Housing Bonds. The Series 2022B Housing Bonds, the form of Trustee's Certificate of Authentication, and the form of Assignment to appear thereon, shall be substantially in the form set forth in Exhibit A, which is attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.05. Execution of Housing Bonds. The Housing Bonds shall be executed on behalf of the IRFD by the City's Director of the Office of Public Finance or a designee of the City's Controller, and the signature of the Clerk of the Board of Supervisors who are in office on the date of execution and delivery of this Indenture or at any time thereafter. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Housing Bond ceases to be such officer before delivery of the Housing Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Housing Bonds to the purchaser. Any Housing Bond may be signed and attested on behalf of the IRFD by such persons as at the actual date of the execution of such Housing Bond shall be the proper officers of the IRFD although on the date of such Housing Bond any such person shall not have been such officer of the IRFD.

Only such of the Housing Bonds as shall bear thereon a Trustee's Certificate of Authentication in the form hereinbefore set forth, manually executed and dated by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate shall be conclusive evidence that such Housing Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture. In the event temporary Housing Bonds are issued pursuant to Section 2.09 hereof, the temporary Bonds may bear thereon a Trustee's Certificate of Authentication executed and dated by the Trustee, may be initially registered by the Trustee, and, until so exchanged as provided under Section 2.09 hereof, the temporary Housing Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Housing Bonds authenticated and delivered hereunder.

Section 2.06. Transfer of Housing Bonds.

(a) General. Any Housing Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Housing Bond to the Trustee at its Principal Corporate Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Housing Bond shall be surrendered for transfer, the IRFD shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Housing Bond or Housing Bonds of like tenor, maturity and aggregate principal amount of authorized denominations. The Trustee shall collect from the Owner any tax or other governmental charge on the transfer of any Housing Bonds pursuant to this Section 2.06. The cost of printing Housing Bonds and any

services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the IRFD.

The Trustee may refuse to transfer, under the provisions of this Section 2.06, either (a) any Housing Bonds during the period fifteen (15) days prior to the date established by the Trustee for the selection of Housing Bonds for redemption, or (b) any Housing Bonds selected by the Trustee for redemption.

(b) Additional Transfer Restrictions Applicable to the Series 2022B Housing Bonds. No transfer, sale or other disposition of any Series 2022B Housing Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2022B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2022B Housing Bond. Each transferee of a Series 2022B Housing Bond, or any beneficial interest therein, shall be deemed to have acknowledged, represented, warranted and agreed with and to the IRFD, the Participating Underwriter and the Trustee that (i) such transferee is a Qualified Purchaser that is purchasing such Series 2022B Housing Bond for its own account for investment purposes and not with a view to distributing such Series 2022B Housing Bond in violation of the Securities Act of 1933 or other applicable securities laws, (ii) the Series 2022B Housing Bonds are payable from Pledged Housing Increment and such other funds described in the Indenture, (iii) the Series 2022B Housing Bonds, or any beneficial interest therein, may only be transferred to a Qualified Purchaser and (iv) the IRFD, the Participating Underwriter and the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. Each Series 2022B Housing Bond shall bear a legend describing or referencing the foregoing restrictions on transferability.

Neither the Participating Underwriter nor any Owner or Beneficial Owner of the Series 2022B Housing Bonds shall deposit the Series 2022B Housing Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Participating Underwriter nor any Owner or Beneficial Owner shall deposit the Series 2022B Housing Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2022B Housing Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers.

Each entity that is or that becomes a Beneficial Owner of a Series 2022B Housing Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the provisions of this Section 2.06(b). In the event that a holder of the Series 2022B Housing Bonds makes an assignment of its beneficial ownership interest in the Series 2022B Housing Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2022B Housing Bond to any entity that is not a Qualified Purchaser shall be deemed null and void.

Any Series 2022B Housing Bond registered in the name of DTC or the Nominee shall be deemed to comply with the Indenture so long as each Beneficial Owner of such Series 2022B Housing Bond is a Qualified Purchaser.

Section 2.07. Exchange of Housing Bonds. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for Housing Bonds of the same tenor and maturity and of other authorized denominations. The Trustee shall collect any tax or other governmental charge on the exchange of any Housing Bonds pursuant to this Section 2.07.

The cost of printing Housing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the IRFD.

The Trustee may refuse to exchange, under the provisions of this Section 2.07, either (a) any Housing Bonds during the fifteen (15) days prior to the date established by the Trustee for the selection of Housing Bonds for redemption or (b) any Housing Bonds selected by the Trustee for redemption.

Section 2.08. Registration of Housing Bonds. The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office, sufficient records for the registration and registration of transfer of the Housing Bonds, which shall at all times during normal business hours be open to inspection and copying by the IRFD, upon reasonable prior notice to the Trustee; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books Housing Bonds as hereinbefore provided.

Section 2.09. Temporary Bonds. The Housing Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Housing Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the IRFD, and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Housing Bond shall be executed by the IRFD upon the same conditions and in substantially the same manner as the definitive Housing Bonds. If the IRFD issues temporary Bonds, it will execute and furnish definitive Housing Bonds without delay, and thereupon the temporary Housing Bonds shall be surrendered, for cancellation, in exchange therefor at the Principal Corporate Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Housing Bonds an equal aggregate principal amount of definitive Housing Bonds of authorized denominations, interest rates and like maturities. Until so exchanged, the temporary Housing Bonds shall be entitled to the same benefits pursuant to this Indenture as definitive Housing Bonds authenticated and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Housing Bond shall become mutilated, the IRFD, at the expense of the Owner of such Housing Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Housing Bond of like tenor and amount in exchange and substitution for the Housing Bond so mutilated, but only upon surrender to the Trustee of the Housing Bond so mutilated. Every mutilated Housing Bond so surrendered to the Trustee shall be canceled by it. If any Housing Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the IRFD, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Housing Bond of like tenor and amount in lieu of and in substitution for the Housing Bond so lost, destroyed or stolen (or if any such Housing Bond has matured or has been called for redemption, instead of issuing a substitute Housing Bond, the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee and the IRFD). The IRFD may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Housing Bond issued under this Section 2.10 and of the expenses which may be incurred by the IRFD and the Trustee in the premises. Any Housing Bond issued under the provisions of this Section in lieu of any Housing Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the IRFD whether or not the Housing Bond so alleged to be lost, destroyed or stolen be at any time enforceable by

anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Housing Bonds issued pursuant to this Indenture.

Section 2.11. Book-Entry System.

(a) Original Delivery. The Housing Bonds shall be initially delivered in the form of a separate single fully registered Housing Bond without coupons (which may be typewritten) for each maturity of the Housing Bonds. Upon initial delivery, the ownership of each such Housing Bond shall be registered on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Housing Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Housing Bonds the ownership of which shall be registered in the name of the Nominee, neither the IRFD nor the Trustee shall have any responsibility or obligation to any Depository System Participant or to any person on behalf of which the Depository System Participant holds an interest in the Housing Bonds (the “Beneficial Owners”). Without limiting the generality of the immediately preceding sentence, neither the IRFD nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Housing Bonds, (ii) the delivery to any Depository System Participant or any other person, other than an Owner of a Housing Bond as shown in the Registration Books, of any notice with respect to the Housing Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Housing Bonds to be redeemed in the event the IRFD elects to redeem the Housing Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than an Owner of a Housing Bond as shown in the Registration Books, of any amount with respect to principal, premium, if any, or interest on the Housing Bonds or (v) any consent given or other action taken by the Depository as Owner of the Housing Bonds. The IRFD and the Trustee may treat and consider the person in whose name each Housing Bond is registered as the absolute owner of such Housing Bond for the purpose of payment of principal, premium and interest on such Housing Bond, for the purpose of giving notices of redemption and other matters with respect to such Housing Bond, for the purpose of registering transfers of ownership of such Housing Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and interest and premium, if any, on the Housing Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest and premium, if any, on the Housing Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Housing Bond shall receive a Housing Bond evidencing the obligation of the IRFD to make payments of principal, interest and premium, if any, pursuant to this Indenture. Upon delivery by the Depository to the Nominee of written notice to the effect that the Depository has determined to substitute a new nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the IRFD shall promptly deliver a copy of the same to the Trustee.

DTC may determine to discontinue providing its services with respect to the Housing Bonds at any time by giving written notice to the IRFD and the Trustee during any time that the Housing Bonds are Outstanding, and discharging its responsibilities with respect thereto under applicable law. The IRFD may terminate the services of DTC with respect to the Housing Bonds if it determines that DTC is unable to discharge its responsibilities with respect to the Housing Bonds or that continuation of the system of book-entry transfer through DTC is not in

the best interest of the Beneficial Owners, and the IRFD shall mail notice of such termination to the Trustee.

Upon termination of the services of DTC as provided in the previous paragraph, and if no substitute Depository willing to undertake the functions hereunder can be found which is willing to undertake such functions upon reasonable or customary terms, or if the IRFD determines that it is in the best interest of the Beneficial Owners of the Housing Bonds that they be able to obtain certified Housing Bonds, the Housing Bonds shall no longer be restricted to being registered in the Housing Bond register of the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Owners shall designate at that time, in accordance with Section 2.06.

To the extent that the Beneficial Owners are designated as the transferee by the Owners, in accordance with Section 2.06, the Bonds will be delivered to such Beneficial Owners.

(b) Representation Letter. In order to qualify the Housing Bonds for the Depository's book-entry system, the IRFD shall execute and deliver to such Depository a letter representing such matters as shall be necessary to so qualify the Housing Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the IRFD or the Trustee any obligation whatsoever with respect to persons having interests in the Housing Bonds other than the Owners of the Housing Bonds. The Trustee agrees to comply with all provisions in such letter with respect to the giving of notices thereunder by the Trustee. In addition to the execution and delivery of such letter, upon written request of the Depository or the Trustee, the IRFD may take any other actions, not inconsistent with this Indenture, to qualify the Housing Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. In the event that either (i) the Depository determines not to continue to act as Depository for the Housing Bonds, or (ii) the IRFD determines to terminate the Depository as such, then the IRFD shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the IRFD and the Trustee in the issuance of replacement Housing Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Housing Bonds, and by surrendering the Housing Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Housing Bonds are to be issued. The Depository, by accepting delivery of the Housing Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the IRFD fails to identify another Securities Depository to replace the Depository, then the Housing Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Article II. Prior to its termination, the Depository shall furnish the Trustee with the names and addresses of the Depository System Participants and respective ownership interests thereof.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Housing Bond is registered in the name of the Nominee, all payments with respect to principal of and interest and premium, if any, on such Housing Bond and all notices with respect to such Housing Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.12. Applicability of Provisions to Additional Housing Bonds.

Unless otherwise provided in a Supplemental Indenture, the provisions of Sections 2.03 and 2.05 through 2.11 shall apply to additional Housing Bonds.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS OF SERIES 2022B HOUSING BONDS; ISSUANCE OF PARITY HOUSING DEBT

Section 3.01. Issuance of Series 2022B Housing Bonds. Upon the execution and delivery of this Indenture, the IRFD shall execute and deliver to the Trustee the Series 2022B Housing Bonds in the aggregate principal amount of Five Million One Hundred Twenty Thousand Dollars (\$5,120,000), and the Trustee shall authenticate and deliver the Series 2022B Housing Bonds upon the Written Request of the IRFD.

Section 3.02. Application of Proceeds of Sale and Certain Other Amounts. On the Closing Date, the proceeds of sale of the Series 2022B Housing Bonds, (being \$5,195,622.71, representing the par amount of the Series 2022B Housing Bonds (\$5,120,000.00), plus original issue premium of \$150,091.80, less an underwriter's discount of \$74,469.09), shall be paid to the Trustee and applied as follows:

(i) The Trustee shall deposit the amount of \$150,000.00 in the Series 2022B Costs of Issuance Fund.

(ii) The Trustee shall deposit the amount of \$4,711,122.71 in the Series 2022B Project Account of the Housing Project Fund.

(iii) The Trustee shall deposit \$334,500.00, being the remaining amount of proceeds of the Series 2022B Housing Bonds, in the 2022 Housing Reserve Account.

Section 3.03. Series 2022B Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Series 2022B Costs of Issuance Fund", which shall be held by the Trustee in trust. The moneys in the Series 2022B Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance with respect to the Series 2022B Housing Bonds upon submission of a Written Request of the IRFD stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is twelve (12) months following the Closing Date with respect to the Series 2022B Housing Bonds, or upon the earlier Written Request of the IRFD, all amounts (if any) remaining in the Series 2022B Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Series 2022B Project Account of the Housing Project Fund. At such time, the Series 2022B Costs of Issuance Fund shall be closed. Additional costs of issuance accounts may be opened in connection with the issuance of an additional series of Housing Bonds issued pursuant to a Supplemental Indenture.

Section 3.04. Housing Project Fund.

(a) There shall be established with respect to the IRFD a separate and segregated fund to be known as the "IRFD Housing Project Fund" (the "Housing Project Fund"), which the Trustee shall hold in trust for the benefit of the IRFD. The moneys in the Housing Project Fund shall be maintained separate and apart from other moneys of the IRFD. The moneys on deposit in the Housing Project Fund shall be used in the manner provided by the Law. The IRFD covenants that no funds on deposit in the Housing Project Fund shall be applied for any purpose not authorized by the Law.

(b) The Trustee shall disburse the amounts on deposit in the Housing Project Fund and the accounts therein for Qualified Project Costs upon receipt of a disbursement request of the IRFD substantially in the form attached hereto as Exhibit B. In no event shall the Trustee be responsible for the manner in which the IRFD applies the moneys disbursed to it by the Trustee in accordance with any such disbursement request. Such requisition shall be executed by the City's Director of the Office of Public Finance or her or his designee.

(c) Within the Housing Project Fund there shall be established as a separate account therein an account designated the "Series 2022B Project Account". The IRFD may direct the Trustee to establish additional accounts within the Housing Project Fund pursuant to a Supplemental Indenture. The IRFD may direct the Trustee in writing to close an account within the Housing Project Fund.

(d) Moneys in the Housing Project Fund (or account therein) shall be invested by the Trustee under Section 6.07 and all interest earnings shall remain in the Housing Project Fund (or account therein).

Section 3.05. Issuance of Parity Housing Debt. In addition to the Series 2022B Housing Bonds, the IRFD may issue Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the IRFD with Net Available Housing Increment in such principal amount as shall be determined by the IRFD. Any Parity Housing Debt shall be secured by a pledge of Pledged Housing Increment as set forth in Section 4.01. The IRFD may issue and deliver any such Parity Housing Debt subject to the following specific conditions all of which are hereby made conditions precedent to the issuance and delivery of such Parity Housing Debt:

(a) Except as provided in subsection (i) below, no event of default hereunder, under any Parity Housing Debt Instrument or under any Subordinate Housing Debt Instrument shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Housing Debt, and the IRFD shall otherwise be in compliance with all covenants set forth in this Indenture.

(b) Except as provided in subsection (i) below, based on the most recent taxable valuation of property in the Project Areas of the IRFD that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the IRFD that met their Trigger Amount in the current Fiscal Year as evidenced by the records of the IRFD or the City, plus at the option of the IRFD the amount of any Additional Housing Revenues, the Pledged Housing Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Housing Debt then proposed to be issued or incurred.

(c) In the case of Parity Housing Debt issued as additional Housing Bonds under this Indenture, the Supplemental Indenture providing for the issuance of such Housing Bonds shall provide for (i) a deposit to the 2022 Housing Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Housing Reserve Requirement following issuance of the additional Housing Bonds, or (ii) a deposit to a reserve account for such additional Housing Bonds (and such other series of Housing Bonds identified by the IRFD) in an amount defined in such Supplemental

Indenture, as long as such Supplemental Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account and that the Owners of the Housing Bonds covered by the 2022 Housing Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Housing Reserve Account or another reserve account as long as such Supplemental Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account or any other reserve account. The Supplemental Indenture may provide that the IRFD may satisfy the 2022 Housing Reserve Requirement for a series of Parity Housing Debt issued as additional Housing Bonds under this Indenture by the deposit into the reserve account established pursuant to such Supplemental Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Indenture.

Nothing in this Indenture establishes a requirement for the IRFD to establish a debt service reserve account for Parity Housing Debt that is not issued as additional Housing Bonds under this Indenture.

(d) Principal with respect to such Parity Housing Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the IRFD following the issuance of such Parity Housing Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the IRFD. Pursuant to the Original Resolution of Issuance, the following Parity Housing Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the IRFD: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Housing Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Housing Increment, Net Available Facilities Increment and Conditional City Increment coming due and payable following the issuance of such Parity Housing Debt shall not exceed the maximum amount of Net Available Housing Increment, Net Available Facilities Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the IRFD following the issuance of such Parity Housing Debt.

(g) The proceeds of the Parity Housing Debt shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in subsection (i), the IRFD shall deliver to the Trustee (i) a Written Certificate of the IRFD certifying that the conditions precedent to the issuance of such Parity Housing Debt set forth in subsections (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition

precedent to the issuance of such Parity Housing Debt set forth in subsection (g) has been satisfied.

(i) The conditions set forth in subsections (a) and (b) of this Section shall not apply to the issuance or incurrence of any Parity Housing Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2022B Housing Bonds or any other outstanding Parity Housing Debt, provided that debt service payable in each year with respect to the proposed Parity Housing Debt is less than the debt service otherwise payable in each year with respect to the Series 2022B Housing Bonds or Parity Housing Debt, or portion thereof, proposed to be refunded.

Section 3.06. Issuance of Subordinate Housing Debt. (a) The IRFD may issue or incur Subordinate Housing Debt in such principal amount as shall be determined by the IRFD. The IRFD may issue or incur such Subordinate Housing Debt secured by a pledge of Pledged Housing Increment that is subordinate to the pledge of Pledged Housing Increment to the Housing Bonds and any Parity Housing Debt, subject to the following specific conditions precedent:

The issuance of such Subordinate Housing Debt shall comply with the conditions set forth in Section 3.05 (e) and (f).

(b) The Subordinate Housing Debt shall be payable from Pledged Housing Increment and secured by a pledge of Net Available Housing Increment on a subordinate basis to the IRFD's pledge of Net Available Housing Increment as security for its obligation to repay the City from Net Available Housing Increment for any Conditional City Increment used to pay debt service on obligations of the IRFD, as set forth in the Infrastructure Financing Plan.

(c) The IRFD shall deliver to the Trustee a Written Certificate of the IRFD certifying that the conditions precedent to the issuance of such Subordinate Housing Debt set forth in the preceding subsections have been satisfied.

(d) As of the date of this Indenture, the IRFD has previously incurred a Subordinate Housing Debt under a Subordinate Pledge Agreement, dated May 29, 2015, by the City on behalf of the IRFD for the benefit of the United States of America. The pledge of Net Available Housing Increment under the Subordinate Pledge Agreement is subordinate to the pledge of Net Available Housing Increment to Housing Bonds and Parity Housing Debt and to the IRFD's obligation to repay the City from Net Available Housing Increment as set forth in the preceding subsection (b).

Section 3.07. Validity of Housing Bonds. The validity of the authorization and issuance of the Housing Bonds shall not be dependent upon the completion of the uses to which the proceeds of the Housing Bonds are put or upon the performance by any person of his obligation with respect to the IRFD.

ARTICLE IV

SECURITY OF HOUSING BONDS; FLOW OF FUNDS

Section 4.01. Security of Housing Bonds; Equal Security. Except as provided in Section 6.06, the Series 2022B Housing Bonds and any Parity Housing Debt shall be equally secured by a pledge of, security interest in and lien on all of the Pledged Housing Increment (including the Pledged Housing Increment in the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account).

The Series 2022B Housing Bonds and any additional Housing Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Housing Debt Service Fund, the Interest Account, the Principal Account and the Redemption Account without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery.

The Series 2022B Housing Bonds and all 2022 Related Housing Bonds shall be equally secured by a pledge of, security interest in and lien on all of the moneys in the 2022 Housing Reserve Account (except as otherwise provided herein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery.

Except for the Pledged Housing Increment and such moneys specified above, no funds or properties of the IRFD (including but not limited to the Net Available Facilities Increment and Conditional City Facilities Increment deposited into the Conditional City Facilities Increment Special Account) shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Housing Bonds.

In consideration of the acceptance of the Housing Bonds by those who shall hold the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the IRFD and the Owners from time to time of the Housing Bonds, and the covenants and agreements herein set forth to be performed on behalf of the IRFD shall be for the equal and proportionate benefit, security and protection of all Owners of the Housing Bonds without preference, priority or distinction as to security or otherwise of any of the Housing Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

Section 4.02. Special Funds and Accounts; Deposit of Net Available Housing Increment and Conditional City Housing Increment.

(a) Net Available Increment Special Fund; Net Available Facilities Increment Special Account; Net Available Housing Increment Special Account. The IRFD shall establish a fund to be held by or on behalf of the IRFD as a separate restricted account, to be known as the "Net Available Increment Special Fund." The IRFD shall establish the following accounts within the Net Available Increment Special Fund to be held by or on behalf of the IRFD as separate restricted accounts: the "Net Available Facilities Increment Special Account" and the "Net Available Housing Increment Special Account."

Amounts on deposit in the Net Available Facilities Increment Special Account shall be transferred and applied as provided in a bond indenture or other agreement providing for the

pledge or use of the Net Available Facilities Increment in accordance with the Infrastructure Financing Plan.

(b) Deposits into the Net Available Increment Special Fund, the Net Available Facilities Increment Special Account and the Net Available Housing Increment Special Account. Promptly upon receipt thereof, if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were not deducted prior to allocation to the IRFD, the IRFD shall set such amounts aside for payment pursuant to Section 53369.31.

Thereafter, or if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were deducted prior to payment of the Net Available Increment to the IRFD, the IRFD shall deposit 17.5% of the Net Available Increment received in any Bond Year in the Net Available Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel) and 82.5% of such Net Available Increment in the Net Available Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The IRFD may establish separate accounts within the Net Available Increment Special Fund, and separate sub-accounts within the Net Available Housing Increment Special Account and the Net Available Facilities Increment Special Account in its discretion.

Amounts deposited to and held by the IRFD in the Net Available Increment Special Fund and the accounts therein shall be at all times separately accounted for by the IRFD from all other funds or accounts, and the Net Available Housing Increment shall be used and applied solely as set forth in this Indenture.

The Net Available Housing Increment received in any Bond Year and deposited into the Net Available Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in Section 4.01 until such time during such Housing Bond Year as the amounts on deposit in the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (i) for deposit into the Interest Account, the Principal Account, the 2022 Housing Reserve Account, any other reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds and the Redemption Account in such Bond Year pursuant to Section 4.03 hereof and, if applicable, (ii) with respect to any Parity Housing Debt other than Bonds pursuant to the applicable Parity Housing Debt Instrument.

All Net Available Housing Increment received by the IRFD during any Bond Year in excess of the amount required to be deposited in the Net Available Housing Increment Special Account during such Bond Year pursuant to the preceding paragraph of this Section shall be released from the pledge, security interest and lien hereunder for the security of the Housing Bonds and any additional Parity Housing Debt and may be applied by the IRFD for any lawful purpose of the IRFD, including but not limited to the repayment of the City for use of Conditional City Housing Increment to pay debt service on the Housing Bonds or any Parity Housing Debt, payment of Subordinate Housing Debt, payment of administrative expenses of the IRFD, or the payment of any amounts due and owing to the United States of America pursuant to Section 5.12.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indenture or Parity Housing Debt Instrument, the IRFD shall not have

any beneficial right or interest in the moneys on deposit in the Net Available Housing Increment Special Account, except as may be provided in this Indenture and in any Supplemental Indenture or Parity Housing Debt Instrument.

