This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstance shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2022

NEW ISSUE - BOOK-ENTRY ONLY **NO RATING**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2022AB 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. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS, SERIES 2022A
(FACILITIES INCREMENT)

$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS, SERIES 2022B
(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 2022A (Facilities Increment) (the "Series 2022A Bonds") pursuant to a Indenture, dated as of June 1, 2022 (the "Facilities Indenture"), by and between the District and [Trustee], as trustee (the "Trustee") and Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the "Series 2022B Bonds" and together with the Series 2022A Bonds, the "Series 2022AB Bonds") pursuant to a Indenture, dated as of June 1, 2022 (the "Housing Indenture"), by and between the District and the Trustee.

The Series 2022A 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 the 2022 Facilities Reserve Account and (iii) costs of issuance of the Series 2022A Bonds, all as further described herein. The Series 2022B 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 the 2022 Housing Reserve Account and (iii) costs of issuance of the Series 2022B Bonds, all as further described herein. See "THE FINANCING PLAN" herein.

The Series 2022AB Bonds will be issued in denominations of [$__,000 or any integral multiple 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 2022AB Bonds shall be payable on each March 1 and September 1, commencing [September 1, 2022] (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 2022AB Bonds of each series, 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 2022AB Bonds. Individual purchases of the Series 2022AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2022AB Bonds will be payable by DTC through the DTC participants. See "THE SERIES 2022A BONDS - Book-Entry System" and "THE SERIES 2022B BONDS - Book-Entry System" herein. Purchasers of the Series 2022AB Bonds will not receive physical delivery of the 2022AB Bonds purchased by them.

The Series 2022A Bonds and the Series 2022B Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2022A BONDS" and "THE SERIES 2022B BONDS" herein.

The Series 2022A 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 2022A 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 2022B 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 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds or

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* Preliminary, subject to change.

the Series 2022B Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

The Facilities Indenture authorizes the District to issue additional bonds on a parity basis with the Series 2022A Bonds. See "SECURITY AND SOURCES OF PAYMENT – Security for the Series 2022A Bonds and Parity Facilities Debt" herein. The Housing Indenture authorizes the District to issue additional bonds on a parity basis with the Series 2022B Bonds. See "SECURITY AND SOURCES OF PAYMENT – Security for the Series 2022B Bonds and Parity Housing Debt" herein.

[The Series 2022AB Bonds are not rated. Investment in the Series 2022AB Bonds involves certain risks and the Series 2022AB Bonds are not suitable investments for all types of investors. Accordingly, the Series 2022AB 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 2022AB 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 2022AB Bonds) cannot be, any person except a Qualified Purchaser; provided, however, that Series 2022AB 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 2022AB Bonds is a Qualified Purchaser. See "TRANSFER RESTRICTIONS" herein.]

The Series 2022AB Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, 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 its counsel Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, and for Treasure Island Series 1, LLC by its counsel Holland & Knight, LLP, San Francisco, California. It is anticipated that the Series 2022AB Bonds will be available for delivery through the book-entry facilities of DTC on or about ______, 2022.

STIFEL **Backstrom McCarley Berry & Co. LLC**

Dated: _______, 2022

MATURITY SCHEDULE

$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022A
(FACILITIES INCREMENT)

(Base CUSIP† _______)

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
	$	%	%		

$__________ _____% Term Series 2022A 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 2022A Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2022A 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 2022A Bonds.

$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022B
(HOUSING INCREMENT)

(Base CUSIP† _______)

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
	$	%	%		

$__________ _____% Term Series 2022B 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 2022B Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2022B 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 2022B Bonds.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR

London N. Breed

BOARD OF SUPERVISORS(1)

Shamann Walton, *Board President, District 10*

Connie Chan, *District 1*
Catherine Stefani, *District 2*
Aaron Peskin, *District 3*
Gordon Mar, *District 4*
Dean Preston, *District 5*
Matt Haney, *District 6*
Myrna Melgar, *District 7*
Rafael Mandelman, *District 8*
Hillary Ronen, *District 9*
Ahsha Safai, *District 11*

CITY ATTORNEY

David Chiu

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Carmen Chu, *City Administrator*
Benjamin Rosenfield, *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, A Professional Law Corporation
San Francisco, California

Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Fiscal Consultant
Keyser Marston Associates, Inc.
San Francisco, California

Municipal Advisor
CSG Advisors Incorporated
San Francisco, California

Trustee
[Trustee]
_______, California

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

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(continued)

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 2022AB 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 2022AB 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 2022AB 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 2022AB 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 2022AB 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 2022AB 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 2022AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2022AB 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 2022AB 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 2022AB Bonds makes an assignment of its beneficial ownership interest in the Series 2022AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2022AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See "TRANSFER RESTRICTIONS" herein.]

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

The Underwriter have 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 do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022AB BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2022AB 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 2022AB 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.

The above map shows the location of the Treasure Island Project. The Series 2022AB Bonds will be secured revenues derived from a portion of ad valorem taxes levied in the Project Areas (currently approximately _____ gross acres) located on certain portions of Yerba Buena Island and Treasure Island. No mortgage or deed of trust on property secures the Series 2022AB 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 2022AB Bonds, nor shall any other property or resources of the District be available to pay debt service on the Series 2022AB Bonds. See "SECURITY AND SOURCES OF PAYMENT."

