

1 [Authorizing the Issuance of Special Tax Bonds - Improvement Area No. 1 of the City and
2 County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) -Not to
3 Exceed Aggregate Principal Amount of \$17,990,000]

4 **Resolution supplementing Resolution No. 12-17 authorizing the issuance and sale of**
5 **one or more series of Special Tax Bonds for City and County of San Francisco**
6 **Community Facilities District No. 2016-1 (Treasure Island) in the aggregate principal**
7 **amount not to exceed \$17,990,000; approving related documents, including an Official**
8 **Statement, Fiscal Agent Agreement, Bond Purchase Agreement and Continuing**
9 **Disclosure Certificate;clarifying certain terms of the Rate and Method of Apportionment**
10 **of Special Tax; and determining other matters in connection therewith, as defined**
11 **herein.**

12
13 WHEREAS, This Board of Supervisors ("Board of Supervisors") of the City and County
14 of San Francisco ("City") previously conducted proceedings under and pursuant to the Mello-
15 Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of
16 Title 5 (commencing with Section 53311) of the California Government Code ("Act"), to form
17 "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)"
18 ("CFD") and "Improvement Area No. 1 of the City and County of San Francisco Community
19 Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), to authorize the
20 levy of special taxes upon the land within Improvement Area No. 1 and issue bonds secured
21 by the special taxes levied in Improvement Area No. 1 for financing certain public
22 improvements ("Authorized Facilities") in the aggregate principal amount of \$250,000,000 all
23 as described in those proceedings; and

24 WHEREAS, Pursuant to Resolution No. 12-17, which was adopted on
25 January 24, 2017, and signed by the Mayor on February 3, 2017, ("Original Resolution of

1 Issuance”), this Board of Supervisors authorized the issuance of up to \$250,000,000 of
2 bonded indebtedness and other debt on behalf of the CFD with respect to Improvement Area
3 No. 1, directed staff to prepare documentation for such bonded indebtedness and other debt
4 and return to this Board of Supervisors for approval of such documentation; and

5 WHEREAS, This Board of Supervisors now wishes to supplement the Original
6 Resolution of Issuance to provide for the issuance of one or more series of its Improvement
7 Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1
8 (Treasure Island) Special Tax Bonds, Series 2020 (“2020 Bonds”), pursuant to a Fiscal Agent
9 Agreement (“Fiscal Agent Agreement”) by and between the City, for and on behalf of the CFD,
10 and a fiscal agent to be identified by the Director of the Office of Public Finance (“Fiscal
11 Agent”), and there have been submitted to this Board of Supervisors documents described
12 below providing for the issuance of the 2020 Bonds for the CFD with respect to Improvement
13 Area No. 1 and the use of the proceeds of those 2020 Bonds, and this Board of Supervisors
14 has reviewed the documents and found them to be in proper order; and

15 WHEREAS, There has also been submitted to this Board of Supervisors a form of
16 preliminary Official Statement in connection with the marketing and sale of the 2020 Bonds,
17 and this Board of Supervisors has reviewed the preliminary Official Statement (“Preliminary
18 Official Statement”); and

19 WHEREAS, In accordance with Government Code Section 5852.1, this Board of
20 Supervisors has obtained and disclosed a good faith estimate prepared by the City’s
21 municipal advisor of (a) the true interest cost of the 2020 Bonds, (b) the finance charge of the
22 2020 Bonds, (c) the amount of proceeds received by the public body for sale of the 2020
23 Bonds less the finance charge and any reserves or capitalized interest paid or funded with
24 proceeds of the 2020 Bonds and (d) the sum total of all payments the City will make to pay
25

1 debt service on the 2020 Bonds plus the finance charge of the 2020 Bonds not paid with the
2 proceeds of the 2020 Bonds; and

3 WHEREAS, The Treasure Island Development Authority (“TIDA”) is a nonprofit public
4 benefit corporation and a public agency, and was incorporated at the direction of this Board of
5 Supervisors according to articles of incorporation approved by this Board of Supervisors
6 pursuant to Resolution No. 380-97, which was adopted on April 21, 1997, and signed by the
7 Mayor on May 2, 1997; and

8 WHEREAS, Section I of the Rate and Method of Apportionment of Special Tax for
9 Improvement Area No. 1 (“RMA”) provides for the City to interpret, clarify, and revise the RMA
10 to correct any inconsistency, vagueness, or ambiguity, by resolution or ordinance, as long as
11 such interpretation, clarification, or revision does not materially affect the levy and collection of
12 the special tax levied within Improvement Area No. 1 pursuant to the RMA and any security
13 for any bonds, and this Board of Supervisors wishes to clarify certain matters in the RMA; and