(c) Conditional City Increment Special Fund; Conditional City Housing Increment Special Account; Conditional City Facilities Increment Special Account. The IRFD shall establish a fund to be held by or on behalf of the IRFD as a separate restricted account, to be known as the "Conditional City Increment Special Fund." The IRFD shall establish the following accounts within the Conditional City Increment Special Fund to be held by or on behalf of the IRFD as separate restricted accounts: the "Conditional City Housing Increment Special Account" and the "Conditional City Facilities Increment Special Account."

Amounts on deposit in the Conditional City Facilities Increment Special Account shall be transferred and applied as provided in a bond indenture or other agreement providing for the pledge or use of the Conditional City Facilities Increment in accordance with the Infrastructure Financing Plan.

(d) Deposits into the Conditional City Increment Special Fund, Conditional City Housing Increment Special Account and the Conditional City Facilities Increment Special Account. Promptly upon receipt thereof, if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were not deducted prior to allocation to the IRFD, the IRFD shall set such amounts aside for payment pursuant to Section 53369.31.

Thereafter, or if the amounts required to be paid to the City and County of San Francisco pursuant to Section 53369.31 of the Law were deducted prior to payment of the Conditional City Increment to the IRFD, the IRFD shall deposit 17.5% of the Conditional City Increment received in any Bond Year in the Conditional City Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel) and 82.5% of such Conditional City Increment in the Conditional City Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The IRFD may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Housing Increment Special Account and the Conditional City Facilities Increment Special Account in its discretion.

Amounts deposited to and held by the IRFD in the Conditional City Increment Special Fund and the accounts therein shall be at all times separately accounted for by the IRFD from all other funds or accounts, and the Conditional City Housing Increment shall be used and applied solely as set forth in this Indenture.

The Conditional City Housing Increment received in any Bond Year and deposited into the Conditional City Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in Section 4.01 until such time during such Bond Year as the amount of Net Available Housing Increment on deposit in the Net Available Housing Increment Special Account is equal to the aggregate amounts required to be transferred in such Bond Year (i) for deposit into the Interest Account, the Principal Account, and the Redemption Account in such Bond Year pursuant to Section 4.03 hereof and, if applicable, (ii) with respect to any Parity Housing Debt other than additional Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Housing Increment shall be released from the pledge, security interest and lien hereunder for the security of the Housing Bonds and any additional Parity Housing Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Housing Increment in the Conditional City Housing Increment Special Account shall be released from the pledge, security interest and lien hereunder for the security of the Housing Bonds and any additional Parity Housing Debt following payment of the principal or redemption price of and interest on the Housing Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Housing Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Housing Increment is released as described in the preceding two paragraphs, the IRFD shall, first, use any Conditional City Housing Increment in the Conditional City Housing Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Housing Increment to the City.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable hereunder and under any Supplemental Indenture or Parity Housing Debt Instrument, the IRFD shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Housing Increment Special Account, except as may be provided in this Indenture and in any Supplemental Indenture or Parity Housing Debt Instrument.

Section 4.03. Deposit of Amounts by Trustee. There is hereby established a trust fund to be known as the Housing Debt Service Fund, which shall be held by the Trustee hereunder in trust. Moneys in the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account, in that order and as provided in this 4.03, with moneys in the Net Available Housing Increment Special Account being exhausted before moneys in the Conditional City Housing Increment Special Account are used, shall be transferred by the IRFD to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are hereby established in the Housing Debt Service Fund, and in the following order of priority (provided that, if on the fifth (5th) Business Day prior to the date the IRFD is required to transfer amounts on deposit in the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Parity Housing Debt other than Bonds, the IRFD shall immediately notify the Trustee of the amount of any such insufficiency):

(a) Interest Account. On or before the third (3rd) Business Day preceding each Interest Payment Date, the IRFD shall withdraw from the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account, in that order, and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Housing Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon

all of the Outstanding Housing Bonds. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Housing Bonds as it shall become due and payable (including accrued interest on any Housing Bonds redeemed prior to maturity pursuant to this Indenture).

(b) Principal Account. On or before the third (3rd) Business Day preceding September 1 in each year beginning September 1, 2023_, the IRFD shall withdraw from the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account, in that order, and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Housing Bonds and Outstanding Term Housing Bonds, including pursuant to mandatory sinking account redemption, on the next September 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next September 1 on all of the Outstanding Serial Housing Bonds and Term Housing Bonds. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Housing Bonds and the Term Housing Bonds, including by mandatory sinking account redemption, as the same shall become due and payable.

(c) Debt Service Reserve Accounts. In the event that (i) the amount on deposit in the 2022 Housing Reserve Account at any time becomes less than the 2022 Housing Reserve Requirement or (ii) the amount in any other reserve account that is held by the Trustee for Bonds that are not 2002 Related Bonds becomes less than its required amount, the Trustee shall promptly notify the IRFD of such fact. Promptly upon receipt of any such notice, the IRFD shall, without preference or priority and on a pro rata basis based on the outstanding principal amount of any Housing Bonds or other Parity Housing Debt, (i) transfer to the Trustee an amount of Net Available Housing Increment sufficient for the amount on deposit in the 2022 Housing Reserve Account to equal the 2022 Housing Reserve Requirement, (ii) transfer to the Trustee an amount of Net Available Housing Increment sufficient for the amount on deposit in such other reserve account held by the Trustee to equal its required amount and (iii) transfer as necessary to increase the amount in a debt service reserve account for any Parity Housing Debt that is not held by the Trustee to its required amount. If there shall then not be sufficient Net Available Housing Increment to make the transfers described in the preceding sentence, the IRFD shall be obligated to continue making transfers as Net Available Housing Increment becomes available in the Net Available Housing Increment Special Account until there is an amount sufficient to make the required transfers.

Moneys in the 2022B Reserve Account shall be governed by Section 4.04.

(d) Redemption Account. On or before the Business Day preceding any date on which the Series 2022B Housing Bonds are to be optionally redeemed pursuant to Section 2.03(a) or other series of Housing Bonds are to be optionally redeemed pursuant to a Supplemental Indenture, the Trustee shall withdraw from the Housing Debt Service Fund any amount transferred by the IRFD pursuant to Section 2.03(a) for deposit in the Redemption Account, such amount being the amount required to pay the principal of and premium, if any, on the Series 2022B Housing Bonds and on other Bonds to be optionally redeemed on such date pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and

premium, if any, on the Series 2022B Housing Bonds and on such other Bonds to be optionally redeemed pursuant to Section 2.03(a) or a similar provision of a Supplemental Indenture on the date set for such optional redemption. Interest due on the Series 2022B Housing Bonds or such other Bonds to be optionally redeemed on the date set for optional redemption shall, if applicable, be paid from funds available therefor in the Interest Account. Notwithstanding the foregoing, at any time prior to giving notice of optional redemption of any such Series 2022B Housing Bonds or such other Bonds, the Trustee may, at the direction of the IRFD, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2022B Housing Bonds or such other Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest on such Series 2022B Housing Bonds or such other Bonds, which is payable from the Interest Account) s shall be directed by the IRFD.

Section 4.04. 2022 Housing Reserve Account.

(a) Use of 2022 Housing Reserve Account. Except as provided in this Section 4.04, all money in the 2022 Housing Reserve Account shall be used and withdrawn by the Trustee for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority to pay principal of and interest on the Series 2022B Housing Bonds and any 2022 Related Housing Bonds, in the event of any deficiency at any time in any of such accounts.

So long as the IRFD is not in default hereunder, any amount in the 2022 Housing Reserve Account in excess of the 2022 Housing Reserve Requirement shall be withdrawn by the Trustee from the 2022 Housing Reserve Account semiannually on or before the fifth (5th) Business Day preceding each March 1 and September 1 for the following purposes, as directed in a Written Certificate of the IRFD: (i) to make a payment to the federal government to comply with Section 5.12 and (ii) to pay for authorized costs under the DDA Financing Plan, the Infrastructure Financing Plan and the Law.

(b) Investment. Moneys in the 2022 Housing Reserve Account shall be invested by the Trustee under Section 6.07.

(c) Qualified Reserve Account Credit Instruments. The IRFD shall have the right at any time to direct the Trustee to release funds from the 2022 Housing Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2022B Housing Bonds or any 2022 Related Housing Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. Upon tender of such items to the Trustee, and upon delivery by the IRFD to the Trustee of a written calculation of the amount permitted to be released from the 2022 Housing Reserve Account (upon which calculation the Trustee may conclusively rely), the Trustee shall transfer such funds from the 2022 Housing Reserve Account to the related account(s) in the Housing Project Fund to be used for the purposes thereof. Upon the scheduled expiration of any Qualified Reserve Account Credit Instrument, the IRFD shall either (i) replace

such Qualified Reserve Account Credit Instrument with a new Qualified Reserve Account Credit Instrument, or (ii) deposit or cause to be deposited with the Trustee an amount of funds equal to the 2022 Housing Reserve Requirement, which deposit shall be derived from the first Net Available Housing Increment that is available for that Bond Year or, if necessary any succeeding Bond Years, but only after the IRFD has transferred or provided for the transfer of amounts (A) to be deposited into the Interest Account, the Principal Account, any debt service reserve account for Bonds that are not 2022 Related Housing Bonds and the Redemption Account in such Bond Year and (B) required in such Bond Year under a Parity Housing Debt Instrument with respect to any Parity Housing Debt other than Housing Bonds.

If the Qualified Reserve Account Credit Instrument is in the form of a letter of credit and the IRFD has not renewed or replaced such letter of credit two weeks prior to its expiration or termination, the Trustee shall draw on such letter of credit in full and deposit the proceeds of such draw in the 2022 Housing Reserve Account.

If the 2022 Housing Reserve Requirement is being maintained partially in cash and partially with a Qualified Reserve Account Credit Instrument, the cash shall be first used to meet any deficiency which may exist from time to time in the Housing Debt Service Fund with respect to the Series 2022B Housing Bonds and any 2022 Related Housing Bonds. If the 2022 Housing Reserve Requirement is being maintained with two or more Qualified Reserve Account Credit Instruments, any draw to meet a deficiency which may exist from time to time in the Housing Debt Service Fund with respect to the Series 2022B Housing Bonds and any 2022 Related Housing Bonds shall be pro rata with respect to the stated amount of each such instrument.

In the event that a Qualified Reserve Account Credit Instrument is available to be drawn upon for only one or more particular series of Housing Bonds covered by the 2022 Housing Reserve Account, a separate subaccount in the 2022 Housing Reserve Account may be established for such series, and the calculation of the 2022 Housing Reserve Requirement with respect to the other Bonds covered by the 2022 Housing Reserve Account shall exclude the debt service on such series of Housing Bonds.

The IRFD will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2022 Housing Reserve Account with cash if, at any time that the Series 2022B Housing Bonds or any 2022 Related Housing Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account Credit Instrument or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the IRFD shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon.

The IRFD and the Trustee shall comply with the terms of the Qualified Reserve Account Credit Instrument as shall be required to receive payments thereunder in the event and to the extent required under this Section.

ARTICLE V

OTHER COVENANTS OF THE IRFD

Section 5.01. Punctual Payment. The IRFD shall punctually pay or cause to be paid the principal and interest to become due in respect of all the Housing Bonds together with the premium thereon, if any, in strict conformity with the terms of the Housing Bonds and of this Indenture. The IRFD shall faithfully observe and perform all of the conditions, covenants and requirements of this Indenture, all Supplemental Indentures and the Housing Bonds. Nothing herein contained shall prevent the IRFD from making advances of its own moneys howsoever derived to any of the uses or purposes referred to herein.

Section 5.02. Limitation on Additional Indebtedness; Against Encumbrances. The IRFD hereby covenants that, so long as the Housing Bonds are Outstanding, the IRFD shall not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Housing Increment, excepting only (i) the Series 2022B Housing Bonds, (ii) any Parity Housing Debt and (iii) any Subordinate Housing Debt. The IRFD will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Housing Increment or other amounts pledged to the Housing Bonds superior or equal to the pledge and lien herein created for the benefit of the Housing Bonds.

Section 5.03. Extension of Payment. The IRFD will not, directly or indirectly, extend or consent to the extension of the time for the payment of any Housing Bond or claim for interest on any of the Housing Bonds and will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding the Housing Bonds or claims for interest in any other manner. In case the maturity of any Housing Bond or claim for interest shall be extended or funded, whether or not with the consent of the IRFD, any Housing Bond or claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Housing Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

Section 5.04. Payment of Claims. The IRFD shall promptly pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the properties owned by the IRFD or upon the Pledged Housing Increment or other amounts pledged to the payment of the Housing Bonds, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Housing Bonds. Nothing herein contained shall require the IRFD to make any such payment so long as the IRFD in good faith shall contest the validity of said claims.

Section 5.05. Books and Accounts; Financial Statements. The IRFD shall keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the IRFD and the City and County of San Francisco, in which complete and correct entries shall be made of all transactions relating to the IRFD, the Project Areas, the Net Available Housing Increment, the Conditional City Housing Increment, the Housing Project Fund, the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account. Such books of record and accounts shall at all times during business hours be subject to the Owners of not less than ten percent (10%) in aggregate principal amount of the Housing Bonds then Outstanding, or their representatives authorized in writing.

Section 5.06. Protection of Security and Rights of Owners. The IRFD will preserve and protect the security of the Housing Bonds and the rights of the Owners. From and after the Closing Date with respect to the Series 2022B Housing Bonds, the Housing Bonds shall be incontestable by the IRFD.

Section 5.07. Maintenance of Pledged Housing Increment.

(a) The IRFD shall comply with all requirements of the Law to insure the allocation and payment to it of the Pledged Housing Increment. The IRFD shall not undertake proceedings for amendment of the Infrastructure Financing Plan if such amendments will impair the IRFD's ability to pay debt service on the Housing Bonds or, in and of themselves, cause the amount of Pledged Housing Increment available to the IRFD for application hereunder in any succeeding Fiscal Year to fall below 125% of Maximum Annual Debt Service.

(b) The IRFD shall use the proceeds of the Housing Bonds so as to ensure that the Pledged Housing Increment may be used under the Law for the purposes set forth herein. The covenant set forth in the first sentence of this subsection (b) is of a special and unique kind and character, and there would not be an adequate remedy at law for a breach of such covenant. Therefore, the IRFD agrees that the covenant may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California. In pursuing specific performance of such covenant, the party seeking to enforce such covenant shall be entitled to petition the court for injunctive relief, including, but not limited to, an order of the court restraining any use of the proceeds of the Housing Bonds that is inconsistent with such covenant.

Section 5.08. Compliance with the Law. The IRFD shall ensure that all activities undertaken by the IRFD are undertaken and accomplished in conformity with all applicable requirements of the Infrastructure Financing Plan and the Law.

Section 5.09. Plan Limit.

(a) The IRFD shall manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Housing Increment available under the Plan Limit in the amounts and at the times required to enable the IRFD to pay the principal of and interest and premium (if any) on the Outstanding Housing Bonds and any outstanding Parity Housing Debt when due.

(b) The IRFD shall annually review the total amount of Net Available Increment available to be allocated to the IRFD under the Plan Limits, as well as future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the IRFD and (v) any bonds or debt payable from Net Available Facilities Increment.

In furtherance of the covenant in the preceding paragraph, if the IRFD ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the IRFD and (v) any bonds or debt payable from Net Available Facilities Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the IRFD under the Plan Limits, then the IRFD shall either (i) adopt a

plan approved by an Independent Economic Consultant that demonstrates the IRFD's continuing ability to pay all of the debt service on the Housing Bonds and any Parity Housing Debt through the scheduled maturity date(s), or (ii) claim all Net Available Housing Increment not needed to pay current or any past due debt service on Housing Bonds or any Parity Housing Debt for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account (the "Escrow Account") and invested in Defeasance Obligations. Moneys in the Escrow Account must be used only to pay debt service on the Housing Bonds and any Parity Housing Debt, or to redeem Housing Bonds and any Parity Housing Debt that does not constitute Housing Bonds.

Section 5.10. Continuing Disclosure. The IRFD hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the IRFD to comply with the Continuing Disclosure Certificate shall not be an Event of Default hereunder. However, any Participating Underwriter or any holder or beneficial owner of the Housing Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the IRFD to comply with its obligations under this Section.

Section 5.11. Further Assurances. The IRFD will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Housing Bonds the rights and benefits provided in this Indenture.

Section 5.12. Federal Tax Law Covenants.

(a) **Private Activity Bond Limitation.** The IRFD will assure that the proceeds of the Series 2022A Housing Bonds are not so used as to cause the Series 2022A Housing Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) **Federal Guarantee Prohibition.** The IRFD will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Series 2022B Housing Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) **Rebate Requirement.** The IRFD will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Series 2022B Housing Bonds.

(d) **No Arbitrage.** The IRFD will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Series 2022B Housing Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series 2022B Housing Bonds would have caused the Series 2022B Housing Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) **Maintenance of Tax-Exemption.** The IRFD will take all actions necessary to assure the exclusion of interest on the Series 2022B Housing Bonds from the gross income of the Owners of the Series 2022B Housing Bonds to the same extent as such interest is permitted

to be excluded from gross income under the Code as in effect on the date of issuance of the Series 2022B Housing Bonds.

(f) Record Retention. The IRFD will retain its records of all accounting and monitoring it carries out with respect to the Series 2022B Housing Bonds for at least 3 years after the Series 2022B Housing Bonds mature or are redeemed (whichever is earlier); however, if the Series 2022B Housing Bonds are redeemed and refunded, the IRFD will retain its records of accounting and monitoring at least 3 years after the earlier of the maturity or redemption of the obligations that refunded the Series 2022B Housing Bonds.

(g) Compliance with Tax Certificate. The IRFD will comply with the provisions of the Certificate as to Arbitrage and the Certificate Regarding Use of Proceeds with respect to the Series 2022B Housing Bonds. The covenants of this Section will survive payment in full or defeasance of the Housing Bonds.

(h) Qualified Project Costs; Expected Life. The IRFD hereby covenants to make a grant of the proceeds of the Series 2022B Housing Bonds to pay Qualified Project Costs, and covenants that the portions of the Project financed by the proceeds of the Series 2022B Housing Bonds will have an expected average useful life of at least 25 years. The grant is structured as a forgivable loan. The loan will be forgiven if the grantee complies with the conditions of the forgivable loan which are more fully set forth in a loan agreement between the City and Mercy Housing California 82, L.P. and a recorded declaration of restrictions and affordable housing covenants. The IRFD and the grantee expect that the terms for forgiveness of the loan will be met.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The IRFD may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Housing Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the IRFD has knowledge that the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. In each case such removal shall be accomplished by the giving of written notice of such removal by the IRFD to the Trustee, whereupon the IRFD shall appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the IRFD and by giving the Owners notice of such resignation by first class mail, postage prepaid, at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the IRFD shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction at the expense of the IRFD for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing, acknowledging and delivering to the IRFD and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the IRFD or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of

conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the IRFD shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the IRFD shall cause either the predecessor Trustee or the successor Trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then has a current rating on the Housing Bonds and to the Owners at their respective addresses shown on the Registration Books.

(e) If an Event of Default hereunder occurs with respect to any Housing Bonds of which the Trustee has been given or is deemed to have notice, as provided in Section 6.03(d) hereof, then the Trustee shall immediately give written notice thereof, by first-class mail to the Owner of each any Housing Bond, unless such Event of Default shall have been cured before the giving of such notice.

(f) The IRFD agrees that, so long as any Housing Bonds or any Parity Housing Debt are Outstanding, the Trustee shall be a financial institution having a trust office in the State, having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state authority. If such financial institution publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such financial institution shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (f), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 6.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (f) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Liability of Trustee.

(a) The recitals of facts herein and in the Housing Bonds contained shall be taken as statements of the IRFD, and the Trustee shall not assume responsibility for the correctness of the same, nor make any representations as to the validity or sufficiency of this Indenture or of the security for the Housing Bonds or the tax status of interest thereon nor shall incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Housing Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for the acts of any agents of the Trustee selected by it with due care. The Trustee and its officers and employees may become the Owner of any Housing Bonds with the same rights it would have if they were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Housing Bonds then Outstanding.

(b) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Housing Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee shall not be liable for any action taken by it and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. Where the Trustee is given the permissive right to do things enumerated in this Indenture, such right shall not be construed as a mandatory duty.

(d) The Trustee shall not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer shall have actual knowledge thereof, or shall have received written notice thereof from the IRFD at its Principal Corporate Trust Office. In the absence of such actual knowledge or notice, the Trustee may conclusively assume that no Event of Default has occurred and is continuing under this Indenture. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by any other party of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Housing Bonds, or as to the existence of an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness, perfection or attachment of any lien or security interest of any collateral given to or held by it. Without limiting the generality of the foregoing, the Trustee may rely conclusively on the IRFD's certificates to establish the IRFD's compliance with its financial covenants hereunder, including, without limitation, its covenants set forth in Section 4.02 and the application of moneys on deposit in the funds and accounts established pursuant to Section 4.02 (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) The Trustee shall have no liability or obligation to the Bond Owners with respect to the payment of debt service on the Housing Bonds by the IRFD or with respect to the observance or performance by the IRFD of the other conditions, covenants and terms contained in this Indenture, or with respect to the investment of any moneys in any fund or account established, held or maintained by the IRFD pursuant to this Indenture or otherwise.

(f) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers. The Trustee shall be entitled to interest on all amounts advanced by it at the maximum rate permitted by law.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys or receivers and the Trustee shall not be responsible for any intentional misconduct or negligence on the part of any agent, attorney or receiver appointed with due care by it hereunder.

(h) The Trustee shall have no responsibility, opinion, or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Housing Bonds.

(i) Before taking any action under Article VIII or this Article at the request of the Owners, the Trustee may require that a satisfactory indemnity bond be furnished by the Owners for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

Section 6.04. Right to Rely on Documents and Opinions. The Trustee shall have no liability in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, facsimile transmission, electronic mail, or other paper or document reasonably believed by it to be genuine and to have been signed or prescribed by the proper party or parties, and shall not be required to make any investigation into the facts or matters contained thereon. The Trustee may consult with counsel, including, without limitation, counsel of or to the IRFD, with regard to legal questions, and, in the absence of negligence or intentional misconduct by the Trustee, the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of an Owner of a Housing Bond unless and until any Housing Bond is submitted for inspection, if required, and his title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the IRFD, which shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively

rely on any certificate or report of any Independent Accountant or Independent Economic Consultant appointed by the IRFD.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the IRFD elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The IRFD agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of and copying by the IRFD and any Owner, and their agents and representatives duly authorized in writing, during regular business hours and under reasonable conditions.

Section 6.06. Compensation and Indemnification. The IRFD shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture in accordance with the letter proposal from the Trustee approved by the IRFD and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee shall have a lien on the Net Available Housing Increment Special Account and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including reasonable compensation to its experts, attorneys and counsel (including the allocated costs and disbursement of in-house counsel to the extent such services are not redundant with those provided by outside counsel).

The IRFD further covenants and agrees to indemnify, defend and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities which it may incur to the extent arising out of or in connection with the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the IRFD and the rights of the Trustee under this Section 6.06 shall survive resignation or removal of the Trustee under this Indenture and payment of the Housing Bonds and discharge of this Indenture.