OFFICIAL STATEMENT

\$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022A
(FACILITIES INCREMENT)

\$[PAR AMOUNT]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022B
(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 2022A (Facilities Increment) (the "Series 2022A Bonds") and Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the "Series 2022B Bonds" and together with the Series 2022A Bonds, the "Series 2022AB Bonds").

The Series 2022A Bonds will be secured primarily by Pledged Facilities Increment, and the Series 2022B Bonds will be secured primarily by Pledged Housing Increment. Pledged Facilities Increment and Pledged Housing Increment will be 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.

Authority for Issuance

The Series 2022AB 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. 22-__, adopted by the Board of Supervisors as the legislative body of the District on _______, 2022, and signed by the Mayor on _______, 2022 (the "2022 Bond Resolution," and together with the Original Resolution of Issuance, the "Resolution"), approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed \$_______. The Series 2022A Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of June 1, 2022 (the "Facilities Indenture"), by and between the District and [Trustee], as trustee (the "Trustee"). The Series 2022B Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of June 1, 2022 (the "Housing Indenture"), by and between the District and the Trustee, as trustee.

Use of Proceeds

The Series 2022A 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 the 2022 Facilities Reserve Account

* Preliminary, subject to change.
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and (iii) costs of issuance of the Series 2022A Bonds. The Series 2022B 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 the 2022 Housing Reserve Account and (iii) costs of issuance of the Series 2022B Bonds. See "THE FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

[No Rating; Early Stage of Development; Transfer Restrictions]

The Series 2022AB 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 2022AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2022AB Bonds in the secondary market. See "RISK FACTORS - Limited Secondary Market."

Within the District, there are currently Project Area A, Project Area B, Project Area C, Project Area D and Project Area E of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "Initial Project Areas"). The Initial Project Areas are planned to be developed with residential buildings. See "THE INITIAL PROJECT AREAS" herein. Horizontal infrastructure necessary for the planned buildings to receive certificates of occupancy has not yet been completed. Funding necessary to complete required infrastructure is highly dependent upon future bond sales for the District and the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the "Treasure Island Community Facilities District"). The residential buildings to be constructed in the Initial Project Areas are in different stages of planning and development. 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. See "THE TREASURE ISLAND PROJECT," "THE INITIAL PROJECT AREAS" and "RISK FACTORS - Real Estate Investment Risks" herein.

The Series 2022AB 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 2022AB 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 2022AB 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 2022AB Bonds) of the Series 2022AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2022AB 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 2022AB 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 2022AB Bonds makes an assignment of its beneficial ownership interest in the Series 2022AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2022AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See "TRANSFER RESTRICTIONS" herein.]

The Series 2022AB Bonds

The Series 2022A Bonds will be issued in denominations of [$__,000 or any integral multiple 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 2022B 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 2022A Bonds the Series 2022B Bonds shall be payable on each March 1 and September 1, commencing [September 1, 2022] (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 2022AB Bonds delivered to the Trustee prior to the applicable Record Date. The Series 2022AB 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 2022AB Bonds. Individual purchases of the Series 2022AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2022AB Bonds will be payable by DTC through the DTC participants. Purchasers of the Series 2022AB Bonds will not receive physical delivery of the Series 2022AB Bonds purchased by them. See "THE SERIES 2022A BONDS - Book-Entry System" and "THE SERIES 2022B BONDS - Book-Entry System" herein.

Security and Sources of Payment

Series 2022A Bonds. The Series 2022A Bonds and any 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 to the Trustee, its officers, directors, agents or employees under the Facilities Indenture). The Series 2022A 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 certain accounts therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. "Pledged Facilities Increment" consists of Net Available Facilities Increment and Conditional City Facilities Increment.

The Net Available Facilities Increment and the Conditional City Facilities Increment are defined portions of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within each Project Area. See "SECURITY AND SOURCES OF PAYMENT" herein.

The Series 2022A Bonds and all 2022 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.

Amounts in the Facilities Project Fund (and the accounts therein) and the 2022A Costs of Issuance Fund are not pledged to the repayment of the Facilities Debt.

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) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Debt.

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 2022A Bonds.

Series 2022B Bonds. The Series 2022B Bonds and any 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 to the Trustee, its officers, directors, agents or employees under the Housing Indenture). The Series 2022B 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 certain accounts therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. "Pledged Housing Increment" consists of Net Available Housing Increment and Conditional City Housing Increment.

The Net Available Housing Increment and the Conditional City Housing Increment are defined portions of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within each Project Area. See "SECURITY AND SOURCES OF PAYMENT" herein.

The Series 2022B 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.

Amounts in the Housing Project Fund (and the accounts therein) and the 2022B Costs of Issuance Fund are not pledged to the repayment of the Housing Debt.

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 Facilities Increment and Conditional City Increment deposited into the Conditional City Facilities 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 Debt.

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 2022B Bonds.

2022 Facilities Reserve Account

The District will establish the 2022 Facilities Reserve Account as additional security for the Series 2022A Bonds and all 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 2022A Bonds, proceeds of the Series 2022A 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 2022A 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 2022A Bonds and all 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 2022A Bonds and all

2022 Related Facilities Bonds, if any, 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 FOR THE BONDS – 2022 Facilities Reserve Account" herein.

2022 Housing Reserve Account

The District will establish the 2022 Housing Reserve Account as additional security for the Series 2022B Bonds and all 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 2022B Bonds, proceeds of the Series 2022B 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 2022B 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 2022B Bonds and all 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 2022B Bonds and all 2022 Related Housing Bonds, if any, 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 FOR THE BONDS – 2022 Housing Reserve Account" herein.