14 WHEREAS, All conditions, things and acts required to exist, to have happened and to
15 have been performed precedent to and in the issuance of the 2020 Bonds and the levy of the
16 special taxes as contemplated by this resolution and the documents referred to herein exist,
17 have happened and have been performed in due time, form and manner as required by the
18 laws of the State of California, including the Act; now therefore be it

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

20 FURTHER RESOLVED, That pursuant to the Act, the Original Resolution of Issuance,
21 this Resolution and the Fiscal Agent Agreement, the 2020 Bonds are hereby authorized to be
22 issued in one or more series in the aggregate principal amount not to exceed \$17,990,000;
23 and, be it

24 FURTHER RESOLVED, That the 2020 Bonds shall be dated, bear interest at the rates,
25 mature on the dates, be issued in the form, be subject to redemption, and otherwise be issued

1 on the terms and conditions, all as set forth in the Fiscal Agent Agreement and in accordance
2 with this Resolution; provided, however, that the provided that the interest rate borne by each
3 series of Bonds shall not exceed the maximum rate permitted by law; the 2020 Bonds may be
4 issued as tax-exempt bonds or as taxable bonds; the Fiscal Agent, an Authorized Officer (as
5 defined in Section 4 of this Resolution) and other responsible officers of the City are hereby
6 authorized and directed to take such actions as are required to cause the delivery of the 2020
7 Bonds upon receipt of the purchase price thereof; and, be it

8 FURTHER RESOLVED, That this Board of Supervisors hereby finds the following:

9 (a) The issuance of the 2020 Bonds is in compliance with the Act, the Original
10 Resolution of Issuance, the Fiscal Agent Agreement and the City's "Amended and Restated
11 Local Goals and Policies for Community Facilities Districts and Special Tax Districts" adopted
12 by this Board of Supervisors on November 26, 2013 by Resolution No. 414-13, and signed by
13 the Mayor on November 27, 2013, ("Goals and Policies").

14 (b) The appraisal described in the Preliminary Official Statement has been prepared
15 consistent with the Goals and Policies.

16 (c) The current draft of the appraisal described in the draft Preliminary Official
17 Statement ("Appraisal") concludes that the taxable property in Improvement Area No. 1 has a
18 market value (subject to the various assumptions and conditions set forth in the appraisal) that
19 would be at least three times the maximum authorized principal amount of the 2020 Bonds
20 approved herein and the principal amount of all other bonds outstanding that are secured by a
21 special tax levied pursuant to the Act on property within Improvement Area No. 1 or a special
22 assessment levied on property within Improvement Area No. 1; and, be it

23 FURTHER RESOLVED, That the Mayor, the Controller and the Director of the Office of
24 Public Finance, or such other official of the City as may be designated by such officials (each,
25 an "Authorized Officer") is hereby authorized and directed to execute and deliver the

1 documents approved herein in substantially the form on file with the Clerk of the Board of
2 Supervisors, together with such additions or changes as are approved by such Authorized
3 Officer, including such additions or changes as are necessary or advisable to permit the timely
4 issuance, sale and delivery of the 2020 Bonds; the approval of such additions or changes
5 shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the
6 documents herein specified; and, be it

7 FURTHER RESOLVED, That this Board of Supervisors hereby approves the Fiscal
8 Agent Agreement, in substantially the form on file with the Clerk of the Board of Supervisors.
9 The terms and provisions of the Fiscal Agent Agreement, as executed, are incorporated
10 herein by this reference as if fully set forth herein; an Authorized Officer is hereby authorized
11 and directed to execute the Fiscal Agent Agreement on behalf of the City, with such changes,
12 additions or deletions as may be approved by the Authorized Officer, and the Clerk of the
13 Board of Supervisors is hereby authorized and directed to attest thereto; and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby approves the
15 Preliminary Official Statement prepared in connection with the 2020 Bonds in substantially the
16 form on file with the Clerk of this Board of Supervisors, together with any changes therein or
17 additions thereto deemed advisable by an Authorized Officer; subject to an Authorized Officer
18 deeming the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the
19 Securities Exchange Act of 1934 (“Rule”), this Board of Supervisors hereby approves and
20 authorizes the distribution by the underwriter of the 2020 Bonds of the Preliminary Official
21 Statement to prospective purchasers, and authorizes and directs an Authorized Officer on
22 behalf of the City to deem the Preliminary Official Statement “final” pursuant to the Rule prior
23 to its distribution to prospective purchasers of the 2020 Bonds; the execution of the final
24 Official Statement, which shall include 2020 Bond pricing information, such other changes and
25 additions thereto deemed advisable by an Authorized Officer, and such information permitted