Section 6.07. Deposit and Investment of Moneys in Funds. Moneys in the Housing Project Fund (including any accounts therein), the Housing Debt Service Fund, the Interest Account, the Principal Account, the 2022 Housing Reserve Account, any reserve account held

by the Trustee for Bonds that are not 2022 Related Housing Bonds, the Redemption Account, the capitalized interest account for any Housing Bonds and the Series 2022B Costs of Issuance Fund shall be invested by the Trustee in Permitted Investments as directed by the IRFD in the Written Request of the IRFD filed with the Trustee, except that moneys in the 2022 Housing Reserve Account and, except as provided in a Supplemental Indenture, any reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds, shall not be invested in Permitted Investments having a maturity of more than five (5) years, unless any such Permitted Investment is described in clause (h) of the definition thereof. In the absence of any such Written Request of the IRFD, the Trustee shall invest any such moneys in Permitted Investments described in clause (f) of the definition thereof, which by their terms mature prior to the date on which such moneys are required to be paid out hereunder.

The Trustee shall be entitled to rely conclusively upon the written instructions of the IRFD directing investments in Permitted Investments as to the fact that each such investment is permitted by the laws of the State, and shall not be required to make further investigation with respect thereto. With respect to any restrictions set forth in the above list which embody legal conclusions (e.g., the existence, validity and perfection of security interests in collateral), the Trustee shall be entitled to rely conclusively on an opinion of counsel or upon a representation of the provider of such Permitted Investment obtained at the IRFD's expense.

Moneys in the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account may be invested by the IRFD in any obligations in which the IRFD is legally authorized to invest its funds. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder (except amounts in the Housing Project Fund) shall be deposited in the Interest Account; *provided, however*, that (i) all interest or gain from the investment of amounts in the 2022 Housing Reserve Account shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the 2022 Housing Reserve Account to equal the 2022 Housing Reserve Requirement and (ii) all interest or gain from the investment of amounts in any other debt service reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds shall be deposited by the Trustee in the Interest Account only to the extent not required to cause the balance in the 2022 Housing Reserve Account to equal the 2022 Housing Reserve Requirement or the balance in such other reserve account to equal its required amount. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made at the direction of the IRFD or otherwise made in accordance with this Section. For investment purposes only, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The IRFD acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the IRFD the right to receive brokerage confirmations of security transactions as they occur, the IRFD specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the IRFD monthly cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

All moneys held by the Trustee shall be held in trust, but need not be segregated from other funds unless specifically required by this Indenture. Except as specifically provided in this Indenture, the Trustee shall not be liable to pay interest on any moneys received by it, but shall be liable only to account to the IRFD for earnings derived from funds that have been invested.

The IRFD covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Housing Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Indenture or the Code) at Fair Market Value.

Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued by the IRFD at their present value (within the meaning of section 148 of the Code). Investments on deposit in the 2022 Housing Reserve Account and the reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds shall be valued on June 30 of each year at their market value.

Section 6.08. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Housing Bonds made by it and all funds and accounts held by the Trustee established pursuant to this Indenture. Such books of record and account shall be available for inspection by the IRFD upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the IRFD, on a monthly basis, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Housing Bonds and all funds and accounts held by the Trustee pursuant to this Indenture.

ARTICLE VII

MODIFICATION OR AMENDMENT OF THIS INDENTURE

Section 7.01. Amendment With and Without Consent of Owners. This Indenture and the rights and obligations of the IRFD and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption without the consent of any Owners, to the extent permitted by law, but only for any one or more of the following purposes -

(a) to add to the covenants and agreements of the IRFD in this Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the IRFD; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the IRFD may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the IRFD, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Housing Debt in accordance with Section 3.05; or

(d) to amend any provision hereof relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Housing Bonds the interest on which is intended to be excluded from gross income for federal income tax purposes, in the opinion of Bond Counsel; or

(e) to comply with the requirements of a provider of a Qualified Reserve Account Credit Instrument for the 2022 Housing Reserve Account or a similar provider for any other debt service reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds.

Except as set forth in the preceding paragraph, this Indenture and the rights and obligations of the IRFD and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Housing Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Housing Bond or otherwise alter or impair the obligation of the IRFD to pay the principal, interest, or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Housing Bond without the express written consent of the Owner of any Housing Bond, or (b) reduce the percentage of Housing Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent.

For the avoidance of doubt, the owners of a series of Housing Bonds shall be deemed to have consented to the provisions of a Supplemental Indenture if notice of the provisions is given

by the IRFD in an Official Statement for any Housing Bonds prior to the sale of any Housing Bonds.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Housing Bonds After Amendment. After the effective date of any amendment or modification hereof pursuant to this Article VII, the IRFD may determine that any or all of the Housing Bonds shall bear a notation, by endorsement in form approved by the IRFD, as to such amendment or modification and in that case upon demand of the IRFD the Owners of any Housing Bonds shall present any Housing Bonds for that purpose at the Principal Corporate Trust Office of the Trustee, and thereupon a suitable notation as to such action shall be made on any Housing Bonds. In lieu of such notation, the IRFD may determine that new Bonds shall be prepared at the expense of the IRFD and executed in exchange for any or all of the Housing Bonds, and in that case, upon demand of the IRFD, the Owners of the Housing Bonds shall present any Housing Bonds for exchange at the Principal Corporate Trust Office of the Trustee, without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Housing Bond held by such Owner, provided that due notation thereof is made on any Housing Bond.

Section 7.05. Opinion of Counsel. Prior to executing any Supplemental Indenture, the Trustee shall be furnished an opinion of counsel, upon which it may conclusively rely to the effect that all conditions precedent to the execution of such Supplemental Indenture under this Indenture have been satisfied and such Supplemental Indenture is authorized and permitted under this Indenture and does not adversely affect the exclusion of interest on the Housing Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest on the Housing Bonds from personal income taxation by the State.

Section 7.06. Copy of Supplemental Indenture to S&P and Moody's. The IRFD shall provide to S&P and Moody's, for so long as S&P and Moody's, as the case may be, maintain a rating on any of the Housing Bonds (without regard to any municipal bond or financial guaranty insurance), a copy of any Supplemental Indenture at least 15 days prior to its proposed effective date.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Section 8.01. Events of Default and Acceleration of Maturities. The following events shall constitute Events of Default hereunder:

(a) if default shall be made by the IRFD in the due and punctual payment of the principal of or interest or redemption premium (if any) on any Housing Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the IRFD in the observance of any of the covenants, agreements or conditions on its part in this Indenture or in the Housing Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of thirty (30) days following receipt by the IRFD of written notice from the Trustee, or written notice from any Owner (with a copy of said notice delivered to the Trustee) of the occurrence of such default, provided that if in the reasonable opinion of the IRFD the failure stated in the notice can be corrected, but not within such thirty (30) day period, such failure will not constitute an event of default if corrective action is instituted by the IRFD within such thirty (30) day period and the IRFD thereafter diligently and in good faith cures such failure in a reasonable period of time; or

(c) If the IRFD files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition by the IRFD seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition by the IRFD, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the IRFD or of the whole or any substantial part of its property.

If an Event of Default has occurred under this Section and is continuing, the Trustee, may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Housing Bonds then Outstanding the Trustee shall, (a) declare the principal of the Housing Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Housing Bonds to the contrary notwithstanding, and (b) subject to the provisions of Section 8.06, exercise any other remedies available to the Trustee and the Owners of the Housing Bonds in law or at equity.

Immediately upon receiving notice or actual knowledge of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the IRFD by telephone promptly confirmed in writing. Such notice shall also state whether the principal of the Housing Bonds shall have been declared to be or have immediately become due and payable. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Housing Bonds shall cease to accrue from and after the date, if any, on which the

Trustee shall have declared the Housing Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Housing Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Housing Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the IRFD shall, with the written consent of a majority in aggregate principal amount of the Owners of the Housing Bonds, deposit with the Trustee a sum sufficient to pay all principal on the Housing Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Housing Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable fees and expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Housing Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee shall promptly give written notice of the foregoing to the Owners of all Housing Bonds then Outstanding, and with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Housing Bonds then Outstanding, by written notice to the IRFD and to the Trustee, may, on behalf of the Owners of all of the Housing Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. All of the Pledged Housing Increment that are available to pay debt service on the Housing Bonds and all sums in the funds and accounts established and held by the Trustee hereunder upon the date of the declaration of acceleration as provided in Section 8.01, and all sums thereafter received by the Trustee hereunder, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in this Article VIII, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Housing Bonds for principal and interest, as applicable, with interest on the overdue principal, and installments of interest at the net effective rate then borne by the Outstanding Housing Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Housing Bonds, then to the payment of such principal and interest without preference or priority, ratably to the aggregate of such principal and interest without taking into account the availability of funds in the 2022 Housing Reserve Account or any other reserve account.

Notwithstanding the foregoing, Conditional City Housing Increment may only be used to pay principal and interest on the Housing Bonds and any Parity Housing Debt, and any Subordinate Housing Debt.

Section 8.03. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in principal amount of the Housing Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Housing Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; *provided, however*, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Housing Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owner's Right to Sue. No Owner of any Housing Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the IRFD and the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Housing Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Housing Bonds.

The right of any Owner of any Housing Bond to receive payment of the principal of (and premium, if any) and interest on any Housing Bond as herein provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.05. Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture or in the Housing Bonds, shall affect or impair the obligation of the IRFD, which is absolute and unconditional, to pay from the Pledged Housing Increment and other amounts pledged hereunder, the principal of and interest and redemption premium (if any) on the Housing Bonds to the respective Owners on the respective Interest Payment Dates, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of the Owners or the Trustee to institute suit to enforce such payment by virtue of the contract embodied in the Housing Bonds.

A waiver of any default by any Owner or the Trustee shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners and the Trustee by the Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners and the Trustee.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Owners or the Trustee, the IRFD, the Trustee and the Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. Actions by Trustee as Attorney-in-Fact. Any suit, action or proceeding which any Owner shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Housing Bonds or Parity Housing Debt shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, *provided, however*, the Trustee shall have no duty or obligation to exercise any such right or remedy unless it has been indemnified to its satisfaction from any loss, liability or expense (including fees and expenses of its outside counsel and the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel).

Section 8.07. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Section 8.08. Determination of Percentage of Bond Owners. Whenever in this Indenture the consent, direction or other action is required or permitted to be given or taken by a percentage of the Owners of an aggregate principal amount of Outstanding Housing Bonds (including by the Owners of a majority in aggregate principal amount of the Outstanding Housing Bonds), such percentage shall be calculated on the basis of the principal amount of the Outstanding Housing Bonds determined as of the next succeeding Interest Payment Date.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the IRFD, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the IRFD shall be for the sole and exclusive benefit of the Trustee and the Owners.

Section 9.02. Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the IRFD or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of the IRFD or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 9.03. Discharge of Indenture. If the IRFD shall pay and discharge the entire indebtedness on all Housing Bonds or any portion thereof in any one or more of the following ways:

- (i) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Housing Bonds, as and when the same become due and payable;

- (ii) by irrevocably depositing with the Trustee or an escrow agent, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to this Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Housing Bonds, including all principal, interest and redemption premiums, or;

- (iii) by irrevocably depositing with the Trustee or an escrow agent, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to this Indenture, be fully sufficient to pay and discharge the indebtedness on all Housing Bonds or the applicable portion thereof (including all principal, interest and redemption premiums) at or before maturity;

and, if any Housing Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Section 2.03(b) or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the IRFD, and notwithstanding that any Housing Bonds shall not have been surrendered for payment, the pledge of the Pledged Housing Increment and other funds provided for in this Indenture and all other obligations of the Trustee and the IRFD under this Indenture shall cease and terminate with respect to all Outstanding Housing Bonds or, if applicable, with respect to that portion of the Housing Bonds which has been paid and discharged, except only (a) the covenants of the IRFD hereunder with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds hereunder, (c) the obligations of the IRFD under Section 6.06 hereof, and (d) the obligation of the IRFD to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee, all fees, expenses and costs of

the Trustee. In the event the IRFD shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Housing Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the IRFD all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Housing Bonds of any maturity of the Housing Bonds that the IRFD has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Housing Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due the Trustee pursuant to Section 6.06 shall be paid over to the IRFD.

Section 9.04. Execution of Documents and Proof of Ownership by Owners. Any request, consent, declaration or other instrument which this Indenture may require or permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by such Owner's attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

The ownership of Housing Bonds and the amount, maturity, number and date of ownership thereof shall be proved by the Registration Books.

Any demand, request, direction, consent, declaration or other instrument or writing of the Owner of any Housing Bond shall bind all future Owners of any Housing Bond in respect of anything done or suffered to be done by the IRFD or the Trustee and in accordance therewith, provided, however, that the Trustee shall not be deemed to have knowledge that any Housing Bond is owned by or for the account of the IRFD unless the IRFD is the registered Owner or the Trustee has received written notice that any other registered Owner is such an affiliate.

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Housing Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the IRFD or the City and County of San Francisco (but excluding Housing Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the IRFD shall be individually or personally liable for the payment of the principal or interest or any premium on the Housing Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Cancelled Housing Bonds. Whenever in this Indenture provision is made for the surrender to the Trustee of any Housing Bonds which have been paid or cancelled pursuant to the provisions of this Indenture, the Trustee shall destroy any Housing Bonds and upon request of the IRFD provide the IRFD a certificate of destruction. The IRFD shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any Housing Bonds therein referred to.

Section 9.08. Notices. Any notice, request, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or upon receipt when mailed by first class, registered or certified mail, postage prepaid, or sent by facsimile, addressed as follows:

If to the IRFD:	c/o City and County of San Francisco 1 Dr. Carlton B. Goodlett Place City Hall, Room 338 San Francisco, CA 94102 Attn: Director of the Office of Public Finance

If to the Trustee:	Zions Bancorporation, National Association Corporate Trust Department 550 South Hope Street, Suite 2875 Los Angeles, CA 90071

Section 9.09. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Indenture shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the validity of the remaining portions of this Indenture. The IRFD hereby declares that it would have adopted this Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Housing Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Indenture may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the Trustee hereunder shall, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof, be assumed by and vest in the City's Director of the Office of Public Finance in trust for the benefit of the Owners. The IRFD covenants for the direct benefit of the Owners that its Finance Director in such case shall be vested with all of the rights and powers of the Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Trustee hereunder, in trust for the benefit of the Housing Bonds, pending appointment of a successor Trustee in accordance with the provisions of Section 6.01 hereof.

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium (if any) on or principal of the Housing Bonds which remains unclaimed for two (2) years after the date when the payments of such interest, premium and principal have become payable, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when the interest and premium (if any) on and principal of any Housing Bonds have become payable, shall be repaid by the Trustee to the IRFD as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the IRFD for the payment of the principal of and interest and redemption premium (if any) on of any Housing Bonds.

Section 9.11. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.12. Governing Law. This Indenture shall be construed and governed in accordance with the laws of the State.

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: 
Director of the Office of Public Finance
City and County of San Francisco

Attest:


Clerk
Board of Supervisors
City and County of San Francisco



**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

IN WITNESS WHEREOF, the CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (Treasure Island), has caused this Indenture to be signed in its name by the City's Director of the Office of Public Finance and attested by the Clerk of the Board of Supervisors of the City and County of San Francisco, and Zions Bancorporation, National Association, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)**

By: _____
Director of the Office of Public Finance
City and County of San Francisco

Attest:

Clerk
Board of Supervisors
City and County of San Francisco

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

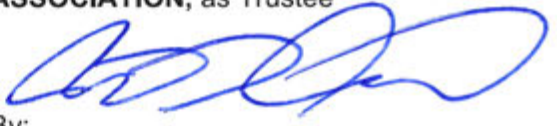

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

EXHIBIT A
FORM OF BOND

THIS BOND IS SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND MAY ONLY BE TRANSFERRED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 2.06 OF THE INDENTURE. NO TRANSFER, SALE OR OTHER DISPOSITION OF THIS BOND, OR ANY BENEFICIAL INTEREST HEREIN, MAY BE MADE EXCEPT TO A PERSON THAT IS A QUALIFIED PURCHASER THAT IS PURCHASING THIS BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING THIS BOND. EACH TRANSFEREE OF THIS BOND, OR ANY BENEFICIAL INTEREST THEREIN, SHALL BE DEEMED TO HAVE REPRESENTED TO THE IRFD, THE PARTICIPATING UNDERWRITER AND THE TRUSTEE THAT SUCH TRANSFEREE IS A QUALIFIED PURCHASER THAT IS PURCHASING SUCH BOND FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTING SUCH BOND. EACH ENTITY THAT IS OR THAT BECOMES AN OWNER OR A BENEFICIAL OWNER OF THIS BOND IS DEEMED BY THE ACCEPTANCE OR ACQUISITION OF THIS BOND OR SUCH BENEFICIAL OWNERSHIP INTEREST TO HAVE AGREED TO BE BOUND BY THE PROVISIONS OF SAID SECTION 2.06. ANY TRANSFER OF A BOND TO ANY ENTITY THAT IS NOT A QUALIFIED PURCHASER SHALL BE DEEMED NULL AND VOID.

No. ____

\$_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)
Tax Increment Revenue Bond, Series 2022B
(Housing Increment)

INTEREST RATE

MATURITY DATE

DATED DATE

_____%

____ 1, ____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

*****DOLLARS

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), for value received, hereby promises to pay solely from the Pledged Housing Increment (as hereinafter defined) to be received by the IRFD or amounts in certain funds and accounts held under the Indenture of Trust (as hereinafter defined), to the registered owner named above, or registered assigns, on the maturity date set forth above, unless redeemed prior thereto as hereinafter provided, the principal amount set forth above, and to pay interest on such principal amount, semiannually on each September 1 and March 1 (each an "Interest Payment Date"), commencing as set forth in the Indenture of Trust, at the interest rate set forth above, until the principal amount hereof is paid or made available for

payment provided, however, that if at the time of authentication of this Housing Bond, interest is in default on this Housing Bond, this Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment.

Principal of and interest on the Housing Bonds (including the final interest payment upon maturity or earlier redemption), is payable on the applicable Interest Payment Date by check of the Trustee (defined below) mailed by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Trustee at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date upon written instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Housing Bonds delivered to the Trustee prior to the applicable Record Date. The principal of the Housing Bonds and any premium on the Housing Bonds are payable in lawful money of the United States of America upon surrender of the Housing Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee.

This Housing Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$5,120,000. The issuance of the Housing Bonds and the terms and conditions thereof are provided for by an Indenture of Trust, dated as of September 1, 2022 (the "Indenture of Trust"), between the IRFD and the Zions Bancorporation, National Association (the "Trustee") and this reference incorporates the Indenture of Trust herein, and by acceptance hereof the owner of this Housing Bond assents to said terms and conditions. The Indenture of Trust is authorized under, this Housing Bond is issued under and both are to be construed in accordance with, the laws of the State of California. The Housing Bonds and the Indenture of Trust were approved by the Original Resolution of Issuance, as supplemented by the Series 2022B Resolution of Issuance (as defined in the Indenture), under California Government Code Section 53369 et seq. (the "Law") for the purpose of funding certain authorized affordable housing costs, and is one of series of bonds designated "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment)" (the "Housing Bonds").

Pursuant to the Law, the Resolution and the Indenture of Trust, the principal of and interest on this Housing Bond are payable solely from certain funds held under the Indenture of Trust and the Pledged Housing Increment, as defined in the Indenture of Trust. Any revenues for the payment hereof shall be limited to the Pledged Housing Increment, except to the extent that provision for payment has been made by the City, as may be permitted by law.

The Housing Bonds are not a debt of the City or the State of California or of any of its political subdivisions, other than the IRFD to the limited extent described herein, and none of those entities, other than the IRFD to the limited extent described herein, shall be liable on the Housing Bonds, and the Housing Bonds shall be payable exclusively from the Pledged Housing Increment and the specified funds held under the Indenture of Trust. The Housing Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation.

Optional Redemption. The Housing Bonds maturing on or before September 1, 2032 are not subject to optional redemption prior to their respective stated maturities. The Housing Bonds maturing on and after September 1, 2052, are subject to redemption, at the option of the IRFD on any date on or after September 1, 2032, as a whole or in part, by such maturities as shall be determined by the IRFD, and by lot within a maturity, from any available source of funds, at the principal amount of the Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium

Mandatory Sinking Fund Redemption. The Housing Bonds are subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, as set forth below, from sinking fund payments made by the IRFD to the Principal Account, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Facilities Bonds of 2032

<u>September 1</u>	<u>Principal Amount</u>
2023	\$80,000
2024	80,000
2025	85,000
2026	90,000
2027	95,000
2028	100,000
2029	105,000
2030	110,000
2031	115,000
2032 (maturity)	120,000

Term Facilities Bonds of 2052

<u>September 1</u>	<u>Principal Amount</u>
2033	\$125,000
2034	130,000
2035	140,000
2036	145,000
2037	150,000
2038	160,000
2039	170,000
2040	175,000
2041	185,000
2042	195,000
2043	205,000
2044	215,000
2045	225,000
2046	235,000
2047	250,000
2048	260,000
2049	275,000
2050	285,000
2051	300,000
2052	315,000

Provided, however, if some but not all of the Term Housing Bonds of a given maturity have been redeemed as a result of an optional redemption or a mandatory redemption, the total amount of all future Sinking Fund Payments relating to such maturity shall be reduced by the

aggregate principal amount of Term Housing Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of \$5,000 as determined by the Trustee, notice of which determination shall be given by the Trustee to the City.

Notice of redemption with respect to the Housing Bonds to be redeemed shall be given to the registered owners thereof, in the manner, to the extent and subject to the provisions of the Indenture of Trust.

This Housing Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Housing Bond shall be entered by the Trustee in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

No transfer or exchange hereof shall be valid for any purpose unless made by the registered owner, by execution of the form of assignment endorsed hereon, and authenticated as herein provided, and the principal hereof, interest hereon and any redemption premium shall be payable only to the registered owner or to such owner's order. The Trustee shall require the registered owner requesting transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange. No transfer or exchange hereof shall be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Housing Bonds for redemption or (ii) with respect to an Owner of a Housing Bond after any Housing Bond has been selected for redemption.

The Indenture of Trust and the rights and obligations of the IRFD thereunder may be modified or amended as set forth therein. The principal of the Housing Bonds is not subject to acceleration upon a default under the Indenture of Trust or any other document.

This Housing Bond shall not become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED by the IRFD that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of this Housing Bond have existed, happened and been performed in due time, form and manner as required by law, and that the amount of this Housing Bond, together with all other indebtedness of the IRFD, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

Unless this Housing Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any Housing Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), has caused this Housing Bond to be to be signed by the facsimile signature of the City's Director of the Office Public Finance and countersigned by the facsimile signature of the Clerk of the Board of Supervisors with the seal of the City imprinted hereon.

[S E A L]

Clerk of the Board of Supervisors

Director of the Office of Public Finance

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This is one of the Housing Bonds described in the Indenture of Trust which has been authenticated on _____, _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

No.

Maturity Date

Amount

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____
_____, attorney, to transfer the same on the registration books of the Trustee, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be
made by a guarantor institution participating
in the Securities Transfer Agents Medallion
Program or in such other guarantee
program acceptable to the Trustee.

NOTICE: The signature on this assignment
must correspond with the name(s) as
written on the face of the within Bond in
every particular without alteration or
enlargement or any change whatsoever.

EXHIBIT B

FORM OF HOUSING PROJECT FUND DISBURSEMENT REQUEST

DISBURSEMENT REQUEST NO.: _____

Zions Bancorporation, National Association
[address to come]
Attention: Corporate Trust Department

Re: \$5,120,000 City and County of San Francisco Infrastructure and Revitalization
 Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds,
 Series 2022B (Housing Increment)

Ladies and Gentlemen:

In accordance with the terms of an Indenture of Trust, by and between you and the undersigned, dated as of September 1, 2022 (the "Indenture"), you are hereby authorized and requested to make immediate disbursement of funds held by you in the accounts within the Housing Project Fund pursuant to Section 3.04 of the Indenture.