Limited Obligations

The Series 2022A 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 2022A 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 2022B 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 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds or the Series 2022B Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

Treasure Island Project and the Initial Project Areas

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 accessible by Interstate Highway 80 via the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island) and connected by a causeway.

The Treasure Island Project consists of approximately 461 acres (the "Treasure Island Project Site"). The Treasure Island Project is entitled under the Planning Code 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, 290 plus acres of open space, 22 miles of walking/biking paths, playing fields, a marina, and a ferry terminal.

A portion of the Treasure Island Project Site is located on land that 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. The Department of Defense later designated the City as the initial local reuse authority responsible for the conversion of NSTI under the federal disposition process. In July 1996, after an extensive community planning effort, the City's Mayor, Board of Supervisors, Planning Commission, and the Citizens Reuse Committee unanimously endorsed a Draft Reuse Plan (the "Reuse Plan") for NSTI to serve as the basis for the preliminary redevelopment plan for NSTI.

In 1997, the Board of Supervisors authorized the creation of the Treasure Island Development Authority, a California nonprofit public benefit corporation ("TIDA"), to serve as the entity responsible for the reuse and development of NSTI, taking over such responsibility from the City. In addition, the Board of Supervisors designated TIDA as a redevelopment agency with powers over NSTI under the Treasure Island Conversion Act of 1997.

In 2003, after completion of a competitive selection process, Treasure Island Community Development, LLC, a California limited liability company ("TICD"), was selected to serve as master developer for the Treasure Island Project. TICD is a joint venture comprised of various affiliates of Lennar Corporation ("Lennar"), Stockbridge Capital Group, LLC ("Stockbridge"), Kenwood Investments ("Kenwood"), Wilson Meany, LP ("Wilson Meany") and others. See "THE TREASURE ISLAND PROJECT - TICD and the Treasure Island Project" herein.

In 2011, TIDA and the City certified an Environmental Impact Report and approved the Treasure Island Project entitlements, a General Plan Amendment, adoption of Planning Code Section 749.72 that established the Treasure Island/Yerba Buena Island Special Use District (the "TI/YBI SUD"), a Design for Development ("D4D") that established design standards and guidelines, and a Development Agreement vesting those entitlements.

In 2014, the United States of America, acting by and through the Department of the Navy (the "Navy"), and TIDA entered into an Economic Development 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. Under the Conveyance Agreement, the Navy must convey NSTI to TIDA in phases after the Navy has completed environmental remediation and issued a finding of suitability to transfer for specified parcels of NSTI or portions thereof. To date, the Navy has conveyed five separate conveyances to TIDA, including all of the property within the Initial Project Areas.

The Treasure Island Project will be carried out by, or at the direction of, 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 D4D, and the TI/YBI SUD.

TICD is developing the Treasure Island Project in Major Phases and Sub-Phases by transferring property related to such phases to one or more phase developers (separate entities within TICD). The phase developers, in turn, are developing the phase by transferring property to one or more merchant builders (the "Merchant Builders").

The property in the Initial Project Areas is part of the larger Treasure Island Project. The Initial Project Areas covers about _____ gross acres, some of which is located on Yerba Buena Island and some of which is located on Treasure Island. A wholly-owned subsidiary of TICD, Treasure Island Series 1, LLC, a Delaware limited liability company ("TI Series 1"), is the phase developer developing the property in the Initial Project Areas. The Initial Project Areas are located within Sub-Phases of Major Phase 1 (as defined in the DDA) known as Sub-Phase 1YA, Sub-Phase 1YB, Sub-Phase 1B, Sub-Phase 1C and Sub-Phase 1E. Development blocks within these Sub-Phases have been divided into sub-blocks of developable land (each, a "Sub-Block"). The ten Sub-Blocks and expected development within each is summarized in the table below:

Sub-Block	**Expected Development**(1)	**Total Number of Planned Units**
1Y	For-sale residential townhomes, flats and single-family homes	78
2Y	50,000 square foot hotel	N/A
3Y	For-sale residential townhomes	11
4Y (Townhomes and Flats)	For-sale residential townhomes and flats	53
4Y (Podium)	For-sale residential condominiums	124
B1(2)	Residential rental apartments	117
C2.2	Residential rental apartments	178
C2.3	For-sale residential condominiums	76
C2.4	Residential rental apartments	250
C3.4(3)	For-sale residential condominiums	149
C3.5	For-sale residential condominiums	160
C1.1, C1.2 and C2.1	Residential rental apartments	551
Totals		1,747

(1) See "THE INITIAL PROJECT AREAS" for a discussion of development status.
(2) Comprised of development parcels B1.1 and B1.2, but referred to collectively herein as Sub-Block B1.
(3) Comprised of development parcels C3.3 and C3.4, but referred to collectively herein as Sub-Block C3.4.
Source: TI Series 1.

In 2018, TI Series 1 commenced construction of various infrastructure improvements required for the development of Initial Project Areas, including the removal of underground utilities, geotechnical stabilization, construction of all new public roads, a new joint trench system, and improvements along the Treasure Island Causeway that delivers utilities between Treasure Island and Yerba Buena Island. As of December 1, 2021, geotechnical improvements on the pads in the Initial Project Areas are complete, and joint trench, public roads, and improvements along the Causeway are expected to be significantly complete in the first quarter of 2022. [Infrastructure needed to secure certificates of occupancy is expected to be completed by March 2022 for development in Project Area __, and by June 2022 for development within Project Areas __.]