1 to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be
2 conclusive evidence of the approval of the Official Statement by the City; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors hereby approves the form of
4 the Continuing Disclosure Certificate with respect to the 2020 Bonds in substantially the form
5 thereof attached to the Official Statement on file with the Clerk of the Board of Supervisors. An
6 Authorized Officer is hereby authorized and directed to complete and execute the Continuing
7 Disclosure Certificate on behalf of the City (for and on behalf of the CFD) with such changes,
8 additions or deletions as may be approved by the Authorized Officer; and, be it

9 FURTHER RESOLVED, That the Bond Purchase Agreement, between the City, for
10 and on behalf of the CFD with respect to Improvement Area No. 1, and Stifel, Nicolaus &
11 Company, Inc., on behalf of itself and Backstrom McCarley Berry & Co., LLC (collectively, the
12 "Underwriter"), in substantially the form on file with the Clerk of the Board of Supervisors and
13 made a part hereof as though set forth in full herein, is hereby approved by this Board of
14 Supervisors; an Authorized Officer is hereby authorized and directed to execute and deliver
15 the Bond Purchase Agreement in such form, together with such changes, insertions and
16 omissions that are approved by an Authorized Officer and that are in accordance with the
17 provisions of this Resolution, such execution to be conclusive evidence of such approval;
18 subject to the requirement that the Underwriter's discount on the purchase of the 2020 Bonds
19 may not exceed 1.50% of the par amount of the 2020 Bonds and the interest rate may not
20 exceed the rate specified herein; in addition, and pursuant to Section 53345.8 of the Act, this
21 Board of Supervisors hereby finds and determines that an Authorized Officer may not execute
22 and deliver the Bond Purchase Agreement unless the Appraisal concludes that the taxable
23 property in Improvement Area No. 1 has a market value (subject to the various assumptions
24 and conditions set forth in the Appraisal) at least three times the principal amount of the 2020
25 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by

1 a special tax levied pursuant to the Act on property within Improvement Area No. 1 or a
2 special assessment levied on property within the Improvement Area No. 1; this Board of
3 Supervisors hereby approves the negotiated sale of the 2020 Bonds to the Underwriter
4 pursuant to such Bond Purchase Agreement; and, be it

5 FURTHER RESOLVED, That this Board of Supervisors hereby finds that sale of the
6 2020 Bonds to the Underwriter at a negotiated sale pursuant to the Bond Purchase
7 Agreement will result in a lower overall cost than would be achieved by selling the 2020
8 Bonds at a public sale utilizing competitive bidding; and, be it

9 FURTHER RESOLVED, That this Board of Supervisors, pursuant to Section I of the
10 RMA, hereby clarifies that any special taxes levied on public trust property owned by TIDA
11 that is subject to a Disposition and Development Agreement between TIDA and a vertical
12 developer that has a leasehold interest in such property, as described in the final sentence of
13 the definition of Public Property in the RMA, shall be levied on such leasehold interest
14 pursuant to Section 53340.1 of the Act, and hereby directs the Director of the Office of Public
15 Finance to cause Attachment 2 of the RMA to be updated to clarify that any such public trust
16 property owned by TIDA shall not constitute Expected Taxable Property under the RMA as of
17 the date hereof; and, be it

18 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
19 the City with respect to the establishment of the CFD and Improvement Area No. 1 and the
20 sale and issuance of the 2020 Bonds are hereby approved, confirmed and ratified, and the
21 appropriate officers of the City are hereby authorized and directed to do any and all things and
22 take any and all actions and execute any and all certificates, agreements and other
23 documents, which they, or any of them, may deem necessary or advisable in order to
24 consummate the lawful issuance and delivery of the 2020 Bonds in accordance with this
25 resolution, and any certificate, agreement, and other document described in the documents

1 herein approved; all actions to be taken by an Authorized Officer, as defined herein, may be
2 taken by such Authorized Officer or any designee, with the same force and effect as if taken
3 by the Authorized Officer; any such actions are solely intended to further the purposes of this
4 Resolution, and are subject in all respects to the terms of this Resolution. No such actions
5 shall increase the risk to the City or require the City to spend any resources not otherwise
6 granted herein; final versions of any such documents shall be provided to the Clerk of the
7 Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter as
8 final documents are available) of execution by all parties; and, be it

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

17 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
18 consistent with any documents presented herein, and heretofore taken are hereby ratified,
19 approved and confirmed by this Board; and, be it

20 FURTHER RESOLVED, That this Resolution shall take effect from and after its
21 adoption. The provisions of any previous resolutions in any way inconsistent with the
22 provisions hereof in and for the issuance of the 2020 Bonds as herein described are hereby
23 repealed.

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APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: /s/ MARK D. BLAKE
MARK D. BLAKE
Deputy City Attorney

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