You are hereby requested to pay from the accounts designated on Schedule A attached hereto to the person(s), corporation(s) or other entity(ies) designated on Schedule A attached hereto as Payee(s), the sum set forth on said Schedule.

All of the costs listed on Schedule A are authorized expenditures of the IRFD with respect to the IRFD, are properly chargeable to the Housing Project Fund and have not been requested to be paid from the Housing Project Fund pursuant to any prior request.

[Series 2022B Housing Bonds only: In accordance with Section 5.12(g), the IRFD hereby confirms that it is making a grant or a forgivable loan of the proceeds of the Series 2022B Housing Bonds to pay Qualified Project Costs, and that the portions of the Project financed by the proceeds of the Series 2022B Housing Bonds will have an expected average useful life of at least 25 years.]

Capitalized terms used herein but not defined have the meaning given them in the Indenture.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (Treasure Island)

By: _____
Director of the Office of Public Finance
City and County of San Francisco

SCHEDULE A
TO
HOUSING PROJECT FUND DISBURSEMENT REQUEST

Payee Name and <u>Address</u>	<u>Purpose of Obligation</u>	<u>Amount</u>	Account from which Amounts should be <u>paid</u>

SPECIAL FUND ADMINISTRATION AGREEMENT

**City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1
(Treasure Island)**

**City and County of San Francisco Community Facilities District No. 2016-1
(Treasure Island)**

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Exhibit C - Form of Officer's Certificate - Conditional City Facilities Increment Special Account
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SPECIAL FUND ADMINISTRATION AGREEMENT

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)

City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

This Special Fund Administration Agreement, dated as of September 1, 2022 (the “**Agreement**”), is by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the “**City**”) for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “**CFD**”), the Treasure Island Development Authority, a California non-profit public benefit corporation (“**TIDA**”), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “**IRFD**”), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America (the “**Special Fund Trustee**”). Together, the City, the CFD, the IRFD and TIDA are referred to as the “**Public Entities**”.

RECITALS

This Agreement is made with reference to the following facts and circumstances:

A. Naval Station Treasure Island (“**NSTI**”) is a former United States Navy base located in the City that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of Yerba Buena Island.

B. TIDA is the Local Reuse Authority designated by the Department of Defense for NSTI and trustee for the portions of NSTI subject to the public trust and statutory trust.

C. The United States of America, acting by and through the Department of the Navy (“**Navy**”), and TIDA entered into an Economic Conveyance Memorandum of Agreement (as amended and supplemented from time to time, the “**Conveyance Agreement**”) that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and under the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases after the Navy has completed environmental remediation and issued a Finding of Suitability to Transfer (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof.

D. Treasure Island Community Development, LLC (“**Developer**”) and TIDA have previously entered into a Disposition and Development Agreement (Treasure Island/Yerba Buena Island) dated June 28, 2011 (the “**DDA**”), including a Financing Plan (Treasure Island/Yerba Buena Island) (the “**Financing Plan**”), which governs the disposition and development of a portion of NSTI (the “**Project Site**”) after the Navy’s transfer of NSTI to TIDA in accordance with the Conveyance Agreement.

E. The DDA contemplates a project (the “**Project**”) under which TIDA acquires the Project Site from the Navy and conveys portions of the Project Site to Developer (or an affiliate of the Developer) for the purposes of (1) alleviating blight in the Project Site through development of certain improvements, (2) geotechnically stabilizing the Project Site, (3) constructing public infrastructure to support the Project and other proposed uses on NSTI, (4)

constructing and improving certain public parks and open spaces, (5) abatement of certain existing hazardous substances, and (6) selling and ground leasing lots to vertical developers who will construct residential units and commercial and public facilities.

F. Developer and the City previously entered into a Development Agreement dated June 28, 2011 related to the Project Site to eliminate uncertainty in the City's land use planning for the Project Site and secure orderly development of the Project consistent with the DDA and other applicable requirements, and the Financing Plan was also an exhibit to the Development Agreement.

G. Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code commencing with Section 53369 (the "**IRFD Law**") the City, acting through its Board of Supervisors (the "**Board of Supervisors**"), established the IRFD and four initial project areas in the IRFD (together with future project areas, the "**Project Areas**"). The City intends to establish additional Project Areas from time to time.

H. Under Ordinance No. 29-22, adopted by the Board of Supervisors, as legislative body of the IRFD, on February 15, 2022 (the "**IRFD Ordinance**"), the IRFD approved an amended Infrastructure Financing Plan for the IRFD (the "**IRFD Financing Plan**").

I. Under the Mello-Roos Community Facilities Act of 1982, as amended (the "**Mello-Roos Act**"), and Resolution No. 8-17 adopted by the Board of Supervisors on January 24, 2017 (the "**CFD Resolution of Formation**"), the City, acting by and through the Board of Supervisors, established the City and County of San Francisco Special Tax District No. 2016-1 (Treasure Island) (the "**CFD**"). As of the date hereof, the Board of Supervisors has designated three improvement areas in the CFD and intends to designate additional improvement areas from time to time (the "**Improvement Areas**").

J. The City, on its own behalf and for and on behalf of the CFD, the IRFD and TIDA desire to enter into this Agreement with the Special Fund Trustee in order to provide for the administration and disposition of Net Available Increment, Conditional City Increment, Facilities Special Taxes and Services Special Taxes consistent with the terms of the DDA, the Financing Plan, the CFD Resolution of Formation, the RMAs, the IRFD Financing Plan, the IRFD Facilities Indentures, the IRFD Housing Indentures, the IRFD Debt Instruments and the CFD Indentures.

AGREEMENT

Accordingly, in consideration of the matters described in the foregoing recitals, the covenants contained in this Agreement, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the City (on behalf of itself and the CFD), the IRFD, TIDA and the Special Fund Trustee agree as follows:

1. Definitions.

Unless the context otherwise clearly requires, the capitalized terms used in this Agreement shall have the following meanings or if not defined in this Agreement, the meanings given such terms in the Financing Plan.

"Authorized Officer" means the President of the Board of Supervisors, the San Francisco Controller and the Finance Director.

"Base Year" means fiscal year 2016-17, or such other fiscal year specified in the Infrastructure Financing Plan.

“CFD Indenture” means an indenture of trust, trust agreement or fiscal agent agreement pursuant to which the CFD issues bonds on behalf of an Improvement Area that are payable from Facilities Special Taxes.

“Conditional City Facilities Increment” means 82.5% of the Conditional City Increment.

“Conditional City Housing Increment” means 17.5% of the Conditional City Increment.

“Conditional City Increment” means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

“Facilities Special Taxes” means special taxes designated as Facilities Special Taxes in an RMA.

“Finance Director” means the Director of the Controller’s Office of Public Finance, or, in the event such office is eliminated, the official of the City that is responsible for the management of municipal bonds issued by the City.

“Gross Tax Increment” means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the Project Area.

“Incremental Assessed Property Value” means, in any year, for each Project Area, the difference between the assessed value of the property within such Project Area for that fiscal year and the assessed value of the property within such Project Area in the Base Year, to the extent that the difference is a positive number.

“IRFD” means the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California.

“IRFD Debt Instrument” means, as applicable, an IRFD Housing Debt Instrument or an IRFD Facilities Debt Instrument.

“IRFD Facilities Debt Instrument” means an instrument pursuant to which the IRFD incurs debt other than bonds that is payable from Net Available Facilities Increment and Conditional City Facilities Increment

“IRFD Facilities Indenture” means an indenture of trust, trust agreement or fiscal agent agreement pursuant to which the IRFD issues bonds that are payable from Net Available Facilities Increment and Conditional City Facilities Increment.

“IRFD Financing Plan” means the Amended and Restated Infrastructure Financing Plan for the IRFD, including the Project Areas, adopted and approved by the Board of Supervisors of

the City and County of San Francisco, in its capacity as legislative body of the IRFD, by Ordinance No. 29-22, adopted on February 15, 2022, as heretofore amended and as may hereafter be amended in accordance with the law.

“IRFD Housing Debt Instrument” means an instrument pursuant to which the IRFD incurs debt other than bonds that is payable from Net Available Housing Increment and Conditional City Housing Increment.

“IRFD Housing Indenture” means an indenture of trust, trust agreement or fiscal agent agreement pursuant to which the IRFD issues bonds that are payable from Net Available Housing Increment and Conditional City Housing Increment.

“IRFD Indenture” means, as applicable, an IRFD Housing Indenture or an IRFD Facilities Indenture.

“Net Available Facilities Increment” means 82.5% of the Net Available Increment.

“Net Available Housing Increment” means 17.5% of the Net Available Increment.

“Net Available Increment” means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

“Ongoing Park Maintenance” means the costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance.

“Plan Limit” means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the IRFD pursuant to the Infrastructure Financing Plan and the IRFD Law.

“RMA” means the rate and method of apportionment of special taxes for an Improvement Area, adopted in accordance with applicable law.

“Remainder Taxes” has the meaning given that term in the Financing Plan.

“Services” has the meaning given that term in the CFD Resolution of Formation.

“Services Special Taxes” means special taxes designated as Services Special Taxes in an RMA.

2. Effective Date; Termination of Agreement.

(a) This Agreement shall become effective on the date first written above and shall terminate on the date determined in accordance with Section 2(b).

(b) This Agreement shall terminate on the date of the latest of the following to occur:

(i) When all of the Net Available Increment, Conditional City Increment, Facilities Special Taxes and Services Special Taxes governed by this Agreement have been disbursed in accordance with the Mello-Roos Act, the IRFD Law, the IRFD Financing Plan and the DDA.

(ii) When all debt of the IRFD has been defeased or paid, as provided in the respective IRFD Housing Indenture, IRFD Facilities Indenture, IRFD Facilities Debt Instrument or IRFD Housing Debt Instrument.

Notwithstanding the foregoing, this Agreement shall terminate upon delivery of a written direction of the Public Entities to the Special Fund Trustee to close the funds and accounts described herein and to distribute any remaining funds therein as designated in such written direction.

3. Conflicts with IRFD Indentures, IRFD Debt Instruments or CFD Indentures . In the event of any conflict between this Agreement and the provisions of any IRFD Indenture, IRFD Debt Instrument or CFD Indenture, the provisions of the IRFD Indenture, the IRFD Debt Instrument or the CFD Indenture shall govern.

The parties acknowledge that, in an IRFD Indenture, IRFD Debt Instrument or CFD Indenture, the City or the IRFD, as applicable, may pledge amounts in certain funds and accounts established and maintained under this Agreement.

4. Establishment of Special Funds and Accounts.

(a) Net Available Increment Special Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “Net Available Increment Special Fund” (the “**Net Available Increment Special Fund**”). Within the Net Available Increment Special Fund, the Special Fund Trustee shall establish, maintain and hold the following accounts and subaccounts therein:

- (i) the “Net Available Facilities Increment Special Account,” and
- (ii) the “Net Available Housing Increment Special Account.”

The Net Available Increment Special Fund and the accounts therein shall be held by the Special Fund Trustee for the benefit of the IRFD and shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in the Net Available Increment Special Fund and the accounts therein shall be Net Available Increment collected by the Treasurer/Tax Collector and distributed to the IRFD by the San Francisco Controller, which may be net of the amounts payable to the Treasurer/Tax Collector pursuant to Section 53369.31 of the IRFD Law.

The Net Available Increment Special Fund and the accounts therein collectively constitute a special fund required by Section 53369.30(b) of the IRFD Law.

(b) Conditional City Increment Special Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “Conditional City Increment Special Fund” (the “**Conditional City Increment Special Fund**”). Within the Conditional City Increment Special Fund, the Special Fund Trustee shall establish, maintain and hold the following accounts and subaccounts therein:

- (i) the “Conditional City Facilities Increment Special Account,” and
- (ii) the “Conditional City Housing Increment Special Account.”

The Conditional City Increment Special Fund and the accounts therein shall be held by the Special Fund Trustee for the benefit of the IRFD and shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in the Conditional City Increment Special Fund and the accounts therein shall be Conditional City Increment collected by the Treasurer/Tax Collector and distributed to the IRFD by the San Francisco Controller, which may be net of the amounts payable to the Treasurer/Tax Collector pursuant to Section 53369.31 of the IRFD Law.

The Conditional City Increment Special Fund and the accounts therein collectively constitute a special fund required by Section 53369.30(b) of the IRFD Law.

(c) IRFD Housing Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “IRFD Housing Fund” (the “**IRFD Housing Fund**”). The IRFD Housing Fund constitutes the “Housing Fund,” as defined in the Financing Plan.

The IRFD Housing Fund shall be held by the Special Fund Trustee for the benefit of the IRFD and TIDA, or a designated party authorized by TIDA such as the Mayor’s Office of Housing and Community Development, and the funds on deposit therein from time to time shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in the IRFD Housing Fund shall be Net Available Housing Increment.

(d) IRFD Qualified Project Costs Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “IRFD Qualified Project Costs Fund” (the “**IRFD Qualified Project Costs Fund**”).

The IRFD Qualified Project Costs Fund, and the accounts and subaccounts therein, shall be held by the Special Fund Trustee for the benefit of the IRFD and the Developer, and the funds on deposit therein from time to time shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in IRFD Qualified Project Costs Fund shall be the Net Available Facilities Increment.

(e) Remainder Taxes Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “Remainder Taxes Fund” (the “**Remainder Taxes Fund**”), and within the Remainder Taxes Fund shall hold three accounts: (i) the Remainder Taxes Project Account, (ii) the Remainder Taxes Holding Account and (iii) the Ongoing Maintenance Account. The Special Fund Trustee shall establish, maintain and hold in trust sub-accounts within the accounts in the Remainder Taxes Fund as directed by the City from time to time.

The Remainder Taxes Fund and the accounts and sub-accounts therein shall be held by the Special Fund Trustee for the benefit of the City, TIDA and the Developer and shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in the Remainder Taxes Fund and the accounts and sub-accounts therein shall be the Remainder Taxes.

(f) IRFD Administrative Costs Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “IRFD Administrative Costs Fund” (the “**IRFD Administrative Costs Fund**”).

The IRFD Administrative Costs Fund shall be held by the Special Fund Trustee for the benefit of the IRFD and the funds on deposit therein from time to time shall be applied by the Special Fund Trustee in accordance this Agreement.

The source of funds in the IRFD Administrative Costs Fund shall be Net Available Facilities Increment and Net Available Housing Increment.

(g) Services Special Tax Fund. The Special Fund Trustee shall establish, maintain and hold in trust a separate fund designated as the “Services Special Tax Fund” (the “**Services Special Tax Fund**”). The Special Fund Trustee shall establish accounts within the Services Special Tax Fund as directed in a written certificate by an Authorized Officer.

The Services Special Tax Fund, and any accounts therein, shall be held by the Special Fund Trustee for the benefit of the CFD and the City, and the funds on deposit therein from time to time shall be applied by the Special Fund Trustee in accordance with this Agreement.

The source of funds in the Services Special Tax Fund shall be the Services Special Tax levied by the City in the Improvement Areas.

5. Deposits and Distributions of Net Available Facilities Increment in the Net Available Facilities Increment Special Account.

(a) Promptly upon receipt, the IRFD shall cause the Special Fund Trustee to deposit Net Available Facilities Increment in the Net Available Facilities Increment Special Account, as directed in a written certificate executed by an Authorized Officer. The Parties acknowledge and agree that the Net Available Facilities Increment may be deposited directly by the San Francisco Controller, at the times and in the amounts specified in a written certificate executed by an Authorized Officer and delivered to the Special Fund Trustee.

(b) An Authorized Officer shall direct the Special Fund Trustee in a written certificate in substantially the form of Exhibit A to distribute any moneys in such subaccounts and accounts in accordance with the DDA, the IRFD Financing Plan, an IRFD Facilities Indenture and an IRFD Facilities Debt Instrument.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Net Available Facilities Increment Special Account.

6. Deposits and Distributions of Net Available Housing Increment in the Net Available Housing Increment Special Account.

(a) Promptly upon receipt, the IRFD shall cause the Special Fund Trustee to deposit Net Available Housing Increment in the Net Available Housing Increment Special Account, as directed in a written certificate executed by an Authorized Officer. The Parties acknowledge and agree that the Net Available Housing Increment may be deposited directly by the San Francisco Controller, at the times and in the amounts specified in a written certificate executed by an Authorized Officer and delivered to the Special Fund Trustee.

(b) An Authorized Officer shall direct the Special Fund Trustee in a written certificate in substantially the form of Exhibit B to distribute any moneys in such subaccounts and accounts in accordance with the DDA, the IRFD Financing Plan, an IRFD Housing Indenture and an IRFD Housing Debt Instrument.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Net Available Housing Increment Special Account.

7. Deposits and Distributions of Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account.

(a) Promptly upon receipt, the IRFD shall cause the Special Fund Trustee to deposit Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account, as directed in a written certificate executed by an Authorized Officer. The Parties acknowledge and agree that the Conditional City Facilities Increment may be deposited directly

by the San Francisco Controller, at the times and in the amounts specified in a written certificate executed by an Authorized Officer and delivered to the Special Fund Trustee.

(b) An Authorized Officer shall direct the Special Fund Trustee in a written certificate in substantially the form of Exhibit C to distribute any moneys in such subaccounts and accounts in accordance with the DDA, the IRFD Financing Plan, an IRFD Facilities Indenture and an IRFD Facilities Debt Instrument.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Conditional City Facilities Increment Special Account.

8. Deposits and Distributions of Conditional City Housing Increment in the Conditional City Housing Increment Special Account.

(a) Promptly upon receipt, the IRFD shall cause the Special Fund Trustee to deposit Conditional City Housing Increment in the Conditional City Housing Increment Special Account, as directed in a written certificate executed by an Authorized Officer. The Parties acknowledge and agree that the Conditional City Housing Increment may be deposited directly by the San Francisco Controller, at the times and in the amounts specified in a written certificate executed by an Authorized Officer and delivered to the Special Fund Trustee.

(b) An Authorized Officer shall direct the Special Fund Trustee in a written certificate in substantially the form of Exhibit D to distribute any moneys in such subaccounts and accounts in accordance with the DDA, the IRFD Financing Plan, an IRFD Housing Indenture and an IRFD Housing Debt Instrument.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Conditional City Housing Increment Special Account.

9. Deposits in and Distributions from the IRFD Administrative Costs Fund.

(a) The Special Fund Trustee shall deposit funds from time to time in the IRFD Administrative Costs Fund as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the IRFD Administrative Costs Fund in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit E.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the IRFD Administrative Costs Fund.

10. Deposits in and Distributions from the IRFD Qualified Project Costs Fund.

(a) The Special Fund Trustee shall deposit funds from time to time in the IRFD Qualified Project Costs Fund as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the IRFD Qualified Project Costs Fund in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit F.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the IRFD Qualified Project Costs Fund.

11. Deposits in and Distributions from the IRFD Housing Fund.

(a) The Special Fund Trustee shall deposit funds from time to time in the IRFD Housing Fund as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the IRFD Housing Fund in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit G.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the IRFD Housing Fund.

12. Deposits and Distributions of Services Special Taxes in the Services Special Tax Fund.

(a) The Special Fund Trustee shall deposit Services Special Taxes in the Services Special Tax Fund as directed by in a written certificate executed by an Authorized Officer. The Parties acknowledge and agree that the Services Special Taxes may be deposited directly by the San Francisco Controller, at the times and in the amounts specified by in a written certificate executed by an Authorized Officer and delivered to the Special Fund Trustee.

(b) The Special Fund Trustee shall withdraw and apply moneys in the Services Special Tax Fund in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit H.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Services Special Tax Fund.

13. Deposits in and Distributions from the Remainder Taxes Project Account.

(a) The Special Fund Trustee shall deposit funds from time to time in the Remainder Taxes Project Account as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the Remainder Taxes Project Account in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit I.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Remainder Taxes Project Account.

14. Deposits in and Distributions from the Remainder Taxes Holding Account.

(a) The Special Fund Trustee shall deposit funds from time to time in the Remainder Taxes Holding Account as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the Remainder Taxes Holding Account in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit J.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Remainder Taxes Holding Account.

15. Deposits in and Distributions from the Ongoing Maintenance Account.

(a) The Special Fund Trustee shall deposit funds from time to time in the Ongoing Maintenance Account as directed in a written certificate executed by an Authorized Officer.

(b) The Special Fund Trustee shall withdraw and apply moneys in the Ongoing Maintenance Account in accordance with a written requisition executed by an Authorized Officer in substantially the form of Exhibit K.

(c) The Special Fund Trustee shall maintain records as to the date of each deposit to and distribution from the Ongoing Maintenance Account.

16. Investment of Funds; Reporting of Earnings and Balances.

(a) Investment of Funds. The Special Fund Trustee shall invest amounts on deposit in the funds and accounts established under this Agreement at the written direction of an Authorized Officer in any lawful investment for City funds. The Special Fund Trustee may rely on the written direction as to the legality of any such investment. In the absence of any such

written direction, the Special Fund Trustee shall hold such moneys uninvested. The Special Fund Trustee shall not be responsible for any loss on any investment made at the written direction of an Authorized Officer or otherwise made in accordance with this subsection (a).

(b) Reporting of Earnings and Balances. The Special Fund Trustee shall provide monthly reports to Finance Director setting forth a list of all assets in each of the accounts and funds established under this Agreement, all deposit and withdrawal activity for the funds and accounts, any investment gain or loss on amounts in such funds and accounts, and the ending balance, as of the end of the preceding month, of each such account.

(c) Investment Earnings. Interest earnings and profits resulting from investment of the moneys in any fund, account, or subaccount established under this Agreement shall be retained in such fund, account or subaccount.

(d) Commingled Money. Investments in any and all funds, accounts and subaccounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, provided that the Special Fund Trustee shall at all times account for such investments strictly in accordance with the funds, accounts and subaccounts to which they are credited.

(e) The Public Entities acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Public Entities the right to receive brokerage confirmations of security transactions as they occur, the Public Entities specifically waive receipt of such confirmations to the extent permitted by law. The Special Fund Trustee will provide periodic cash transaction statements which include detail for all investment transactions made by the Special Fund Trustee under this Agreement.

17. General Provisions Regarding the Special Fund Trustee.

The following provisions shall pertain to the performance by the Special Fund Trustee of its duties under this Agreement:

(a) Duties, Immunities and Liabilities of Special Fund Trustee. The Special Fund Trustee shall perform such duties and only such duties as are specifically set forth in this Agreement. The Special Fund Trustee shall exercise the rights and powers vested in it by this Agreement, and use the same degree of care and skill in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Merger or Consolidation of Special Fund Trustee. Any company into which the Special Fund Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Special Fund Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Special Fund Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. The Special Fund Trustee shall give written notice to the Public Entities of any such merger or consolidation and of any name change.

(c) Liability of Special Fund Trustee. The recitals of facts herein shall be taken as statements of the Public Entities and the Special Fund Trustee assumes no responsibility for the correctness of the same, or shall incur any responsibility with respect to this Agreement, other than in connection with the duties or obligations herein or imposed upon it. The Special Fund Trustee shall not be liable (i) in connection with the performance of its respective duties hereunder, except for its own negligence or willful misconduct; (ii) for any error of judgment made in good faith, unless it shall be proved that the Special Fund Trustee was negligent in ascertaining the pertinent facts; (iii) with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Public Entities the relating to the time, method and place of exercising any trust or power conferred upon the Special Fund Trustee

under this Agreement; or (iv) for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

(d) Payment, Reimbursement, Indemnification. The Public Entities agree:

(i) to pay the Special Fund Trustee, from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(ii) except as otherwise expressly provided herein, to reimburse the Special Fund Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Special Fund Trustee in accordance with any provision of this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Special Fund Trustee's negligence or willful misconduct; and

(iii) to indemnify the Special Fund Trustee, its officers, employees, directors and agents (collectively, the "Special Fund Trustee Indemnitees" for, and to hold the Special Fund Trustee Indemnities harmless against, any loss, liability, cost, claim or expense of any kind whatsoever, including those of its attorneys, incurred without negligence or willful misconduct on any Special Fund Trustee Indemnitee's part, arising out of or in connection with the acceptance or administration of this trust or the performance of its duties hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The provisions of this Section 17(d)(iii) shall survive the termination of this Agreement.