For additional information regarding the Treasure Island Project and the Initial Project Areas, see "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS" herein.

Formation of the District and the Initial Project Areas

The District was formed by the City pursuant to the Law. The Act was enacted by the State of California (the "State") Legislature to provide an alternative method of financing certain public capital facilities on former military bases. Any city (as such term is defined in the Law) may establish an infrastructure and revitalization financing district to provide for and finance the cost of eligible public facilities. Generally, the legislative body of the 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 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 in Superior Court judgment.

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. No assurance is given regarding addition of project areas in the District or addition of territory to the District.

See the captions “FORMATION OF THE DISTRICT AND THE INITIAL PROJECT AREAS; JUDICIAL VALIDATION; RECENT AMENDMENTS; FUTURE ANNEXATIONS TO THE DISTRICT” and “THE INITIAL PROJECT AREAS” 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-l 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 2022A 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 2022B Bonds.

Further Information

Brief descriptions of the Series 2022AB Bonds, the applicable security for the Series 2022AB 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 2022AB 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 2022AB 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 2022AB Bonds, see APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” and APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” hereto.

THE FINANCING PLAN

The Series 2022A 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 the 2022 Facilities Reserve Account and (iii) costs of issuance of the Series 2022A Bonds. The Series 2022B 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 the 2022 Housing Reserve Account and (iii) costs of issuance of the Series 2022B Bonds. Proceeds of the 2022AB Bonds are expected to be used, to finance acquisition and construction of public facilities, including [sewer improvements, storm drain improvements, street facilities, curb, gutter and sidewalk improvements, streetlights and traffic signals, and incidental expenses related to the planning, design and completion of such facilities]. The portion of such backbone infrastructure to be financed has been completed by TICD, its predecessors, and its subsidiaries and a portion of the proceeds of the 2022AB Bonds will be used to reimburse TICD for a portion of the costs thereof.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds is set forth below:

Sources of Funds	Series 2022A Bonds	Series 2022B Bonds
Principal Amount	$	$
Premium		
Total Sources	$	$
Uses of Funds		
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	$	$

(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 2022AB Bonds.

THE SERIES 2022A BONDS

Description of the Series 2022A Bonds

The Series 2022A 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 2022A Bonds will be issued in fully registered form, without coupons. The Series 2022A Bonds will mature on September 1 in the principal amounts and years as shown on the first inside cover page hereof.

The Series 2022A 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 2022A Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2022A 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 Bond, interest thereon is in default, such Series 2022A 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 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 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2022A 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 2022A Bonds and any premium on the Series 2022A Bonds are payable in lawful money of the United States of America upon surrender of the Series 2022A Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2022A Bonds redeemed or purchased pursuant to the Facilities Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2022A Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to their respective stated maturities. The Series 2022A Bonds maturing on and after September 1, ____, are subject to redemption, at the option of the District on any date on or after September 1, ____, 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 2022A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium, without premium.

Mandatory Sinking Fund Redemption. The Series 2022A 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, commencing September 1, ___, 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 Series 2022A Bonds maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount Subject to Redemption
	$
(maturity)	

Term Series 2022A Bonds maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount Subject to Redemption
	$
(maturity)	

Term Series 2022A 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 2022A 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 2022A Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of [$__,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 2022A 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 2022A Bonds to be redeemed, shall state the individual number of each Series 2022A Bond to be redeemed or shall state that all Series 2022A Bonds between two stated numbers (both inclusive) or all of the Series 2022A Bonds Outstanding are to be redeemed, and shall require that such Series 2022A 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 2022A 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 2022A 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 2022A Bonds for Redemption. Subject to the Facilities Indenture provisions described above under the captions " – Optional Redemption" and " – Mandatory Sinking Fund Redemption," whenever any Series 2022A 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 2022A Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2022A Bonds, the Trustee shall assign to each Series 2022A Bond then Outstanding a distinctive number for each $5,000 of the principal amount of each such Series 2022A Bond. The Series 2022A Bonds to be redeemed shall be the Series 2022A Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2022A 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 2022A Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2022A 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 2022A 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 2022A 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 2022A 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 Under the Facilities Indenture

[Trustee] has been appointed as the Trustee for all of the Facilities Bonds under the Facilities Indenture. For a further description of the rights and obligations of the Trustee pursuant to the Facilities Indenture, see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" hereto.

Book-Entry System

DTC will act as securities depository for the Series 2022A Bonds. The Series 2022A 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 2022A Bonds will not receive physical certificates representing their interest in the Series 2022A Bonds. So long as the Series 2022A 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 2022A Bonds. Payments of the principal of, premium, if any, and interest on the Series 2022A 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 2022A 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" hereto.

THE SERIES 2022B BONDS

Description of the Series 2022B Bonds

The Series 2022B 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 2022B Bonds will be issued in fully registered form, without coupons. The Series 2022B Bonds will mature on September 1 in the principal amounts and years as shown on the second inside cover page hereof.