(e) Expenditure of Special Fund Trustee's Funds. No provision of this Agreement shall require the Special Fund Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to the Special Fund Trustee's reasonable satisfaction.

(f) Agents, Co-Trustees. The Special Fund Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, co-trustees or attorneys and the Special Fund Trustee shall not be responsible for any misconduct or negligence on the part of any agent, co-trustee or attorney appointed in the absence of negligence or misconduct by the Special Fund Trustee in the appointment of such agent, co-trustee or attorney.

(g) No Personal Liability. In acting as Special Fund Trustee hereunder, the Special Fund Trustee acts solely in its capacity as Special Fund Trustee, and not in its individual, personal or corporate capacity.

(h) Right of Special Fund Trustee to Rely on Documents. The Special Fund Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, requisition, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, debenture, coupon or other paper or document, but the Special Fund Trustee, in its discretion, may make such further investigation or inquiry into such facts of matters as it may deem fit.

The Special Fund Trustee shall be protected in acting upon any notice, resolution, request, direction, requisition, consent, order, certificate, report, opinion, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Special Fund Trustee may consult with counsel, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. The Special Fund Trustee may conclusively rely upon any direction or instruction received by it from an Authorized Officer as to the deposit and withdrawal of moneys in the funds and accounts

established under this Agreement and shall not be responsible as to the correctness of the amounts received, or the use or allocation thereof, but its responsibility shall be limited to the accounting for such funds as it shall actually receive.

Whenever in the administration of the trusts imposed upon it by this Agreement the Special Fund Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a statement of an Authorized Officer and such statement shall be full warrant to the Special Fund Trustee for any action taken or suffered in good faith under the provisions of this Agreement in reliance upon such statement, but in its discretion the Special Fund Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

The Special Fund Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means") shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Special Fund Trustee, or another method or system specified by the Special Fund Trustee as available for use in connection with its services hereunder); provided, however, that the Public Entities shall provide to the Special Fund Trustee an incumbency certificate listing the Authorized Officers (who, the Public Entities hereby notify the Special Fund Trustee, will have the authority to provide such Instructions) and containing specimen signatures of the Authorized Officers, which incumbency certificate shall be amended by the Public Entities whenever a person is to be added or deleted from the listing. If the Public Entities decide to give the Special Fund Trustee Instructions using Electronic Means and the Special Fund Trustee in its discretion elects to act upon such Instructions, the Special Fund Trustee's understanding of such Instructions shall be deemed controlling. The Public Entities understand and agree that the Special Fund Trustee cannot determine the identity of the actual sender of such Instructions and that the Special Fund Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Special Fund Trustee have been sent by such Authorized Officer. The Public Entities shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Special Fund Trustee and that the Public Entities and all Authorized Officers are solely responsible for safeguarding the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Public Entities. The Special Fund Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Special Fund Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Public Entities agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Special Fund Trustee, including without limitation the risk of the Special Fund Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Special Fund Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Public Entities; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Special Fund Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(i) Preservation and Inspection of Documents. All documents received by the Special Fund Trustee under the provisions of this Agreement shall be retained in its possession and shall be subject at all reasonable times upon reasonable prior notice to the inspection of the

Public Entities and its respective agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

18. Resignation or Removal of Special Fund Trustee.

(a) The Special Fund Trustee may resign at any time by giving written notice to the Public Entities, and the Public Entities shall promptly appoint a successor trustee.

(b) The Public Entities may remove the Special Fund Trustee at any time without cause by giving written notice to the Special Fund Trustee and appointing a successor trustee.

(c) Notwithstanding any other provision of this Agreement, no resignation or removal of the Special Fund Trustee shall take effect until the acceptance of appointment and assumption of duties by the successor trustee. If no appointment of a successor Special Fund Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Special Fund Trustee shall have given to the Public Entities written notice or after a vacancy in the office of the Special Fund Trustee shall have occurred by reason of its inability to act, the Special Fund Trustee, at the expense of the Public Entities may apply to any court of competent jurisdiction to appoint a successor Special Fund Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Special Fund Trustee.

(d) If, by reason of the judgment of any court, the Special Fund Trustee is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of Special Fund Trustee hereunder shall be assumed by and vest in the Finance Director in trust. The Finance Director in such case shall be vested with all of the rights and powers of the Special Fund Trustee hereunder, and shall assume all of the responsibilities and perform all of the duties of the Special Fund Trustee hereunder.

19. Information; Books and Accounts.

The Special Fund Trustee shall provide to the Public Entities and Finance Director such information relating to the funds and accounts maintained by the Special Fund Trustee hereunder as the Public Entities and/or the Finance Director shall reasonably request, including but not limited to monthly statements reporting funds held and transactions by the Special Fund Trustee, including the value of any investments held by the Special Fund Trustee. The Special Fund Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Special Fund Trustee, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts disbursed from the funds and accounts maintained by the Special Fund Trustee hereunder. Such books of record and accounts shall, upon reasonable notice, during business hours be subject to the inspection of the Public Entities or its representatives duly authorized in writing.

20. Conflict of Interest.

Through its execution of this Agreement, the Special Fund Trustee acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Public Entities if it becomes aware of any such fact during the term of this Agreement.

21. Proprietary or Confidential Information of the Public Entities.

The Special Fund Trustee understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, the Special Fund Trustee may have access to private or confidential information which may be owned or controlled by the City, including the Public Entities, and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to the City, including the Public Entities. The Special Fund Trustee agrees that all information disclosed by the Public Entities to

the Special Fund Trustee shall be held in confidence and used only in performance of the Agreement, provided that, notwithstanding anything herein to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known, or information obtained by Special Fund Trustee from sources other than the other parties hereto, (ii) disclosure of any and all information (A) if required to do so by any applicable rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any aspects of Special Fund Trustee's business or that of its affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which Special Fund Trustee or any affiliate or an officer, director, employer or shareholder thereof is a party or (D) to any affiliate, independent or internal auditor, agent, employee or attorney of Special Fund Trustee having a need to know the same, provided that Special Fund Trustee advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Public Entities, and this Agreement. The Special Fund Trustee shall exercise the same standard of care to protect such information as a reasonably prudent Special Fund Trustee would use to protect its own proprietary data.

22. Ownership of Results.

Any interest of the Special Fund Trustee or its subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by the Special Fund Trustee or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to the Public Entities. However, the Special Fund Trustee may retain and use copies for reference and as documentation of its experience and capabilities.

23. Works for Hire.

If, in connection with services performed under this Agreement, the Special Fund Trustee or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Public Entities. If it is ever determined that any works created by the Special Fund Trustee or its subcontractors under this Agreement are not works for hire under U.S. law, the Special Fund Trustee hereby assigns all copyrights to such works to the Public Entities, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Public Entities, the Special Fund Trustee may retain and use copies of such works for reference and as documentation of its experience and capabilities.

24. Audit and Inspection of Records.

The Special Fund Trustee agrees to maintain and make available to the Public Entities, during regular business hours, accurate books and accounting records relating to its work under this Agreement. The Special Fund Trustee will permit the Public Entities to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement provided, however, that the Special Fund Trustee shall not be required to disclose confidential or proprietary information. The Special Fund Trustee shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement, until after final audit has been resolved, or for such longer period as required by its document retention policies and procedures, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon the Public Entities by this Section.

25. Subcontracting.

The Special Fund Trustee is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by the Public Entities in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

26. Assignment.

The services to be performed by the Special Fund Trustee are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Special Fund Trustee unless first approved by the Public Entities by written instrument executed and approved in the same manner as this Agreement.

27. Earned Income Credit (EIC) Forms.

Administrative Code Section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

(a) The Special Fund Trustee shall provide EIC Forms to each Eligible Employee (i.e., any employee of the Special Fund Trustee who is paid at a rate that, on an annualized basis, is not greater than the EIC Limit) at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless the Special Fund Trustee has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by the Special Fund Trustee; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

(b) Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by the Special Fund Trustee of the terms of this Agreement. If, within thirty days after the Special Fund Trustee receives written notice of such a breach, the Special Fund Trustee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, the Special Fund Trustee fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

(c) Any subcontract entered into by the Special Fund Trustee shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this Section.

(d) Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the Administrative Code.

28. Local Business Enterprise Utilization; Liquidated Damages.

(a) The LBE Ordinance. The Special Fund Trustee, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase the Special Fund Trustee's obligations or liabilities, or materially diminish the Special Fund Trustee's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this Section. Special Fund Trustee's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of the Special Fund Trustee's obligations under this Agreement and shall entitle the City, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement,

under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, the Special Fund Trustee shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

(b) Compliance and Enforcement. If the Special Fund Trustee willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, the Special Fund Trustee shall be liable for liquidated damages in an amount equal to the Special Fund Trustee's net profit on this Agreement, or 10% of the total amount of this Agreement, or \$1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against the Special Fund Trustee authorized in the LBE Ordinance, including declaring the Special Fund Trustee to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Special Fund Trustee's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code Section 14B.17.

By entering into this Agreement, the Special Fund Trustee acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to the City upon demand. The Special Fund Trustee further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to the Special Fund Trustee on any contract with the City.

The Special Fund Trustee agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

29. Nondiscrimination; Penalties.

(a) Special Fund Trustee Shall Not Discriminate. In the performance of this Agreement, the Special Fund Trustee agrees not to discriminate against any employee, City employee working with such Special Fund Trustee or subcontractor, applicant for employment with such Special Fund Trustee or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. The Special Fund Trustee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. The Special Fund Trustee's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Nondiscrimination in Benefits. The Special Fund Trustee does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or

between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, the Special Fund Trustee shall execute the “Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits” form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Special Fund Trustee shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, the Special Fund Trustee understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Special Fund Trustee and/or deducted from any payments due Special Fund Trustee.

30. MacBride Principles—Northern Ireland.

Pursuant to Administrative Code Section 12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this Agreement on behalf of Special Fund Trustee acknowledges and agrees that he or she has read and understood this Section.

31. Tropical Hardwood Ban.

Pursuant to Section 804(b) of the San Francisco Environment Code, the City urges Special Fund Trustee not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

32. Drug-Free Workplace Policy.

The Special Fund Trustee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on the City premises. The Special Fund Trustee agrees that any violation of this prohibition by the Special Fund Trustee, its employees, agents or assigns will be deemed a material breach of this Agreement.

33. Resource Conservation.

Chapter 5 of the San Francisco Environment Code (“Resource Conservation”) is incorporated herein by reference. Failure by Special Fund Trustee to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

34. Compliance with Americans with Disabilities Act.

The Special Fund Trustee acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a Special Fund Trustee, must be accessible to the disabled public. The Special Fund Trustee shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. The Special Fund Trustee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Special Fund Trustee, its employees, agents or assigns will constitute a material breach of this Agreement.

35. Sunshine Ordinance.

In accordance with Administrative Code Section 67.24(e), contracts, the Special Fund Trustee's bids, responses to solicitations and all other records of communications between the City and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

36. Public Access to Meetings and Records.

Only if the Special Fund Trustee receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the Administrative Code, the Special Fund Trustee shall comply with and be bound by all the applicable provisions of that Chapter and this Section; otherwise it will not be required to comply with or be bound by Chapter 12L of the Administrative Code and this Section. By executing this Agreement, the Special Fund Trustee agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the Administrative Code. The Special Fund Trustee further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. The Special Fund Trustee acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Special Fund Trustee further acknowledges that such material breach of the Agreement shall be grounds for the City to terminate and/or not renew the Agreement, partially or in its entirety.

37. Limitations on Contributions.

Through execution of this Agreement, the Special Fund Trustee acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code ("Section 1.126"), which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (a) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (b) a candidate for the office held by such individual, or (c) a committee controlled by such individual, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve (12) months after the date the contract is approved. The Special Fund Trustee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of one hundred thousand (\$100,000) or more. The Special Fund Trustee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of the Special Fund Trustee's board of directors; the Special Fund Trustee's principal officers, including its chairperson, the chief executive officer, the chief financial officer and the chief operating officer; any person with an ownership interest of more than ten percent (10%) in Special Fund Trustee; and any subcontractor listed in the bid or contract; and within thirty (30) days of the submission of a proposal for the contract, the City is obligated to submit to the Ethics Commission the parties to the contract and any subcontractor listed as part of the proposal. Additionally, the Special Fund Trustee certifies that the Special Fund Trustee has informed each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126 by the time it submitted a proposal for the contract and has provided to the Public Entities the names of the persons required to be informed.

38. Requiring Minimum Compensation for Covered Employees.

(a) Unless the Special Fund Trustee is exempt, the Special Fund Trustee agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Special Fund Trustee's obligations under the MCO is set forth in this Section. Unless the Special Fund Trustee is exempt from such provisions under Section 38(i) hereof, the Special Fund Trustee is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

(b) The MCO requires Special Fund Trustee to pay Special Fund Trustee's Covered Employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Special Fund Trustee is obligated to keep informed of the then-current requirements. Any subcontract entered into by Special Fund Trustee shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Special Fund Trustee's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, the Public Entities may pursue any of the remedies set forth in this Section against Special Fund Trustee.

(c) Special Fund Trustee shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

(d) Special Fund Trustee shall maintain employee and payroll records as required by the MCO. If Special Fund Trustee fails to do so, it shall be presumed that the Special Fund Trustee paid no more than the minimum wage required under State law.

(e) The Public Entities are authorized to inspect Special Fund Trustee's job sites and conduct interviews with employees and conduct audits of Special Fund Trustee.

(f) Special Fund Trustee's commitment to provide the Minimum Compensation is a material element of the Public Entities' consideration for this Agreement. Any of the Public Entities, in its sole discretion, shall determine whether such a breach has occurred. The Public Entities and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Special Fund Trustee fails to comply with these requirements. Special Fund Trustee agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Special Fund Trustee's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

(g) Special Fund Trustee understands and agrees that if it fails to comply with the requirements of the MCO, the Public Entities shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Special Fund Trustee fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Special Fund Trustee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Public Entities shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the Public Entities.

(h) Special Fund Trustee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

(i) If Special Fund Trustee is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with the Public Entities for the fiscal year is less than \$25,000, but Special Fund Trustee later enters into an agreement or agreements that cause Special Fund Trustee to exceed that amount in a fiscal year, Special Fund Trustee shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Special Fund Trustee and the Public Entities to exceed \$25,000 in the fiscal year.

39. Requiring Health Benefits for Covered Employees.

Unless the Special Fund Trustee is exempt (in which event it shall not be required to comply with Chapter 12Q or this Section), the Special Fund Trustee agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (“HCAO”), as set forth in Administrative Code Chapter 12Q (“Chapter 12Q”), including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, the Special Fund Trustee shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If the Special Fund Trustee chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if the Special Fund Trustee is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

(c) The Special Fund Trustee’s failure to comply with the HCAO shall constitute a material breach of this Agreement. City shall notify Special Fund Trustee if such a breach has occurred. If, within thirty days after receiving City’s written notice of a breach of this Agreement for violating the HCAO, Special Fund Trustee fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Special Fund Trustee fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

(d) Any Subcontract entered into by the Special Fund Trustee shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. The Special Fund Trustee shall notify City’s Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Special Fund Trustee shall be responsible for its Subcontractors’ compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against the Special Fund Trustee based on the Subcontractor’s failure to comply, provided that the City has first provided the Special Fund Trustee with notice and an opportunity to obtain a cure of the violation.

(e) The Special Fund Trustee shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying the City with regard to the Special Fund Trustee’s noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings

related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) The Special Fund Trustee represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) The Special Fund Trustee shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

(h) The Special Fund Trustee shall keep itself informed of the current requirements of the HCAO.

(i) The Special Fund Trustee shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(j) The Special Fund Trustee shall provide the City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

(k) The Special Fund Trustee shall allow the City to inspect Special Fund Trustee's job sites and have access to the Special Fund Trustee's employees in order to monitor and determine compliance with HCAO.

(l) The City may conduct random audits of the Special Fund Trustee to ascertain its compliance with HCAO. Special Fund Trustee agrees to cooperate with City when it conducts such audits.

(m) If the Special Fund Trustee is exempt from the HCAO when this Agreement is executed because its amount is less than \$25,000 (\$50,000 for nonprofits), but the Special Fund Trustee later enters into an agreement or agreements that cause the Special Fund Trustee's aggregate amount of all agreements with the City to reach \$75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Special Fund Trustee and the City to be equal to or greater than \$75,000 in the fiscal year.

40. Prohibition on Political Activity with City Funds.

In accordance with Administrative Code Chapter 12.G, the Special Fund Trustee may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. The Special Fund Trustee agrees to comply with Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event The Special Fund Trustee violates the provisions of this Section, the City may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit the Special Fund Trustee from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider the Special Fund Trustee's use of profit as a violation of this Section.

41. Preservative-treated Wood Containing Arsenic.

The Special Fund Trustee may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal

copper arsenate preservative. The Special Fund Trustee may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude the Special Fund Trustee from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term “saltwater immersion” shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

42. Protection of Private Information.

The Special Fund Trustee has read and agrees, subject to the following sentence, to the terms set forth in Administrative Code Sections 12M.2, “Nondisclosure of Private Information,” and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. The Special Fund Trustee agrees that any failure of Special Fund Trustee to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement provided that, notwithstanding anything herein or in the Administrative Code to the contrary, the foregoing shall not be construed to prohibit (i) disclosure of any and all information that is or becomes publicly known, or information obtained by Special Fund Trustee from sources other than the other parties hereto, (ii) disclosure of any and all information (A) if required to do so by any applicable rule or regulation, (B) to any government agency or regulatory body having or claiming authority to regulate or oversee any aspects of Special Fund Trustee’s business or that of its affiliates, (C) pursuant to any subpoena, civil investigative demand or similar demand or request of any court, regulatory authority, arbitrator or arbitration to which Special Fund Trustee or any affiliate or an officer, director, employer or shareholder thereof is a party or (D) to any affiliate, independent or internal auditor, agent, employee or attorney of Special Fund Trustee having a need to know the same, provided that Special Fund Trustee advises such recipient of the confidential nature of the information being disclosed, or (iii) any other disclosure authorized by the Public Entities and this Agreement. In such an event, in addition to any other remedies available to it under equity or law, the Public Entities may terminate the Agreement, bring a false claim action against the Special Fund Trustee pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Special Fund Trustee.

43. Food Service Waste Reduction Requirements.

Effective June 1, 2007, the Special Fund Trustee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance applicable to contractors with Public Entities, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, the Special Fund Trustee agrees that if it breaches this provision, the Public Entities will suffer actual damages that will be impractical or extremely difficult to determine; further, the Special Fund Trustee agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that the Public Entities will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Public Entities because of the Special Fund Trustee’s failure to comply with this provision.

44. Graffiti Removal.

(a) Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent

with the Public Entities' property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the Public Entities and their residents, and to prevent the further spread of graffiti.

(b) The Special Fund Trustee shall remove all graffiti from any real property owned or leased by the Special Fund Trustee in the City within forty-eight (48) hours of the earlier of the Special Fund Trustee's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require the Special Fund Trustee to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

45. Slavery Era Disclosure.

(a) The Special Fund Trustee acknowledges that this Agreement shall not be binding upon the Public Entities until the Director receives the affidavit required by the San Francisco Administrative Code's Chapter 12Y, "San Francisco Slavery Era Disclosure Ordinance."

(b) In the event the Director of Administrative Services finds that the Special Fund Trustee has failed to file an affidavit as required by Section 12Y.4(a) and this Agreement, or has willfully filed a false affidavit, the Special Fund Trustee shall be liable for liquidated damages in an amount equal to the Special Fund Trustee's net profit on the Agreement, 10% of the total amount paid to the Special Fund Trustee under the Agreement, or \$1,000, whichever is greatest as determined by the Director of Administrative Services. The Special Fund Trustee acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Special Fund Trustee from any agreement with the Public Entities.

(c) The Special Fund Trustee shall maintain records necessary for monitoring its compliance with this provision.

46. Qualified Personnel.

The Special Fund Trustee's work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of the Special Fund Trustee. The Special Fund Trustee will comply with the Public Entities' reasonable requests regarding assignment of personnel, but all personnel, including those assigned at the Public Entities' request, must be supervised by the Special Fund Trustee.

47. Responsibility for Equipment.

None of the Public Entities shall be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by the Special Fund Trustee, or by any of its employees, even though such equipment be furnished, rented or loaned to the Special Fund Trustee by the Public Entities.

48. Independent Contractor; Payment of Taxes and Other Expenses.

(a) Independent Contractor. The Special Fund Trustee or any agent or employee of the Special Fund Trustee shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by the Public Entities under this Agreement. The Special Fund Trustee or any agent or employee of the Special Fund Trustee shall not have employee status with the Public Entities, nor be entitled to participate in any plans, arrangements, or distributions by the City pertaining to or in connection with any retirement, health or other benefits that the Public Entities may offer their employees. Special Fund Trustee or any agent or employee of the Special Fund Trustee is liable for the acts and omissions of itself, its employees and its agents. The Special Fund Trustee shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to the Special Fund Trustee's performing services and work, or any agent or employee of the Special Fund Trustee providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between the Public Entities and the Special Fund Trustee or any agent or employee of the Special Fund Trustee. Any terms in this Agreement referring to direction from the Public Entities shall be construed as providing for direction as to policy and the result of the Special Fund Trustee's work only, and not as to the means by which such a result is obtained. None of the Public Entities retains the right to control the means or the method by which the Special Fund Trustee performs work under this Agreement.

(b) Payment of Taxes and Other Expenses. Should the Public Entities, in either's discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that the Special Fund Trustee is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by the Special Fund Trustee which can be applied against this liability). The Public Entities, as applicable, shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services performed by the Special Fund Trustee for the Public Entities, upon notification of such fact by the Public Entities, Contractor shall promptly remit such amount due or arrange with the Public Entities, as applicable, to have the amount due withheld from future payments to the Special Fund Trustee under this Agreement (again, offsetting any amounts already paid by the Special Fund Trustee which can be applied as a credit against such liability). A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, the Special Fund Trustee shall not be considered an employee of the Public Entities. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that the Special Fund Trustee is an employee for any other purpose, then the Special Fund Trustee agrees to a reduction in the Public Entities' financial liability so that the Public Entities' total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that the Special Fund Trustee was not an employee.

49. Submitting False Claims; Monetary Penalties.

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-2.

A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the Public Entities if the contractor, subcontractor or consultant: (a) knowingly presents or

causes to be presented to an officer or employee of the Public Entities a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the Public Entities; (c) conspires to defraud the Public Entities by getting a false claim allowed or paid by the Public Entities; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the Public Entities; or (e) is a beneficiary of an inadvertent submission of a false claim to the Public Entities, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the Public Entities, as applicable, within a reasonable time after discovery of the false claim.

50. Special Fund Trustee's Compliance with City Business and Tax Regulations Code.

Special Fund Trustee acknowledges that under Section 6.10-2 of the San Francisco Business and Tax Regulations Code, the City Treasurer and Tax Collector may require the withholding of payments to any vendor that is delinquent in the payment of any amounts that the vendor is required to pay the City under the San Francisco Business and Tax Regulations Code. If, under that authority, any payment the Public Entities are required to make to Special Fund Trustee under this Agreement is withheld, then none of the Public Entities will be in breach or default under this Agreement, and the Treasurer and Tax Collector will authorize release of any payments withheld under this Section to Special Fund Trustee, without interest, late fees, penalties, or other charges, upon Special Fund Trustee coming back into compliance with its San Francisco Business and Tax Regulations Code obligations.

51. Consideration of Salary History.

Special Fund Trustee shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." Special Fund Trustee is prohibited from considering current or past salary of an applicant in determining whether to hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on Public Entities' property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Special Fund Trustee is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Special Fund Trustee is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

52. Repeal of Administrative Code Provisions.

To the extent that the City repeals any provision of the Administrative Code incorporated, set forth or referenced in Sections 19 through 51 hereof, other than pursuant to a restatement or amendment of any such provision, such provision, as incorporated, set forth or referenced herein, shall no longer apply to this Agreement or the Special Fund Trustee.

53. Non-Waiver of Rights.

The omission by the Public Entities at any time to enforce any default or right reserved to it under this Agreement, or to require performance of any of the terms, covenants, or provisions set forth in this Agreement, shall not be a waiver of any such default or right to which the Public Entities is entitled, nor shall it in any way affect the right of the Public Entities to enforce such provisions thereafter.

54. Section Headings and References.

The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement.

All references herein to “Sections” and other subsections are to the corresponding Sections or subsections of this Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or subsection hereof; and words of any gender shall mean and include words of the other genders.

55. Execution in Several Counterparts; Electronic Signatures.

(a) This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Public Entities and the Special Fund Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

(b) The parties hereto acknowledge and agree that this Agreement may be executed by one or more electronic means (hereinafter referred to as “Electronic Signatures”). Each party hereto agrees that Electronic Signatures provided by such party shall constitute effective execution and delivery of this Agreement by such party to all other parties to or relying on this Agreement. Each party hereto agrees that Electronic Signatures shall constitute complete and satisfactory evidence of the intent of such party to be bound by those signatures and by the terms and conditions of this Agreement as signed. Each party agrees that Electronic Signatures shall be deemed to be original signatures for all purposes.

Each party hereto agrees to accept Electronic Signatures provided by any and all other parties to this Agreement as (i) full and sufficient intent by such parties to be bound hereunder, (ii) effective execution and delivery of this Agreement and (iii) constituting this Agreement an original for all purposes, without the necessity for any manually signed copies to be provided, maintained or to exist for back up or for any other purpose.

If Electronic Signatures are used to execute this Agreement, each party hereto hereby accepts the terms of, and intends and does sign, this Agreement by its Electronic Signature hereto.

56. Governing Law.

This Agreement shall be construed in accordance with and governed by the Constitution and laws of the State of California, applicable to the contracts made and performed in such State.

57. Notices.

Unless otherwise expressly stated herein, any notice or demand which by any provision of this Agreement is required or permitted to be given or served by any party may be given or served by being sent by any generally recognized express service, hand delivery, or deposited postage prepaid in a post office letter box addressed (until another address is specified by a party, and then, that address) as follows:

The Public Entities:	c/o City and County of San Francisco
	1 Dr. Carlton B. Goodlett Place
	City Hall, Room 338
	San Francisco, CA 94102
	Attn: Director of the Office of Public Finance

The Special Fund Trustee: Zions Bancorporation, National Association
Corporate Trust Department
550 South Hope Street, Suite 2875
Los Angeles, CA 90071

58. Amendments.

This Agreement may not be effectively amended, changed, modified, altered or terminated except in writing, executed by Public Entities and the Special Fund Trustee. The Special Fund Trustee shall execute any amendment to this Agreement as requested by the Public Entities except that the Special Fund Trustee shall have the right to refuse to execute any amendment to this Agreement to the extent it materially and adversely affects the rights of the Special Fund Trustee hereunder.

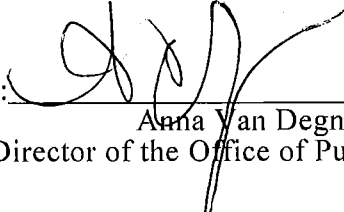
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IN WITNESS WHEREOF, the Public Entities have caused this Agreement to be signed in its name by their duly authorized officers, and the Special Fund Trustee has caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

By: 
Robert Beck
Treasure Island Director

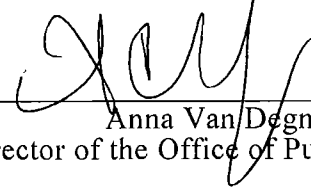
**CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (Treasure Island)**

By: 
Anna Van Degna
Director of the Office of Public Finance

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION,**
a national banking association,
as Special Fund Trustee

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

**CITY AND COUNTY OF SAN
FRANCISCO, for itself and for and on
behalf of CITY AND COUNTY OF SAN
FRANCISCO COMMUNITY
FACILITIES DISTRICT NO. 2016-1
(Treasure Island)**

By: 
Anna Van Degna
Director of the Office of Public Finance

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Mark Blake
Deputy City Attorney

IN WITNESS WHEREOF, the Public Entities have caused this Agreement to be signed in its name by their duly authorized officers, and the Special Fund Trustee has caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

**CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (Treasure Island)**

By: _____
Robert Beck
Treasure Island Director

By: _____
Anna Van Degna
Director of the Office of Public Finance

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION,**
a national banking association,
as Special Fund Trustee

**CITY AND COUNTY OF SAN
FRANCISCO, for itself and for and on
behalf of CITY AND COUNTY OF SAN
FRANCISCO COMMUNITY
FACILITIES DISTRICT NO. 2016-1
(Treasure Island)**

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

By: _____
Anna Van Degna
Director of the Office of Public Finance

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: _____
Mark Blake
Deputy City Attorney

IN WITNESS WHEREOF, the Public Entities have caused this Agreement to be signed in its name by their duly authorized officers, and the Special Fund Trustee has caused this Agreement to be signed in its name by its duly authorized officer, all as of the day and year first above written.

**TREASURE ISLAND DEVELOPMENT
AUTHORITY**

**CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (Treasure Island)**

By: _____
Robert Beck
Treasure Island Director

By: _____
Anna Van Degna
Director of the Office of Public Finance

**ZIONS BANCORPORATION,
NATIONAL ASSOCIATION,**
a national banking association,
as Special Fund Trustee

**CITY AND COUNTY OF SAN
FRANCISCO, for itself and for and on
behalf of CITY AND COUNTY OF SAN
FRANCISCO COMMUNITY
FACILITIES DISTRICT NO. 2016-1
(Treasure Island)**

By: _____
Mark D. Petrasso
Senior Vice President
Zions Bank Division

By: _____
Anna Van Degna
Director of the Office of Public Finance

APPROVED AS TO FORM:

DAVID CHIU,
City Attorney

By: Mark D. Blake
Mark Blake
Deputy City Attorney

EXHIBIT A
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM NET AVAILABLE
FACILITIES INCREMENT SPECIAL ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section **Error! Reference source not found.** of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Net Available Facilities Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified IRFD Facilities Indenture:

Name of IRFD Facilities Indenture:

Name of Fund or Account	Amount (\$)
Interest Account	
Principal Account	
2022 Facilities Reserve Account	
[other reserve accounts, if any]	
Redemption Account	
[others to come]	

(iii) Under Section **Error! Reference source not found.** of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Net Available Facilities Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified Parity Facilities Debt Instrument (as defined in the IRFD Facilities Indenture designated in the preceding clause (ii)):

Name of Parity Facilities Debt Instrument:

Name of Fund or Account	Amount (\$)

(iv) Under Section 5 of the Agreement, the undersigned hereby represents that amounts received in the Bond Year (as defined in the IRFD Facilities Indenture designated in the preceding clause (ii)) ending September 1, 20__ and deposited into the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (A) for deposit into the Interest Account, the Principal Account, the 2022 Facilities Reserve Account, any other reserve account held by the Trustee for Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in such Bond Year and, if applicable, (B) with respect to any Parity Facilities Debt other than Bonds pursuant to the applicable Parity Facilities Debt Instrument/

Accordingly, the undersigned hereby directs the Special Fund Trustee to transfer the following amounts to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(v) The proposed requisition from the Net Available Facilities Increment Special Account and expenditure of such moneys complies with the Financing Plan.

(vi) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

SCHEDULE A¹

Payee Name and Address	Purpose of Obligation

¹ May be applied by the IRFD for any lawful purpose of the IRFD, including but not limited to the repayment of the City for use of Conditional City Facilities Increment to pay debt service on the Facilities Bonds or any Parity Facilities Debt, payment of Subordinate Facilities Debt, payment of administrative expenses of the IRFD, or transfer to IRFD Qualified Project Costs Fund, among others.

EXHIBIT B
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM NET AVAILABLE
HOUSING INCREMENT SPECIAL ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 6 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Net Available Housing Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified IRFD Housing Indenture:

Name of IRFD Housing Indenture:

Name of Fund or Account	Amount (\$)
Interest Account	
Principal Account	
2022 Housing Reserve Account	
[other reserve accounts, if any]	
Redemption Account	
[others to come]	

(iii) Under Section 6 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Net Available Housing Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified Parity Housing Debt Instrument (as defined in the IRFD Housing Indenture designated in the preceding clause (ii)):

Name of Parity Housing Debt Instrument:

Name of Fund or Account	Amount (\$)

(iv) Under Section 6 of the Agreement, the undersigned hereby represents that amounts received in the Bond Year (as defined in the IRFD Housing Indenture designated in the preceding clause (ii)) ending September 1, 20__ and deposited into the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (A) for deposit into the Interest Account, the Principal Account, the 2022 Housing Reserve Account, any other reserve account held by the Trustee for Bonds that are not 2022 Related Housing Bonds and the Redemption Account in such Bond Year and, if applicable, (B) with respect to any Parity Housing Debt other than Bonds pursuant to the applicable Parity Housing Debt Instrument/

Accordingly, the undersigned hereby directs the Special Fund Trustee to transfer the following amounts to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(v) The proposed requisition from the Net Available Housing Increment Special Account and expenditure of such moneys complies with the Financing Plan.

(vi) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

SCHEDULE A²

Payee Name and Address	Purpose of Obligation

² May be applied by the IRFD for any lawful purpose of the IRFD, including but not limited to the repayment of the City for use of Conditional City Housing Increment to pay debt service on the Housing Bonds or any Parity Housing Debt, payment of Subordinate Facilities Debt, payment of administrative expenses of the IRFD, or transfer to IRFD Housing Fund, among others among others.

EXHIBIT C
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM CONDITIONAL CITY
FACILITIES INCREMENT SPECIAL ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 7 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Conditional City Facilities Increment Special Account of the Conditional City Increment Special Fund established under the Agreement to the following funds and accounts established under the specified IRFD Facilities Indenture:

Name of IRFD Facilities Indenture:

Name of Fund or Account	Amount (\$)
Interest Account	
Principal Account	

(iii) Under Section 7 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Conditional City Facilities Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified Parity Facilities Debt Instrument (as defined in the IRFD Facilities Indenture designated in the preceding clause (ii)):

Name of Parity Facilities Debt Instrument:

Name of Fund or Account	Amount (\$)

(iv) Under Section 7 of the Agreement, the undersigned hereby represents that amounts received in the Bond Year (as defined in the IRFD Facilities Indenture designated in the preceding clause (ii)) ending September 1, 20__ and deposited into the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (A) for deposit into the Interest Account, the Principal Account and the Redemption Account in such Bond

Year and, if applicable, (B) with respect to any Parity Facilities Debt other than Bonds pursuant to the applicable Parity Facilities Debt Instrument/

Accordingly, the undersigned hereby directs the Special Fund Trustee to transfer all of the amounts in the Conditional City Facilities Increment Special Account as follows:

Payee	Purpose	Amount (\$)
[debt service on other obligations]		
[City]		

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

EXHIBIT D
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM CONDITIONAL CITY
HOUSING INCREMENT SPECIAL ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 8 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Conditional City Housing Increment Special Account of the Conditional City Increment Special Fund established under the Agreement to the following funds and accounts established under the specified IRFD Housing Indenture:

Name of IRFD Housing Indenture:

Name of Fund or Account	Amount (\$)
Interest Account	
Principal Account	

(iii) Under Section 8 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Conditional City Housing Increment Special Account of the Net Available Increment Special Fund established under the Agreement to the following funds and accounts established under the specified Parity Housing Debt Instrument (as defined in the IRFD Housing Indenture designated in the preceding clause (ii)):

Name of Parity Housing Debt Instrument:

Name of Fund or Account	Amount (\$)

(iv) Under Section 8 of the Agreement, the undersigned hereby represents that amounts received in the Bond Year (as defined in the IRFD Housing Indenture designated in the preceding clause (ii)) ending September 1, 20__ and deposited into the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred in such Bond Year (A) for deposit into the Interest Account, the Principal Account and the Redemption Account in such Bond

Year and, if applicable, (B) with respect to any Parity Housing Debt other than Bonds pursuant to the applicable Parity Housing Debt Instrument/

Accordingly, the undersigned hereby directs the Special Fund Trustee to transfer all of the amounts in the Conditional City Housing Increment Special Account as follows:

Payee	Purpose	Amount (\$)
[debt service on other obligations]		
[City]		

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

EXHIBIT E
FORM
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM
IRFD ADMINSTRATIVE COSTS ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 9 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Administrative Costs Fund established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iii) The proposed requisition from the IRFD Administrative Costs Fund and expenditure of such moneys complies with the Financing Plan.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from IRFD Administrative Costs Fund

EXHIBIT F
FORM OF
OFFICER’S CERTIFICATE REQUESTING DISBURSEMENT FROM THE IRFD QUALIFIED
PROJECT COSTS FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an “Authorized Officer,” as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the “Agreement”), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”) for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “CFD”), the Treasure Island Development Authority, a California non-profit public benefit corporation (“TIDA”), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “IRFD”), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the “Special Fund Trustee”).

(ii) Under Section 10 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the IRFD Qualified Project Costs Fund established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iii) The proposed requisition from the IRFD Qualified Project Costs Fund and expenditure of such moneys complies with the Financing Plan.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from IRFD Qualified Project Costs Fund

EXHIBIT G
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM THE IRFD HOUSING
FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 11 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the IRFD Housing Fund established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iii) The proposed requisition from the IRFD Housing Fund and expenditure of such moneys complies with the Financing Plan.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from IRFD Housing Fund

EXHIBIT H

FORM OF OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM THE SERVICES SPECIAL TAX FUND

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 12 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Services Special Tax Fund established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, the CFD Resolution of Formation and the applicable RMA, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iii) The proposed requisition from the Services Special Tax Fund and expenditure of such moneys complies with the Financing Plan, the CFD Resolution of Formation and the applicable RMA.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO, for and on behalf of CITY
AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT
NO. 2016-1 (Treasure Island)

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from Services Special Tax Fund

EXHIBIT I
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM THE REMAINDER
TAXES PROJECT ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Check if applicable ☐ : Prior to the Maintenance Commencement Date (as defined in the Financing Plan): Under Section 13 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Remainder Taxes Project Account established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, the CFD Resolution of Formation and the applicable RMA, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given. *[Note: Prior to CFD Conversion Date, amounts in the Remainder Taxes Project Account shall be applied to finance Qualified Project Costs; after the CFD Conversion Date, amounts in the Remainder Taxes Project Account shall be applied to finance Additional Community Facilities or other uses authorized by the Mello-Roos Act]*

(iii) Check if applicable ☐ : After the Maintenance Commencement Date: Under Section 13 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to transfer the funds in the Remainder Taxes Project Account to the Remainder Taxes Holding Account.

(iv) The proposed requisition from the Remainder Taxes Project Account and expenditure of such moneys complies with the Financing Plan.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

CITY AND COUNTY OF SAN
FRANCISCO, for and on behalf of CITY
AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT
NO. 2016-1 (Treasure Island)

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from Remainder Taxes Project Account

EXHIBIT J
FORM OF
OFFICER’S CERTIFICATE REQUESTING DISBURSEMENT FROM THE REMAINDER
TAXES HOLDING ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an “Authorized Officer,” as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the “Agreement”), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the “City”) for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “CFD”), the Treasure Island Development Authority, a California non-profit public benefit corporation (“TIDA”), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the “IRFD”), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the “Special Fund Trustee”).

(ii) Under Section 14 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to transfer the funds in the Remainder Taxes Holding Account to the Ongoing Maintenance Account (\$_____) and/or the Remainder Taxes Project Account (\$_____).

(iii) The proposed requisition from the Remainder Taxes Holding Account and expenditure of such moneys complies with the Financing Plan.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

TREASURE ISLAND DEVELOPMENT
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT K
FORM OF
OFFICER'S CERTIFICATE REQUESTING DISBURSEMENT FROM THE ONGOING
MAINTENANCE ACCOUNT

REQUISITION NO. _____

The undersigned hereby states and certifies that:

(i) I am an "Authorized Officer," as such term is defined in that certain Special Fund Administration Agreement, dated as of September 1, 2022 (the "Agreement"), by and among the City and County of San Francisco, a chartered city organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), a community facilities district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "CFD"), the Treasure Island Development Authority, a California non-profit public benefit corporation ("TIDA"), the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the laws of the State of California (the "IRFD"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America, as Special Fund Trustee (the "Special Fund Trustee").

(ii) Under Section 15 of the Agreement, the undersigned hereby requests and authorizes the Special Fund Trustee to disburse from the Ongoing Maintenance Account established under the Agreement to each payee designated on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee, for payment or reimbursement of previous payment of authorized costs as set forth in the Financing Plan, the CFD Resolution of Formation and the applicable RMA, as described on attached Schedule A. Payments shall be made by check or wire transfer to an account maintained within the United States in accordance with the payment instructions set forth on Schedule A (or the invoice attached thereto) and the Special Fund Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the invoice or the payment instructions contained therein or the authority under which they were given.

(iii) The proposed requisition from the Ongoing Maintenance Account and expenditure of such moneys complies with the Financing Plan, the CFD Resolution of Formation and the applicable RMA.

(iv) No portion of the amount herein requested to be disbursed was set forth in any written certificate executed by an Authorized Officer and previously filed to request disbursement.

Capitalized terms used herein but not defined herein have the meaning given them in the Agreement.

Dated:

TREASURE ISLAND DEVELOPMENT
AUTHORITY

By: _____
Name: _____
Title: _____

SCHEDULE A

Payee Name and Address	Purpose of Obligation	Amount from Ongoing Maintenance Account

SUBORDINATE PLEDGE AGREEMENT

by the

CITY AND COUNTY OF SAN FRANCISCO

for the benefit of the

UNITED STATES OF AMERICA

Dated as of May 29, 2015

Related to
Treasure Island Infrastructure Financing District

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SUBORDINATE PLEDGE AGREEMENT

THIS SUBORDINATE PLEDGE AGREEMENT (this "**Subordinate Pledge Agreement**"), is made as of May 29, 2015, by the CITY AND COUNTY OF SAN FRANCISCO, a charter city and county (the "**City**"), for and on behalf of the Treasure Island Infrastructure Financing District (or any future infrastructure financing district created by the City for Treasure Island) (the "**Pledging IFD**"), for the benefit of the UNITED STATES OF AMERICA, acting by and through the Department of the Navy (the "**Navy**");

RECITALS:

1. The Treasure Island Development Authority (the "**Authority**") and the Navy are parties to an *Economic Development Conveyance Memorandum of Agreement between the United States of America and the Treasure Island Development Authority for the Conveyance of the Naval Station Treasure Island*, dated July 2, 2014 (the "**EDC MOA**").
2. Pursuant to Section 4.2.11.2 of the EDC MOA, the Authority agreed to sign and deliver to the Navy through escrow at the Initial Closing (as defined in the EDC MOA) a Promissory Note (as defined in the EDC MOA) in the principal amount of the Initial Consideration (as defined in the EDC MOA), and agreed that the Promissory Note would be secured, to the extent the rents, issues and profits assigned under an Assignment of Rents (as defined in the EDC MOA) are not sufficient to cover the unpaid principal and interest due under the Promissory Note for the Initial Consideration, by a Subordinate Pledge (as defined in the EDC MOA) of Net Available Tax Increment Revenues (as defined in the EDC MOA) generated from the Navy Real Property (as defined in the EDC MOA) prior to or after a conveyance under the EDC MOA, and that the Subordinate Pledge would be subordinate to the pledge of Net Available Tax Increment Revenues to the holders of any bonded indebtedness and to the Developer under the DDA.
3. The Authority and Treasure Island Community Development, LLC (the "**Developer**") are parties to a Development and Disposition Agreement dated as of June 28, 2011 (the "**DDA**").
4. The City and the Developer are parties to a Development Agreement dated as of June 28, 2011 (the "**Development Agreement**").
5. A Financing Plan is attached as Exhibit EE to and is a part of the DDA, and is attached as Exhibit D to and is a part of the Development Agreement (the "**Financing Plan**").
6. The City agrees in Section 3.1 of the Financing Plan that at any time, and from time to time, after the Authority acquires all or part of the Project Site (as defined in the Financing Plan) from the Navy, the Developer may request in writing that the City establish one or more infrastructure financing districts ("**IFDs**") under Government Code Section 53395 et seq., as amended from time to time (the "**IFD Act**"), over all or any part of the property so acquired, and that, as soon as reasonably practical after receipt of a written request from the Developer, the City will establish an IFD over all of the property identified in the written request.

7. In Section 3.4 of the Financing Plan, (i) the City agrees that each IFD, when formed, will irrevocably pledge the Net Available Increment (as defined in the Financing Plan) from the IFD to the financing of the Qualified Project Costs (as defined in the Financing Plan), to the repayment of any Conditional City Increment (as defined in the Financing Plan) used to pay debt service on IFD Debt (as defined in the Financing Plan) for such IFD in the manner set forth in the Financing Plan and to any IFD Debt issued for such IFD and (ii) the City and the Developer acknowledge in Section 3.4 of the Financing Plan that each IFD will make a subordinate pledge of Net Available Increment pursuant to the Navy as required by the EDC MOA. The definition of Net Available Tax Increment Revenues in the EDC MOA is equivalent to the definition of Net Available Increment under the Financing Plan, and the subordination of the Net Available Increment in the manner set forth in this Subordinate Pledge Agreement shall satisfy the requirements of the EDC MOA. Accordingly, the term "Net Available Increment" as defined in the Financing Plan shall be the subject of this Subordinate Pledge Agreement.

8. The City, on behalf of the Pledging IFD, wishes to provide for the subordinate pledge of Net Available Increment required by the EDC MOA, all on the terms and conditions further set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained in this Subordinate Pledge Agreement, the City, on behalf of the Pledging IFD, hereby agrees as follows:

ARTICLE I

DEFINITIONS; TERM

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined in this Subordinate Pledge Agreement, the capitalized terms in this Subordinate Pledge Agreement shall have the respective meanings given them in the EDC MOA or the Financing Plan, as applicable.

Section 1.02. Rules of Construction. All references in this Subordinate Pledge Agreement to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Subordinate Pledge Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Subordinate Pledge Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Term of Agreement. This Subordinate Pledge Agreement shall become effective upon its execution and delivery by the City, on behalf of the Pledging IFD, and shall continue in effect until there has been paid to the Navy all amounts owed under the Promissory Note for the Initial Consideration.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the City. The City hereby represents and warrants to the Navy as follows:

(a) The City is a charter city and county, organized and existing under and by virtue of the Constitution of the State with full power, on behalf of the Pledging IFD, to execute this Subordinate Pledge Agreement and authority to perform its obligations hereunder.