The Series 2022B 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 2022B Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2022B 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 Bond, interest thereon is in default, such Series 2022B 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 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 Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2022B 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 2022B Bonds and any premium on the Series 2022B Bonds are payable in lawful money of the United States of America upon surrender of the Series 2022B Bonds at the Principal Office of the Trustee or such other place as designated by the

Trustee. All Series 2022B Bonds redeemed or purchased pursuant to the Housing Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2022B Bonds maturing on or before September 1, _____ are not subject to optional redemption prior to their respective stated maturities. The Series 2022B Bonds maturing on and after September 1, ____, are subject to redemption, at the option of the District on any date on or after September 1, ____, 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 2022B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption without premium, without premium.

Mandatory Sinking Fund Redemption. The Series 2022B Bonds that are Term Housing 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, commencing September 1, ___, 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 Series 2022B Bonds maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount Subject to Redemption
	$
(maturity)	

Term Series 2022B Bonds maturing September 1, 20__

Sinking Fund Redemption Date (September 1)	Principal Amount Subject to Redemption
	$
(maturity)	

Term Series 2022B 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 2022B 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 2022B Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of [$__,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 2022B 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 2022B Bonds to be redeemed, shall state the individual number of each Series 2022B Bond to be redeemed or shall state that all Series 2022B Bonds between two stated numbers (both inclusive) or all of the Series 2022B Bonds Outstanding are to be redeemed, and shall require that such Series 2022B 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 2022B 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 2022B 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 2022B Bonds for Redemption. Subject to the Housing Indenture provisions described above under the captions " – Optional Redemption" and " – Mandatory Sinking Fund Redemption," whenever any Series 2022B 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 2022B Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2022B Bonds, the Trustee shall assign to each Series 2022B Bond then

Outstanding a distinctive number for each $5,000 of the principal amount of each such Series 2022B Bond. The Series 2022B Bonds to be redeemed shall be the Series 2022B Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2022B 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 2022B Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2022B 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 2022B 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 2022B 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 2022B 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 Under the Housing Indenture

[Trustee] has been appointed 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 Housing Indenture, see APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" hereto.

Book-Entry System

DTC will act as securities depository for the Series 2022B Bonds. The Series 2022B 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 2022B Bonds will not receive physical certificates representing their interest in the Series 2022B Bonds. So long as the Series 2022B 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 2022B Bonds. Payments of the principal of, premium, if any, and interest on the Series 2022B 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 2022B 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" hereto.

SECURITY AND SOURCES OF PAYMENT

General

The Series 2022A Bonds and any Parity Facilities Debt will be secured primarily by Pledged Facilities Increment, which consists of Net Available Facilities Increment and Conditional City Facilities Increment.

The Series 2022B Bonds and any Parity Housing Debt will be secured primarily by Pledged Housing Increment, which consists of Net Available Housing Increment and the Conditional City Housing Increment.

Net Available Facilities Increment and Net Available Housing Increment are derived from Net Available Increment. Conditional City Facilities Increment and Conditional City Housing Increment are derived from Conditional City Increment. Net Available Increment and Conditional City Increment are derived from Gross Tax Increment. Each of these are described in the diagram and summary below. Additional security for Series 2022A Bonds and the Series 2022B Bonds, respectively, are also described in the summary below.

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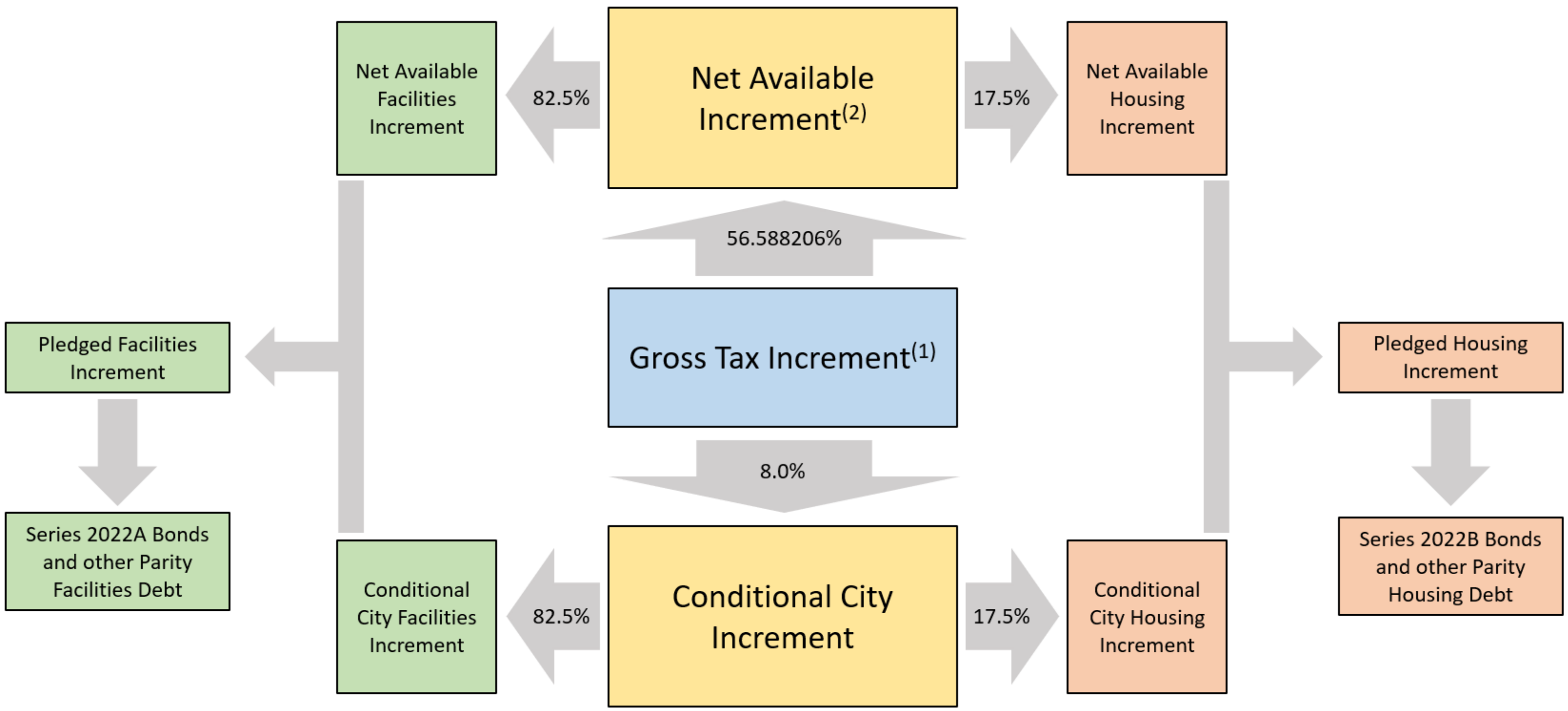