(b) The execution and delivery of the Subordinate Pledge Agreement and the performance of its obligations hereunder and thereunder has been duly authorized by the City.

(c) The Subordinate Pledge Agreement has been executed and delivered by the City on behalf of the Pledging IFD and constitutes the legal, valid and binding obligation of the City on behalf of the IFD enforceable upon the City in accordance with its terms.

(d) The execution and delivery of the Subordinate Pledge Agreement by the City on behalf of the Pledging IFD and the consummation of the transactions on its part contemplated hereby and thereby do not conflict with or constitute a breach of or a default under or result in a violation of (i) the IFD Act, (ii) any constitutional or statutory provision or order, rule, regulation or ordinance, or any order, decree or judgment of any court or governmental authority having jurisdiction over the City, the Pledging IFD or any of its properties, or (iii) any agreement or instrument to which it is a party or by which it is bound.

(e) There is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending against or threatened against or affecting the City or the Pledging IFD wherein an unfavorable decision, ruling or finding would adversely affect (i) the validity or enforceability of, or the authority or ability of the City, on behalf of the Pledging IFD, to perform its obligations under the Subordinate Pledge Agreement, or (ii) the transactions contemplated to be performed by the City, on behalf of the Pledging IFD, under the Subordinate Pledge Agreement.

(f) The pledge of the Net Available Increment in the manner set forth in this Subordinate Pledge Agreement does not violate the IFD Act.

ARTICLE III

PLEDGE AND IFD PLEDGE PAYMENTS

Section 3.01. Subordinate Pledge. Subject only to (i) Section 3.02 of this Subordinate Pledge Agreement describing the priority in which the Net Available Increment shall be applied during any IFD Debt Year (as defined below), (ii) the prior and superior pledge of the Net Available Increment pursuant to the DDA and the DA to any IFD Debt or other Public Financing

outstanding at any time and (iii) the prior and superior pledge of the Net Available Increment for the uses set forth in the Financing Plan (including, but not limited to, the payment to the Developer for the financing of Qualified Project Costs pursuant to the DDA and the DA), all of the Net Available Increment is hereby pledged to secure the Authority's obligation to make Installment Payments to the Navy in accordance with the Promissory Note for the Initial Consideration in the manner set forth in Clause Third of Section 3.02(a). Said pledge shall constitute a lien on and security interest in the Net Available Increment and shall attach, be perfected and be valid and binding from and after the date hereof, without any physical delivery thereof or further act. Except for the Net Available Increment, no funds or properties of the City or the Pledging IFD shall be pledged to, or otherwise liable for, the satisfaction of the City's obligations, on behalf of the Pledging IFD, under this Subordinate Pledge Agreement.

Section 3.02. IFD Pledge Payments.

(a) The City, on behalf of the Pledging IFD, will establish a special fund (the "**Special Fund**"), which will be held by the City, on behalf of the Pledging IFD. Because the City, on behalf of the Pledging IFD, anticipates that any IFD Debt with a fixed interest rate will have a principal payment date of September 1 with interest payments on March 1 and September 1, the City, on behalf of the Pledging IFD, hereby establishes an "**IFD Debt Year**" for purposes of this Subordinate Pledge Agreement as the 12-month period ending on September 1. If for any reason the IFD Debt has a different principal payment date, the IFD Debt Year will be revised to terminate on the principal payment date.

The City, on behalf of the Pledging IFD, will deposit all of the Net Available Increment received by the Pledging IFD in an IFD Debt Year into the Special Fund and will apply amounts in the Special Fund as follows, with each obligation to be satisfied in its entirety before Net Available Increment is applied to the next obligation:

First: Pay or set aside the amount of such Net Available Increment that is needed in that IFD Debt Year to pay debt service on any outstanding IFD Debt or other Public Financing secured by such Net Available Increment, or to replenish a debt service reserve fund for any such outstanding IFD Debt or other Public Financing.

Second: Repay the City for the use of any Conditional City Increment allocated to the Pledging IFD in order to pay debt service on any IFD Debt of such Pledging IFD.

Third: Apply the Net Available Increment without restriction by this Subordinate Pledge Agreement to any other purposes and in the priority set forth in the Financing Plan, including, but not limited to, paying or reimbursing Developer for Qualified Project Costs. However, only upon the occurrence of and for the duration of any event of default by Developer under the DDA that causes a default in the payment of an Installment Payment, the City, on behalf of the Pledging IFD, agrees to withhold from Developer all Net Available Increment to be paid to Developer pursuant to this Clause Third and apply such withheld Net Available Increment to pay to the Navy an amount equal to any deficiency in amounts payable to the Navy by the Authority for the Installment Payment due in that or any previous IFD Debt Year. Any such payment to the Navy described in

this Clause Third is referred to in this Subordinate Pledge Agreement as an “**IFD Pledge Payment.**”

(b) On the final day of each IFD Debt Year, any Net Available Increment remaining in the Special Fund after payment of the amounts required above shall be released from the pledge and lien hereunder and shall be used by or on behalf of the Pledging IFD for any other purposes and in the priority set forth in the Financing Plan.

ARTICLE IV

COVENANTS OF THE CITY

Section 4.01. Punctual Payment. The City, on behalf of the Pledging IFD, will punctually pay or cause to be paid to the Navy the IFD Pledge Payments in strict conformity with the terms of this Subordinate Pledge Agreement, and the City, on behalf of the Pledging IFD, will faithfully observe and perform all of the conditions, covenants and requirements of it under this Subordinate Pledge Agreement.

Section 4.02. No Limit on IFD Debt; Public Financing. Nothing in this Subordinate Pledge Agreement shall in any way limit the City, on behalf of the Pledging IFD, or the Pledging IFD from pledging the Net Available Increment to or issuing IFD Debt or any other Public Financing for the purpose of financing Qualified Project Costs.

Section 4.03. Protection of Security. The City, on behalf of the IFD, agrees to contest any assertion by any officer of any governmental entity or any other person with respect to the enforceability of the City's obligations on behalf of the Pledging IFD hereunder. From and after execution and delivery of this Subordinate Pledge Agreement, the City's obligations hereunder on behalf of the IFD shall be incontestable by the City.

Section 4.04. Further Assurances. The City, on behalf of the Pledging IFD, will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the obligations on its part under this Subordinate Pledge Agreement.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES

Section 5.01. Events of Default. The following events shall constitute Events of Default hereunder:

(a) Failure by the City, on behalf of the Pledging IFD, to make IFD Pledge Payments when and as the same shall become due and payable.

(b) Failure by the City, on behalf of the Pledging IFD, to observe or perform any of its obligations under this Agreement or if the City is otherwise in breach of this Agreement, after having been provided written notice and failing to cure the default within thirty (30) days after such notice.

(c) The filing by the Pledging IFD of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Pledging IFD, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Pledging IFD or of the whole or any substantial part of its property.

If an Event of Default has occurred and is continuing, the Navy may exercise any remedies available to the Navy in law or at equity. Immediately upon becoming aware of the occurrence of an Event of Default, the Navy shall give notice of such Event of Default to the City by telephone, fax or other telecommunication device, promptly confirmed in writing.

Section 5.02. No Waiver. Nothing in this Article V or in any other provision of this Subordinate Pledge Agreement shall affect or impair the obligation of the City, which is absolute and unconditional, to apply Net Available Increment as set forth in this Subordinate Pledge Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Navy to institute suit to enforce such payment by virtue of the contract embodied in this Subordinate Pledge Agreement.

A waiver of any default by the Navy shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of the Navy to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Navy by this Article V may be enforced and exercised from time to time and as often as shall be deemed expedient by the Navy.

If a suit, action or proceeding to enforce any right or exercise any remedy shall be abandoned or determined adversely to the Navy, the City and the Navy shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 5.03. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Navy is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by law.

ARTICLE VI
MISCELLANEOUS

Section 6.01. Limited Liability for the Installment Payments. Neither the City nor the Pledging IFD shall have any liability for payment of the Installment Payments except as set forth in Sections 3.01 and 3.02 hereof.

Section 6.02. Benefits Limited to Navy. Nothing in this Subordinate Pledge Agreement, expressed or implied, is intended to give to any person other than the Navy any right, remedy or claim under or by reason of this Subordinate Pledge Agreement. All covenants, stipulations, promises or agreements in this Subordinate Pledge Agreement contained by and on behalf of the City, on behalf of the Pledging IFD shall be for the sole and exclusive benefit of the Navy.

Section 6.03. Successor is Deemed Included in All References to Predecessor; Assignment. Whenever in this Subordinate Pledge Agreement any of the City, the Pledging IFD or the Navy is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Subordinate Pledge Agreement contained by or on behalf of the City, on behalf of the Pledging IFD, or on behalf of the Navy shall bind and inure to the benefit of the successors and assigns of the City, the Pledging IFD, or the Navy, respectively, whether so expressed or not.

The City shall not assign any of its rights or responsibilities on behalf of the Pledging IFD under this Subordinate Pledge Agreement without the prior written consent of the Navy.

Section 6.04. Amendment. This Subordinate Pledge Agreement may be amended by the City, on behalf of the IFD, with the prior written consent of the Navy.

Section 6.05. Waiver of Personal Liability. No member, officer, agent or employee of the City or the Pledging IFD shall be individually or personally liable for the obligations of the City on behalf of the Pledging IFD under this Subordinate Pledge Agreement; but nothing contained in this Subordinate Pledge Agreement shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 6.06. Notices. All written notices to be given under this Subordinate Pledge Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other in writing from time to time. Notice shall be effective 48 hours after deposit in the United States mail, postage prepaid or, in the case of personal delivery to any person, upon actual receipt at the address set forth below:

If to the Navy:

At the addresses set forth in the EDCMOA

If to the City:

Ms. Nadia Sesay

Director of Public Finance
City Hall, Rm. 336
1 Dr. Carleton B. Goodlett Pl.
San Francisco, CA 94012

and to:

Mr. Robert Beck
Treasure Island Director
Treasure Island Development Authority
One Avenue of the Palms, Suite 241
Treasure Island
San Francisco, CA 94130

Section 6.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Subordinate Pledge Agreement shall for any reason be held illegal, invalid or unenforceable, such holding shall not affect the remainder of this Subordinate Pledge Agreement.

Section 6.08. Applicable Law. This Subordinate Pledge Agreement shall be governed by and construed in accordance with the laws of the State.

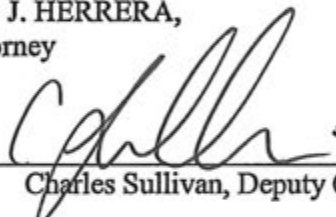
IN WITNESS WHEREOF, the City, on behalf of the Pledging IFD, intending to be legally bound hereby, has caused its duly appointed representatives to execute this Subordinate Pledge Agreement as of the date set forth above.

CITY AND COUNTY OF SAN FRANCISCO, for and
on behalf of the Treasure Island Infrastructure
Financing District

By: 
Name: Nadia Sesay
Title: Director of Public Finance

Approved as to form:

DENNIS J. HERRERA,
City Attorney

By: 
Name: Charles Sullivan, Deputy City Attorney

Approved on June 24, 2014

Board of Supervisors Resolution No. 212-14

PROMISSORY NOTE
(Initial Consideration)

\$55,000,000.00

May 21, 2015

FOR VALUE RECEIVED, the undersigned, the TREASURE ISLAND DEVELOPMENT AUTHORITY ("*Maker*"), promises to pay to the order of the UNITED STATES OF AMERICA, acting by and through the Department of the Navy ("*Payee*"), the principal sum of FIFTY-FIVE MILLION AND 00/100 DOLLARS (\$55,000,000.00), or so much thereof as may from time to time be owing hereunder by Maker to or for the account of Payee in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private.

This Promissory Note ("*Note*") is given in furtherance and in consideration of payment of the Initial Consideration, as defined in and provided pursuant to that certain Economic Development Conveyance Memorandum of Agreement between Maker and Payee, dated as of July 2, 2014 (the "*EDC MOA*"). All initially capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the EDC MOA.

1. Payment of Principal and Interest.

(a) Subject to the provisions contained in clause (b) below, Maker shall pay the principal balance of this Note and accrued interest thereon as follows:

(i) Commencing on the Initial Closing Date, Maker shall pay to Payee Five Million Five Hundred Thousand and 00/100ths Dollars (\$5,500,000.00) (the "*Installment Payment*") of the principal balance of this Note; and

(ii) On each Anniversary Date of the Initial Closing Date until the Maturity Date (as defined below), Maker shall pay an amount equal to the Installment Payment as a principal payment, together with all interest that has accrued hereunder as of such date.

As used herein, "*Initial Closing Date*" means the date when the Initial Closing occurs under the EDC MOA.

(b) Payments by Maker of each Installment Payment on any due date shall be subject to adjustment as follows:

(i) Subject to Section 4.2.1 of the EDC MOA, if at any time or from time to time, Payee conveys any Parcel to a third party pursuant to Section 3.8.4 of the EDC MOA, then the outstanding principal balance of this Note shall be reduced by an amount equal to the amount of consideration received by Payee from the sale or transfer of such Parcel (the "*Parcel Sale Consideration Amount*") up to the remaining outstanding principal balance of this Note. After such reduction, any interest payable hereunder shall be on the outstanding principal balance of this Note less the Parcel Sale Consideration Amount.

(ii) In accordance with Section 4.2.1 of the EDC MOA, if at any time or from time to time, Payee conveys any Parcel to a third party pursuant to Section 3.8.4 of the EDC MOA, then Payee shall receive a credit equal to the interest paid by Authority to Navy from the Initial Closing through the date of the third-party sale calculated on the Parcel Sale Consideration Amount (the "*Parcel Sale Interest Credit*"). The Parcel Sale Interest Credit shall be applied as a credit to the next Installment Payments becoming due under this Note until the credit for the Parcel Sale Interest Credit has been applied in full. If insufficient Installment Payments remain to fully use the credit for the Parcel Sale Interest Credit, then such balance shall be carried forward and applied against any Additional Consideration payable by Maker to Payee under the EDC MOA.

(iii) Pursuant to Sections 4.2.4 and 4.2.5 of the EDC MOA (and subject to other applicable provisions of the EDC MOA related to tolling, including Sections 4.2.6 and 4.2.7 of the EDC MOA), if Payee fails to meet a Site 12 Performance Benchmark or Parcels 21, 30, 30N, 30S, 31, 24A, Building 3 or Building 233 Performance Benchmarks within the time provided in the EDC MOA, including by reason of an Excusable Delay, which Performance Benchmarks shall apply individually and separately to each such parcel, then Maker's obligation to pay any future Installment Payment and accrued interest when provided in clause (a)(ii) above will be tolled for the same number of days occurring between the applicable Performance Benchmark date and the date on which the applicable Performance Benchmark is satisfied. If such tolling occurs, then the due date for all future Installment Payments and accrued interest under clause (a)(ii) above and the Maturity Date shall be adjusted for the period of tolling. For example, if the Site 12 Performance Benchmark in Section 4.2.2 of the EDC MOA relating to the Site 12 ROD must be satisfied by August 1, 2013, the next subsequent Installment Payment was due on January 1, 2014, and such Performance Benchmark was satisfied on April 1, 2014 (a delay of 243 days), then the next Installment Payment would be due on September 1, 2014 (i.e. 243 days from the original Anniversary Date of January 1, 2014), and all future Installment Payments would be due on September 1 of subsequent years in the Initial Consideration Term unless further tolled.

(iv) Pursuant to Section 4.2.10 of the EDC MOA (and subject to determination in accordance with Section 4.3.7.2 of the EDC MOA and the audit provisions set forth in Section 4.3.8 of the EDC MOA), the principal balance of this Note shall be reduced by an amount up to the total amount of either (A) the Redesign Costs set forth in the Redesign Budget, or (B) the Redesign Costs actually incurred by Developer and Maker if such amount exceeds the Redesign Costs set forth in the Redesign Budget (the "*Redesign Costs Credit*"). Any Redesign Costs Credit amount shall be applied to reduce the next Installment Payment becoming due under this Note, and interest shall not thereafter accrue on any such Redesign Costs Credit amount.

(v) Pursuant to Section 27.3.5 of the EDC MOA, the principal balance of this Note shall be reduced by an amount up to fifty percent (50%) of the full amount of an Arbiter's fees and costs, including such Arbiter's consultant costs (an "*Arbiter's Costs Credit*"). Any Arbiter's Costs Credit amount shall be applied to reduce the next Installment Payment becoming due under this Note, and interest shall not thereafter accrue on any such Arbiter's Costs Credit amount.

(c) Interest shall accrue on the outstanding principal balance of this Note at a per annum rate equal to 4.13% (the "*Interest Rate*") beginning on the Initial Closing Date and continuing thereafter until the entire balance of this Note is paid in full, on the basis of a 360-day year and the number of days elapsed.

(d) Each payment hereunder shall be payable to the U.S. Treasury and delivered to BRAC Program Management Office West, 1455 Frazee Road, Suite 900, San Diego, California 92108, or such other address as Payee may designate from time to time.

2. **Maturity.** All unpaid principal, interest thereon, and all other unpaid amounts owing under this Note shall be due and payable on the date that is ten (10) calendar years after the Initial Closing Date (the "*Maturity Date*"), as such Maturity Date may be adjusted in accordance with Section 1(b)(iii) above.

3. **Default and Acceleration.** Failure to make any required payment under this Note within thirty (30) calendar days after the date on which such amount is due shall constitute an "*Event of Default*" under this Note. If an Event of Default occurs, at the option of Payee, except at maturity of this Note when acceleration of amounts due under this Note shall be automatic, (a) the whole of the principal sum of this Note, (b) accrued interest including any Default Interest and Late Charges, (c) all other sums, as provided in this Note, and (d) all sums advanced and costs and expenses incurred by Payee in connection with this Note or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of Maker or Payee (all the sums referred to in clauses (a) through (d) above shall collectively be referred to as the "*Debt*") shall without notice become immediately due and payable.

4. **Security.** This Note is secured by (i) that certain Assignment of Rents of even date herewith, executed by Maker in favor of Payee, granting to Payee a security interest in the rents and revenues generated from the real property described therein (the "*Assignment of Rents*"), and (ii) to the extent the rents and revenues assigned under the Assignment of Rents are not sufficient to cover the unpaid principal and interest due under this Note, a Subordinate Pledge of Net Available Tax Increment Revenues generated from the Navy Real Property in accordance with Section 4.2.11.2 of the EDC MOA.

5. **Late Charges.** Any failure to pay any Installment Payment and accrued interest within ten (10) days after the payment due date determined in accordance with Section 1 above shall be considered late ("*Late Payment*"). Any Late Payment will incur a late payment penalty equal to two and one-half percent (2 ½ %) of the payment due. Any Late Payment constituting a default hereunder shall accrue interest at the Default Interest Rate from the due date and the Default Interest Rate shall remain in effect on the Late Payment amount until paid. As used herein, "*Default Interest Rate*" means an interest rate of three hundred (300) basis points above the Interest Rate. MAKER ACKNOWLEDGES AND AGREES THAT (a) PAYEE'S ACTUAL DAMAGES RESULTING FROM ANY SUCH DELINQUENCY AND THAT RELATE TO LOST USE OF FUNDS OR COST OF INTERNAL ADMINISTRATION OF DELINQUENT PAYMENTS HEREUNDER WOULD BE EXTREMELY DIFFICULT TO ASCERTAIN, AND (b) UNDER THE CIRCUMSTANCES IN EXISTENCE AS OF THE DATE HEREOF, SUCH LATE CHARGE CONSTITUTES A REASONABLE LIQUIDATION OF SUCH DAMAGES.

Acceptance of any late payment shall not constitute a waiver of the late charge with respect to the overdue amount, and shall not prevent Payee from exercising any of the other rights and remedies available to Payee. This provision for imposition of a late charge is not intended to provide Maker with a grace period for making payments and shall not be construed as extending or rendering inessential the time for payment or performance set forth herein.

6. **Waivers.** Maker and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive presentment and demand for payment, notice of dishonor, protest and notice of protest and non-payment and all other notices of any kind, except for notices expressly provided for in the EDC MOA. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note made by agreement between Payee or any other person or party shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Maker, and any other person or entity who may become liable for the payment of all or any part of the Debt, under this Note or the EDC MOA.

7. **Governing Law.** This Note shall be governed by all applicable Federal, State and local laws, rules and regulations which may arise by reason of this Note.

8. **Notices.** All notices required or permitted hereunder shall be given as provided in the EDC MOA.

9. **Incorporation by Reference.** All of the terms, covenants and conditions contained in the EDC MOA are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of any inconsistency between the terms of the EDC MOA and this Note, the terms of the EDC MOA shall control.

10. **Availability of Funds.** Notwithstanding anything to the contrary contained in this Note, but subject to Payee's security described in Section 4 above, there shall be no obligation for the payment or expenditure of money by Maker unless there is a valid appropriation from which the expenditure may be made and that unencumbered funds are available from the appropriation to pay the expenditure.

11. **Miscellaneous.** This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Maker or Payee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought. Whenever used, the singular number shall include the plural, the plural number shall include the singular, and the words "Payee" and "Maker" shall include their respective successors, assigns, heirs, executors and administrators.

[SIGNATURE PAGE FOLLOWS]

Maker has duly executed this Note as of the day and year first above written.

MAKER:

TREASURE ISLAND DEVELOPMENT AUTHORITY,
a California nonprofit public benefit corporation

By: 
Name: Robert Beck
Treasure Island Director

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

By: 
Name: Charles Sullivan
Deputy City Attorney

Maker has duly executed this Note as of the day and year first above written.

MAKER:

TREASURE ISLAND DEVELOPMENT AUTHORITY,
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By: _____
Name: Robert Beck
Treasure Island Director

APPROVED AS TO FORM:
DENNIS J. HERRERA,
City Attorney

By: _____
Name: Charles Sullivan
Deputy City Attorney

Note
Extra Signature



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors, as legislative body of
City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island) (the "Treasure Island IRFD" or the "IRFD")

FROM: Anna Van Degna, Director of the Controller's Office of Public Finance
Bridget Katz, Deputy Director, Controller's Office of Public Finance
Min Guo, Controller's Office of Public Finance
Bob Beck, Director of the Treasure Island Development Authority
Jamie Querubin, Finance Manager, Treasure Island Development Authority

DATE: **September 9, 2025**

SUBJECT: Resolution supplementing Resolution No. 7-17 Authorizing Issuance of Bonds by City
and County of San Francisco Infrastructure and Revitalization Financing District No. 1
(Treasure Island) - Not to Exceed \$31,000,000

Supplemental Ordinance Appropriating \$5,769,288 in Tax Increment Revenue Bond
Proceeds and Bond Proceed Interest Earnings in Treasure Island Infrastructure and
Revitalization Financing District (FY25-26)

Recommended Actions

We respectfully request that the Board of Supervisors ("Board"), in its capacity as the legislative body of the Treasure Island IRFD, consider for review and approval the resolution ("Bond Resolution") which authorizes the issuance of, in one or more series, not to exceed \$31,000,000 aggregate principal amount of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, expected to be sold in two series: Series 2025A (Facilities Increment) and Series 2025B (Housing Increment) described further herein.

We also respectfully request that the Board considers for review and approval a supplemental appropriation ordinance ("Ordinance") appropriating \$5,500,000 of bond proceeds from Treasure Island IRFD Tax Increment Revenue Bonds, Series 2025B (Housing Increment), and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Bonds, which will be used by the Mayor's Office of Housing and Community Development ("MOHCD") to finance certain affordable housing projects on Treasure Island.