(1) Before allocation to the District, Gross Tax Increment is subject to deductions by the City of certain administrative costs incurred by the City in connection with the division of taxes under the Law.
(2) To the extent the administrative costs incurred by the City described in footnote (1) above were not deducted from Gross Tax Increment by the City, the District will first set aside from Net Available Increment such amounts for payment to the City.

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 2022A Bonds and any Parity Facilities Debt, and to describe the Pledged Housing Increment pledged to the Series 2022B 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 of property within the Project Area. [Gross Tax Increment is subject to deductions for the amounts required to be paid to the City for certain administrative costs incurred by the City in connection with the division of taxes under the Law.]

"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 (which is fiscal year 2016-17 for the Initial Project Areas and each proposed and future Project Area), to the extent that the difference is a positive number.

"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 be allocated to the District.

"Base Year" for the Project Areas is defined in the Infrastructure Financing Plan as Fiscal Year 2016-17.

"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.]

"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 Initial Project Areas of the District 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.

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, commencing with the applicable Commencement Year. The Commencement Year for each Initial Project Area is identified in the current Infrastructure Financing Plan. See APPENDIX B – "INFRASTRUCTURE FINANCING PLAN" attached hereto. The Commencement Year for Project Area A was Fiscal Year 2019-20. The Commencement Year for the other Initial Project Areas has not yet occurred but are projected in the Fiscal Consultant Report to be Fiscal Year 2022-23 for Project Area B and Project Area E. 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 will be identified in a supplement to the Infrastructure Financing Plan. See APPENDIX B – "INFRASTRUCTURE FINANCING PLAN" attached hereto.

Net Available Increment Special Fund. As required by the Law, the District will establish 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 will establish 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 2022A 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 2022B Bonds and Parity Housing Debt" below).

Security for the Series 2022A Bonds and Parity Facilities Debt

The Series 2022A Bonds and any 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 2022A Bonds and any Parity Facilities Debt are also secured by certain funds and accounts under the Facilities Indenture described below.

Net Available Facilities Increment. "Net Available Facilities Increment" means 82.5% of the Net Available 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 accounts within the Net Available Increment Special Fund, and 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 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 2022A Bonds or any Parity Facilities Debt, payment of Subordinate Facilities Debt (as defined in the Indenture), 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. 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, the 2022 Facilities Reserve Account, any debt service reserve account 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 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 and shall be transferred to the City.

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 and shall be transferred to the City 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.

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 2022A 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 2022A Bonds and all 2022A 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.

Amounts in the Facilities Project Fund (and the accounts therein) under the Facilities Indenture and the 2022A 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) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Bonds.

Facilities Debt Service Fund

The Facilities Debt Service Fund is established under the Facilities Indenture as a separate fund to be held by the Trustee in trust. Moneys in the Net Available Facilities Increment Special Account and the Conditional City Facilities Increment Special Account shall be transferred by the District to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are 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 District 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 Facilities Bonds, the District shall immediately notify the Trustee of the amount of any such insufficiency):

Interest Account. On or before the third (3rd) Business Day preceding each Interest Payment Date, the District 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 the Facilities Indenture).

Principal Account. On or before the third (3rd) Business Day preceding September 1 in each year beginning September 1, 20__, the District 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.

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 Facilities Bonds that are not 2002 Related Facilities Bonds becomes less than its required amount, the Trustee shall promptly notify the District of such fact. Promptly upon receipt of any such notice, the District shall, without preference or priority and on a pro rata basis based on the outstanding principal amount of such 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 District 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. See "2022 Facilities Reserve Account" below.

Redemption Account. On or before the Business Day preceding any date on which the Series 2022A Bonds are to be optionally redeemed pursuant to Facilities Indenture or other series of Facilities Bonds are to be [optionally] redeemed pursuant to a Supplemental Facilities Indenture, the Trustee shall withdraw from the Facilities Debt Service Fund any amount transferred by the District pursuant to the Facilities Indenture for such optional redemption for deposit in the Redemption Account therein, such amount being the amount required to pay the principal of and premium, if any, on the Series 2022A Bonds and on other Facilities Bonds to be redeemed on such date pursuant to the optional redemption provisions of the Facilities Indenture or a similar provision of a Supplemental Facilities 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 Bonds and on such other Facilities Bonds to be optionally redeemed pursuant to the Facilities Indenture or a similar provision of a Supplemental Facilities Indenture on the date set for such redemption. Interest due on the Series 2022A Bonds or such other Facilities Bonds to be redeemed on the date set for 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 redemption of any such Series 2022A Bonds or such other Facilities Bonds, the Trustee may, at the direction of the District, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2022A Bonds or such other Facilities 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 Bonds or such other Facilities Bonds, which is payable from the Interest Account) as shall be directed by the District.

2022 Facilities Reserve Account

The Trustee will establish under the Facilities Indenture a 2022 Facilities Reserve Account. The 2022 Facilities Reserve Account will be established for the benefit of the Series 2022A Bonds and any 2022 Related 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 2022A Bonds and 2022 Related Facilities Bonds, if any, (b) 125% of average Annual Facilities Debt Service on the Series 2022A Bonds and 2022 Related Facilities Bonds, if any and (c) 10% of the outstanding principal of the Series 2022A 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 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 Bonds or any 2022 Related Facilities Bonds was less than 98% or more than 102% of the original principal amount of the Series 2022A 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 under the Facilities Indenture exceed the amount on deposit in the 2022 Facilities Reserve Account on the date of issuance of the Series 2022A Bonds (if they are the only Facilities 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.

Upon issuance of the Series 2022A Bonds, the 2022 Facilities Reserve Requirement is expected to be satisfied from the proceeds of the Series 2022A Bonds.

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 2022A Bonds and any 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 retirement of all the Series 2022A Bonds and any 2022 Related Facilities Bonds then Outstanding.

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 Series 2022A 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. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" hereto.

Parity Facilities Debt

The Series 2022A Bonds will be the first series of Facilities Bonds issued under the Facilities Indenture. In addition to the Series 2022A Bonds, the District may issue 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 under a Supplemental Facilities Indenture entered into by the District and the Trustee, subject to the conditions set forth in the Facilities Indenture. The District anticipates issuing approximately $___ million in Parity Facilities Debt over the next five years.

Any Parity Facilities Debt, to the extent provided in the Facilities Indenture, shall be secured by a lien on the Net Available Facilities Increment and Pledge Conditional City Facilities Increment and funds pledged for the payment of the Facilities Bonds under the Facilities Indenture on a parity with all other Facilities Bonds Outstanding 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) 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) (i) Except as provided in the Facilities Indenture as described in paragraph (g) below, the sum of (A) Net Available Facilities Increment and (B) the Conditional City Facilities Increment, based on the most recent taxable valuation of property in the District as evidenced by the records of the District, plus at the option of the District the amount of any Additional Facilities Revenues, shall be at least equal to one hundred twenty five percent (125%) of Annual Facilities Debt Service payable from Net Available Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Facilities Debt Service, the amount of Annual Facilities Debt Service on the Parity Facilities Debt then proposed to be issued or incurred.

(ii) The Net Available Facilities Increment, based on the most recent taxable valuation of property in the District as evidenced by the records of the District, plus at the option of the District the amount of any Additional Facilities Revenues that are Net Available Facilities Increment, shall be at least equal to one hundred percent (100%) of Annual Facilities Debt Service payable from Net Available Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Facilities Debt Service, the amount of Annual Facilities 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 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) 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 Facilities Debt set forth in paragraphs (a) through (f) above have been satisfied.

(h) The condition set forth in paragraph (a) and paragraph (b) clause (i) 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 2022A 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 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 Net Available Facilities Increment or the Conditional City Facilities Increment; or (b) secured by a pledge of or lien upon the Net Available Facilities Increment or the Conditional City 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" hereto.

[Describe existing subordinate debt.]

Security for the Series 2022B Bonds and Parity Housing Debt

The Series 2022B Bonds and any 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 2022B Bonds and any Parity Housing Debt are also secured by certain funds and accounts under the Housing Indenture described below.

Net Available Housing Increment. "Net Available Housing Increment" means 17.5% of the Net Available 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 accounts within the Net Available Increment Special Fund, and 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 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 2022B Bonds or any Parity Housing Debt, payment of Subordinate Housing Debt (as defined in the Indenture), 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. 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, the 2022 Housing Reserve Account, any debt service reserve account 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 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 and shall be transferred to the City.

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 and shall be transferred to the City 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.

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 2022B 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 2022B Bonds and all 2022B 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.

Amounts in the Housing Project Fund (and the accounts therein) under the Housing Indenture and the 2022B 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.

Housing Debt Service Fund

The Housing Debt Service Fund is established under the Housing Indenture as a separate fund to be held by the Trustee in trust. Moneys in the Net Available Housing Increment Special Account and the Conditional City Housing Increment Special Account shall be transferred by the District to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are 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 District 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 Housing Bonds, the District shall immediately notify the Trustee of the amount of any such insufficiency):

Interest Account. On or before the third (3rd) Business Day preceding each Interest Payment Date, the District 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 the Housing Indenture).

Principal Account. On or before the third (3rd) Business Day preceding September 1 in each year beginning September 1, 20__, the District 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.