Background

Since 1997, the City and TIDA have worked together on the Treasure Island/Yerba Buena Island Development Project ("Project") to redevelop the former Treasure Island Naval Station ("NSTI") in connection with the conveyance of the Navy-owned lands to TIDA. In early 2003, TIDA and the Treasure Island Community Development, LLC ("TICD" or the "Developer") entered into an Exclusive Negotiating Agreement and began work on a Development Plan for the Project.

In 2011, TICD and TIDA entered into a Disposition and Development Agreement ("DDA"), and TICD and the City entered into a Development Agreement ("DA") to deliver the Project. The Financing Plan attached to the DDA and DA ("DDA Financing Plan") contemplates reimbursement to the Developer for costs incurred to construct public infrastructure through the issuance of special tax bonds issued for one or more community facilities districts ("CFDs") formed under the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act") and tax increment revenue bonds issued by the Treasure Island IRFD No.1 ("IRFD"). The DA, the DDA and the DDA Financing Plan were amended in 2024 to resolve disputes among TICD, TIDA and the City, and to accelerate the development of housing in the Project. The amendments included the City agreeing to advance up to \$115 million in City-supported capital funds through the issuance of certificates of participation to fund Stage 2 infrastructure.

Under the Mello-Roos Act, the Board of Supervisors has the authority to levy special taxes on taxable property in a CFD. Under the IRFD Law, the City allocates a portion of the general 1.00% ad valorem incremental tax revenues to the IRFD; no new taxes are levied by the City in connection with the IRFD.

The Development Plan anticipates a new San Francisco neighborhood consisting of up to 8,000 residential units, including homes at below-market rates and approximately 27% affordable housing in total. The Development Plan also includes new commercial and retail space, up to 500 hotel rooms, and 290 plus acres of parks and public open space, including shoreline access and cultural uses. Transportation amenities being built for the project will enhance mobility on Yerba Buena Island and Treasure Island as well as link the islands to mainland San Francisco. The Project's master plan also includes public facilities serving the Project, utility improvements, new and upgraded streets, public byways, bicycle, transit, pedestrian facilities, and a new ferry terminal.

The Treasure Island IRFD

On January 31, 2017, following a public hearing and landowner vote, the Board adopted Ordinance No. 21-17 forming the IRFD and adopting the Infrastructure Financing Plan ("Original Adopted IFP"). The IRFD consists of five Project Areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D & E), which represent the initial phases of development of the Project. The IRFD formation proceedings also established a process for the annexation of property to the IRFD.

On February 15, 2022, following a public hearing and landowner vote, the Board adopted Ordinance No. 029-22 adding territory to and adopting amendments to the Original Adopted IFP (as amended the "IFP" or "IRFD Financing Plan") to facilitate the administration and distribution of the tax increment in accordance with IRFD Law and the IRFD Financing Plan over the life of the IRFD.

Under the terms set forth in the IRFD Financing Plan, the City has committed a portion of the 1.00% incremental property tax revenues derived in the project areas to the IRFD ("IRFD Portion") for the reimbursement of eligible project costs and the financing of affordable housing consistent with the terms and limitations of IRFD Law, as detailed in the IFP, shown below:

3 | Resolution Authorizing the Issuance of NTE \$31,000,000 Treasure Island IRFD Tax Increment Revenue Bonds, and Ordinance Appropriating \$5,769,288 for Tax Increment Revenue Housing Bonds Proceeds and Bond Proceed Interest Earnings

Table 1: Apportionment of 1.00% Ad Valorem property tax from the IRFD Financing Plan

IRFD Portion		
Net Available Increment	To IRFD for Facilities & Housing	56.588206%
Conditional City Increment	To IRFD available for debt service coverage	8.000000%
Total IRFD Portion of 1.00%		64.588206%
Other Taxing Entities Portion: State ERAF, Local Education Agencies & Special Districts		
Education Revenue Augmentation Fund ("ERAF")		25.330113%
San Francisco Unified School District		7.698857%
San Francisco Community College Fund		1.444422%
San Francisco County Office of Education		0.097335%
Bay Area Rapid Transit District		0.632528%
Bay Area Air Quality Management District		0.208539%
Total Other Taxing Entity's Portion of 1.00%		35.411794%
Total 1.00% Ad Valorem Property		100.000000%

Pursuant to the IRFD Financing Plan, the City has committed its 56.588206% portion of the 64.588206% IRFD Portion of the 1.00% Tax Increment to the public financing for the Project ("Net Available Increment"), with 82.5% of those committed revenues being available to finance infrastructure constructed by the Developer ("Facilities" and "Net Available Facilities Increment") and 17.5% of the revenues reserved for the use of TIDA and the City, through MOHCD, to finance affordable housing ("Housing" and "Net Available Housing Increment").

The remaining balance of 8.00% of the 64.588206% IRFD Portion of the 1.00% Tax Increment ("Conditional City Increment") is not dedicated directly to the funding of the Project, but it is pledged, if needed, to pay debt service on currently outstanding bonds of the IRFD and any future debt of the IRFD ("Parity Debt"). On an annual basis, Conditional City Increment will be returned to the City's General Fund if not needed for debt service on any outstanding bonds.

The Original Adopted IFP established the initial Project Areas (A, B, C, D and E) including (i) legal boundaries (amended by the IFP); (ii) the fiscal year to be used as the base year for calculating incremental assessed value and tax increment available to the Project; (iii) the trigger amount of tax increment to be collected by the City to commence the distribution of the tax increment to the IRFD from a given Project Area in the following fiscal year ("Commencement Year"), and to determine the final year of tax increment allocation to the IRFD from such Project Area, which is 40 years following the Commencement Year.

Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The IRFD received the first distribution of tax increment from Project Area A in FY 2019-20. In FY 2022-23, the IRFD also began to receive distributions of tax increment from Project Areas B and E, as shown in the table below.

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Table 2: Historic Tax Increment Distributed to the IRFD District

Historic Allocations of Tax Increment to IRFD No. 1						
City 1% Portion	Active Project Areas	Dedicated & Pledged to IRFD*			City Conditional	Total City Increment*
		56.588206%			8.000000%	64.588206%
Fiscal Year		82.50% Facilities	17.50% Housing	Total Dedicated & Pledged to IRFD	Conditional	Total City
2019-20	A	\$327,218	\$69,410	\$396,628	\$56,072	452,700
2020-21	A	\$471,256	\$99,963	\$571,219	\$80,755	651,974
2021-22	A	\$1,036,574	\$219,879	\$1,256,453	\$178,350	1,434,803
2022-23	A, B, E	\$1,839,994	\$390,302	\$2,230,295	\$316,637	2,546,932
2023-24	A, B, E	\$2,353,470	\$498,967	\$2,852,436	\$403,346	\$3,255,783
2024-25	A, B, E	\$3,186,342	\$673,987	\$3,860,329	\$544,833	\$4,405,161
Total		\$9,214,853	\$1,952,508	\$11,167,360	\$1,579,993	\$12,747,353

* Net of Property Tax Administration Cost, which represents the priority portion of admin expenses related to the division of taxes.

Attachment A provides an overview of historic assessed values of Project Areas A, B, C, D and E since the Base Year of FY2016-17.

IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds

The DDA Financing Plan provides that TICD may request the issuance of debt by the IRFD from time to time. In August 2022, the City completed the first issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$29,390,000, including:

- \$24,270,000 Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) ("2022A Facilities Bonds")
- \$5,120,000 Tax Increment Revenue Bonds, Series 2022B (Housing Increment) ("2022B Housing Bonds")

The 2022A Facilities Bonds and the 2022B Housing Bonds (together, the "2022AB Bonds") are currently outstanding in the total principal amount of \$27,975,000.

In December 2023, the City completed the second issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$9,210,000, including:

- \$7,615,000 Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) ("2023A Facilities Bonds", and, together with the 2022A Facilities Bonds, the "Existing Facilities Bonds")
- \$1,595,000 Tax Increment Revenue Bonds, Series 2023B (Housing Increment) ("2023B Housing Bonds", and, together with the 2022A Housing Bonds, the "Existing Housing Bonds")

The 2023A Facilities Bonds and the 2023B Housing Bonds (together, the "2023AB Bonds") are currently outstanding in the total principal amount of \$8,845,000.

Current Plan of Finance

The proposed Bond Resolution would authorize the next issuance of tax increment revenue bonds with a total par amount not to exceed \$31,000,000 ("2025AB Bonds" or "Bonds"), to finance facilities costs and affordable housing costs of the Treasure Island Project. The 2025AB Bonds are expected to be designated as follows:

- Tax Increment Revenue Bonds Series 2025A (Facilities Increment) ("2025A Facilities Bonds")
- Tax Increment Revenue Bonds Series 2025B (Housing Increment) ("2025B Housing Bonds")

The proposed 2025A Facilities Bonds would be secured on a parity basis with the Existing Facilities Bonds under an indenture of trust ("Facilities Indenture") for bonds secured by a pledge of the Net Available Facilities Increment ("Facilities Bonds"). The proposed 2025B Housing Bonds would be secured on a parity basis with the Existing Housing Bonds under a separate indenture of trust ("Housing Indenture," and together with the Facilities Indenture, "Indentures") for bonds secured by a pledge of the Net Available Housing Increment ("Housing Bonds"). Additional parity debt may be incurred under the respective Indentures in addition to the 2022AB Bonds, the 2023AB Bonds, and the 2025AB Bonds (together, the "Outstanding Bonds").

The pledge of Conditional City Increment is split between the Facilities Bonds and the Housing Bonds on the same proportional share as the Net Available Increment: 82.5% for Facilities ("Conditional City Facilities Increment") and 17.5% for Housing ("Conditional City Housing Increment").

Tax Increment Financing Credit Considerations

The proposed Bonds will be sold without a rating by any of the nationally recognized rating agencies ("Non-Rated"). Non-rated tax increment revenue bonds have unique credit considerations and risk factors for investors, as discussed under "Risk Factors" section of the Preliminary Official Statement ("POS") for the Bonds. The City, in consultation with the underwriter and the City's municipal advisor, has discretion to limit the pool of prospective investors to individuals who can manage the potential risks associated with Non-Rated obligations, such as the Bonds. The Bonds may be offered and sold only to Qualified Purchasers who meet certain sophisticated investor criteria, as described in "Transfer Restrictions" of the POS.

The Bonds are limited obligations of the IRFD (not the City) and are secured by and payable solely from the Pledged Tax Increment of the IRFD. Other than the limited pledge of City Conditional Increment within the IRFD, the General Fund of the City is not liable for the payment of principal or interest on the Bonds, nor is any property or the credit of the City pledged to the repayment of the Bonds.

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report ("Fiscal Consultant Report" or "FCR") detailing the assessed valuation of the Project Areas of the IRFD and summarizing information from the developer.

Debt Service Coverage. The City has covenanted to investors to not issue additional parity debt unless revenues are at least 125% of debt service from Pledged Tax Increment, which includes the 8.0% Conditional City Increment (or approximately 109 % of debt service excluding the Conditional City Increment. "Pledged Tax Increment" consists of an allocated share of Net Available Increment plus City Conditional Increment as applicable to each of the Facilities Bonds and the Housing Bonds.

Under the Indentures, the City covenants that the Conditional City Increment will be available to repay debt service in the case where the Net Available Increment in a given year is insufficient to pay the debt service requirements on the Outstanding Bonds in that year. Conditional City Increment for one fiscal year is not available to fund a shortfall in Net Available Increment in a subsequent year.

Bond Structure. It is anticipated that both the Series 2025A Facilities Bonds and the 2025B Housing Bonds will be structured such that aggregate debt service for all Facilities Bonds and aggregate debt service for all Housing Bonds, respectively, after issuance of Series 2025A Facilities Bonds and Series 2025B Housing Bonds, are substantially level on an annual basis.

Parity Debt Service Reserve Funds. Each of the 2025A Facilities Bonds and the 2025B Housing Bonds will contribute to separate cash-funded debt service reserve funds originally funded from proceeds of the Existing Facilities Bonds and the Existing Housing Bonds, respectively. Under the parity debt provisions applicable to the issuance of the 2025A Facilities Bonds and 2025B Housing Bonds, the contribution to the debt service reserve funds is projected to be an amount needed to equal maximum annual debt service for the combination of the respective Existing Facilities Bonds/2025A Facilities Bonds and Existing Housing Bonds/2025B Housing Bonds. Each respective reserve fund is available to repay debt service of the corresponding bonds in the event that Net Available Tax Increment and Conditional City Increment pledged to such bonds are insufficient to cover the debt service requirements of such bonds on a proportional basis. If either respective reserve fund is ever drawn upon for the payment of debt service, each can only be replenished from Net Available Increment as applicable; City Conditional Increment cannot be used for this purpose.

Use of Proceeds

Proceeds of the Bonds will (i) be deposited in Facilities and Housing specific project funds to be spent in accordance with the IRFD Financing Plan, discussed further below; (ii) fund separate Facilities and Housing debt service reserve funds for the Bonds, (iii) fund administrative expenses, and (iv) finance costs of issuance.

Facilities Bonds- Proceeds of the 2025A Facilities Bonds deposited in the Facilities Project Fund are expected to be used to reimburse TICD for certain geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. The proceeds of the 2025A Facilities Bonds are also expected to be used to reimburse TICD for certain predevelopment costs, permit fees, subsidy payments paid to TIDA pursuant to the Housing Plan and the construction of public parks that have been completed by TICD.

Housing Bonds - Proceeds of the 2025B Housing Bonds deposited in the Housing Project Fund are currently anticipated to be used by TIDA and MOHCD to finance a grant or forgivable loan for the development of a 100-unit senior affordable multifamily housing project. The planned housing project will be a five-story building with 95 1-bedroom units and five 2-bedroom units. The proposed housing development includes approximately six transitional units for legacy households relocating from formerly Navy-owned housing on Treasure Island. Construction is scheduled to begin in late 2025 and is expected to be completed in mid-2028. The project sponsor is Mercy Housing California. The housing project will not be subject to property taxes.

In addition to appropriating the 2025B Housing Project Fund, the Ordinance appropriates interest earnings currently held in the 2022B and 2023B Housing Project Funds (pursuant to the Indenture) to MOHCD for affordable housing projects on Treasure Island.

Table 3 below outlines anticipated sources and uses for the Bonds, based on market conditions as of August 28, 2025.

Table 3: Estimated Sources & Uses of the 2025A Facilities Bonds & 2025B Housing Bonds

Sources:	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
Bond Proceeds			
Estimated Par Amount	\$20,975,000	\$4,440,000	\$25,415,000
Original Issue Discount	(253,796)	(69,444)	(323,240)
Total Sources	\$20,721,204	\$4,370,556	\$25,091,760
Uses:			
Project Fund	\$18,627,904	\$3,927,013	\$22,554,917
Debt Service Reserve Fund	1,324,760	280,859	1,605,618
<u>Delivery Date Expenses</u>			
Cost of Issuance	453,915	96,085	550,000
Underwriter's Discount	314,625	66,600	381,225
Total Uses	\$20,721,204	\$4,370,556	\$25,091,760

Source: Stifel, Nicolaus & Company, Inc.

Interest Rate; Projected Debt Service

Based upon current market conditions, a 30-year term (September 1, 2055) and a true interest cost of 5.84%, which assumes the issuance of both the 2025A Facilities Bonds and 2025B Housing Bonds on a tax-exempt basis, aggregate average annual debt service is estimated to be approximately \$1.9 million. The anticipated total par amount of \$25.4 million is estimated to result in approximately \$29.7 million in interest payments over the life of the Bonds, for total debt service estimated at approximately \$55.1 million.

Actual results will vary depending on market conditions at the time of the sale. The difference between the estimated principal amount of \$25,415,000 and the not to exceed amount of \$31,000,000 is to account for market uncertainty.

Method of Sale

Given the unique credit characteristics associated with tax increment bonds, a negotiated sale is planned in connection with this transaction. The 2025AB Bonds will be repaid from tax increment revenues from a specific development project which is outside of the City's customary general fund credit profile. Following the completion of competitive Request for Qualifications ("RFQ") process in May 2023, the highest ranked proposer in the Development Finance pool, Stifel, Nicolaus & Company, Incorporated was selected to serve as the Underwriter for the transaction.

The proposed Bond Resolution approves the form of the Bond Purchase Agreement (described further below) which provides the terms of sale of the Bonds by the IRFD. In order to sell the Bonds on a negotiated basis, in accordance with State IRFD Law, the IRFD will sell the bonds first to a third-party statewide joint powers authority, the California Statewide Communities Development Authority ("CSCDA"), of which the City is a member, and then CSCDA will, in turn, sell the Bonds to the Underwriter. Given the risks associated with tax increment bonds without an extensive credit history, a negotiated sale facilitates the marketing of the credit to prospective investors.

Additional Information

The Bond Resolution and Ordinance are expected to be introduced at the Board of Supervisors meeting on September 16, 2025, and to be heard at the Budget and Finance Committee on October 22, 2025.

The forms of the financing documents related to the Bonds—including the Bond Purchase Agreement, the Supplemental Indentures, the Preliminary Official Statement, the Continuing Disclosure Certificate and related documents—will also be submitted.

Bond Purchase Agreement: The IRFD intends to pursue a fixed rate negotiated sale of the Bonds. The Bond Purchase Agreement details the terms, covenants, and conditions for the sale of the Bonds through the Underwriter, as well as agreements regarding expenses, closing and disclosure documents.

Second Supplement to the Indentures (Facilities and Housing): The proposed Bond Resolution also approves the forms of the Second Supplement to Indentures pursuant to which the Trustee administers and disburses bond payments. The IRFD executed the Indentures in connection with the issuance of the Series 2022AB Bonds, and the Second Supplement to Indentures will apply specifically to the Series 2025AB Bonds. The Indentures, as proposed to be supplemented, provide for the terms of the bond redemption, prepayment provisions, and other related administrative provisions. The Trustee holds the Treasure Island IRFD reserves, all tax increment pledged to the Bonds and the proceeds derived from the sale of the Bonds, and will disburse the proceeds as directed by authorized City representatives.

Preliminary Official Statement: The POS is distributed to investors prior to the sale of the Bonds and provides information for investors in connection with the public offering by the IRFD of the Bonds. The POS describes the Bonds, the Project, including sources and uses of funds; security for the Bonds; risk factors; and other legal matters, among other information. The Fiscal Consultant Report will be attached as an appendix to the Official Statement.

Final Official Statement: The final Official Statement contains the same information as the POS but includes the results of the pricing of the Bonds (i.e., sale results including principal amounts, offering prices, interest rates, and underwriters' compensation).

Under the anti-fraud provisions of the federal securities laws, the City and TIDA are required to ensure that the POS and the Official Statement contain information that is accurate and complete in all material respects. This obligation attaches to the individual members of the governing bodies approving the document as well as City staff charged with preparing the document on behalf of the IRFD. Certain information in the Official Statement will be provided by the Developer, and the Developer will certify in writing about the accuracy of such information. It is important that the information provided by all parties is accurate and complete in all material respects. "Material" in this context means that there is a substantial likelihood that the information would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds.

The Board and the Mayor, in adopting and approving the Bond Resolution, approve and authorize the use and distribution of the Preliminary and Final Official Statements by the Underwriter. The Controller's Office will certify, on behalf of the City and the IRFD, that the Preliminary and Final Official Statements are "deemed final" as of their respective dates.

9 | Resolution Authorizing the Issuance of NTE \$31,000,000 Treasure Island IRFD Tax Increment Revenue Bonds, and Ordinance Appropriating \$5,769,288 for Tax Increment Revenue Housing Bonds Proceeds and Bond Proceed Interest Earnings

Continuing Disclosure Certificate: The IRFD covenants to provide certain financial information and operating data relating to the Bonds ("Annual Report") not later than nine months after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of material events. These covenants have been made to assist the Underwriter of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Anticipated Legislative Timeline

Milestones	Dates*
• TIDA Board Meeting	September 10, 2025
• Introduction of Resolution and Ordinance to the BOS	September 9, 2025
• Presentation to Capital Planning Committee	September 29, 2025
• Budget & Finance Committee for Resolution & Ordinance	October 22, 2025
• Board Considers Approval of Resolution & Ordinance (First Reading)	October 28, 2025
• Board Considers Approval of Ordinance (Second Reading)	November 4, 2025
• Sale and Closing of the Bonds	November/December 2025
• Sale and Closing of the Bonds	November/December 2025

**Please note that dates are estimated unless otherwise noted.*

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org), Jamie Querubin (jamie.querubin@sfgov.org) or Min Guo (min.guo@sfgov.org) if you have any questions.

Attachment A

FY2016-17 TO FY2025-26

HISTORIC ASSESSED VALUES SINCE BASE YEAR

TREASURE ISLAND IRFD NO. 1

	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26 ⁽¹⁾	Project Areas Not Yet Active		Total All Project Areas ⁽¹⁾	Percent Change
Fiscal Year	Area A	Area B	Area E		Area C	Area D		
2016-17 ⁽¹⁾	-	-	-	-	-	-	-	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4%
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7%
2025-26	\$412,723,876	\$263,567,246	\$172,303,013	\$848,594,135	\$2,012,096	\$33,404,588	\$884,010,819	26.9%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

Attachment B

GOOD FAITH ESTIMATES

For purposes of compliance with Section 5852.1 of the California Government Code, the following information are good faith estimates provided by the Underwriter Stifel, Nicolaus & Company Inc., assuming an aggregate bond issuance of \$25,415,000, which is less than the not to exceed authorization of \$31,000,000:

1. True interest cost of the Bonds: 5.84%
2. Finance charge for the Bonds, including all fees and charges for third parties (including underwriter's compensation, municipal advisory fees, co-bond counsel fees, disclosure counsel fees, trustee fees and other payments to third parties): \$931,225.
3. Amount of Bond proceeds expected to be received by the IRFD, net of payments identified in 2 above and any reserve fund or capitalized interest funded with proceeds of the Bonds: \$22,554,917.
4. Total payment amount for the Bonds, being the sum of (a) debt service on the Bonds to final maturity, and (b) any financing costs not paid from proceeds of the Bonds: \$55,148,376.

The information set forth above is based on estimates of prevailing market conditions as of August 28, 2025. Actual results may differ if assumed market conditions change.

President, District 8
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date: 10/21/25

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____

(Primary Sponsor)

Title. _____

☐ Transferring (Board Rule No 3.3)

File No. _____

(Primary Sponsor)

Title. _____

From: _____ Committee

To: _____ Committee

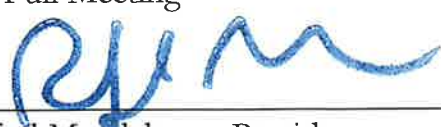
☒ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Chen Replacing Supervisor: _____

For: 10/22/25 Budget & Finance Meeting
(Date) (Committee)

Start Time: _____ End Time: _____

Temporary Assignment: ☐ Partial ☒ Full Meeting



Rafael Mandelman, President
Board of Supervisors

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Authorizing Issuance of Bonds - Infrastructure and Revitalization Financing District No. 1
(Treasure Island) - Not to Exceed \$31,000,000
DATE: September 16, 2025

Resolution supplementing Resolution No. 7-17 and authorizing the issuance and sale by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) of one or more series of bonds in an aggregate principal amount not to exceed \$31,000,000, approving an Official Statement, one or more supplements to Indentures of Trust and Continuing Disclosure Certificates, one or more Bond Purchase Agreements with a joint exercise of powers authority and the bond underwriter, and other related documents, and making other related determinations.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org