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 Housing Bonds that are not 2002 Related Housing Bonds becomes less than its required amount, the Trustee shall promptly notify the District of such fact. Promptly upon receipt of any such notice, the District shall, without preference or priority and on a pro rata basis based on the outstanding principal amount of such 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 District 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. See “2022 Housing Reserve Account” below.

Redemption Account. On or before the Business Day preceding any date on which the Series 2022B Bonds are to be optionally redeemed pursuant to Housing Indenture or other series of Housing Bonds are to be [optionally] redeemed pursuant to a Supplemental Housing Indenture, the Trustee shall withdraw from the Housing Debt Service Fund any amount transferred by the District pursuant to the Housing Indenture for such optional redemption for deposit in the Redemption Account therein, such amount being the amount required to pay the principal of and premium, if any, on the Series 2022B Bonds and on other Housing Bonds to be redeemed on such date pursuant to the optional redemption provisions of the Housing Indenture or a similar provision of a Supplemental Housing 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 Bonds and on such other Housing Bonds to be optionally redeemed pursuant to the Housing Indenture or a similar provision of a Supplemental Housing Indenture on the date set for such redemption. Interest due on the Series 2022B Bonds or such other Housing Bonds to be redeemed on the date set for 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 redemption of any such Series 2022B

Bonds or such other Housing Bonds, the Trustee may, at the direction of the District, apply amounts deposited or otherwise to be deposited in the Redemption Account to the purchase of the Series 2022B Bonds or such other Housing 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 Bonds or such other Housing Bonds, which is payable from the Interest Account) as shall be directed by the District.

2022 Housing Reserve Account

The Trustee will establish under the Housing Indenture a 2022 Housing Reserve Account. The 2022 Housing Reserve Account will be established for the benefit of the Series 2022B Bonds and any 2022 Related 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 2022B Bonds and 2022 Related Housing Bonds, if any, (b) 125% of average Annual Housing Debt Service on the Series 2022B Bonds and 2022 Related Housing Bonds, if any and (c) 10% of the outstanding principal of the Series 2022B 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 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 Bonds or any 2022 Related Housing Bonds was less than 98% or more than 102% of the original principal amount of the Series 2022B 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 under the Housing Indenture exceed the amount on deposit in the 2022 Housing Reserve Account on the date of issuance of the Series 2022B Bonds (if they are the only Housing 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.

Upon issuance of the Series 2022B Bonds, the 2022 Housing Reserve Requirement is expected to be satisfied from the proceeds of the Series 2022B Bonds.

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 2022B Bonds and any 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 retirement of all the Series 2022B Bonds and any 2022 Related Housing Bonds then Outstanding.

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 2022B 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. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" hereto.

Parity Housing Debt

The Series 2022B Bonds will be the first series of Housing Bonds issued under the Housing Indenture. In addition to the Series 2022B Bonds, the District may issue 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 under a Supplemental Housing Indenture entered into by the District and the Trustee, subject to the conditions set forth in the Housing Indenture. The District anticipates issuing approximately $___ million in Parity Housing Debt over the next five years.

Any Parity Housing Debt, to the extent provided in the Housing Indenture, shall be secured by a lien on the Net Available Housing Increment and Pledge Conditional City Housing Increment and funds pledged for the payment of the Housing Bonds under the Housing Indenture on a parity with all other Housing Bonds Outstanding 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) 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) (i) Except as provided in the Housing Indenture as described in paragraph (g) below, the sum of (A) Net Available Housing Increment and (B) the Conditional City Housing Increment, based on the most recent taxable valuation of property in the District as evidenced by the records of the District, plus at the option of the District the amount of any Additional Housing Revenues, shall be at least equal to one hundred twenty five percent (125%) of Annual Housing Debt Service payable from Net Available Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Housing Debt Service, the amount of Annual Housing Debt Service on the Parity Housing Debt then proposed to be issued or incurred.

(ii) The Net Available Housing Increment, based on the most recent taxable valuation of property in the District as evidenced by the records of the District, plus at the option of the District the amount of any Additional Housing Revenues that are Net Available Housing Increment, shall be at least equal to one hundred percent (100%) of Annual Housing Debt Service payable from Net Available Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Housing Debt Service, the amount of Annual Housing 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 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) 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 (f) above have been satisfied.

(h) The condition set forth in paragraph (a) and paragraph (b) clause (i) 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 2022B 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 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 Net Available Housing Increment or the Conditional City Housing Increment; or (b) secured by a pledge of or lien upon the Net Available Housing Increment or the Conditional City 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" hereto.

[Describe existing subordinate debt.]

Limited Obligations

The Series 2022A 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 2022A 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 2022B 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 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds nor the Series 2022B 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 2022A Bonds or the Series 2022B Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

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 2022A Bonds and the Series 2022B 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 2022A Bonds or of Net Available Housing Increment and the Conditional City Housing Increment and the payment of debt service on the Series 2022B Bonds.

FORMATION OF THE DISTRICT AND THE INITIAL PROJECT AREAS; JUDICIAL VALIDATION; RECENT AMENDMENTS; FUTURE ANNEXATIONS TO THE DISTRICT

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.

A variety of California public agencies, including cities, may establish an infrastructure and revitalization financing district to provide for and finance the cost of eligible public facilities. The legislative body of a city that forms an infrastructure and revitalization financing district acts as the governing legislative body of such district. Accordingly, 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 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 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.

Because the land on Yerba Buena Island and Treasure Island that is currently owned by the Navy will transfer from the Navy to TIDA as environmental remediation is completed, 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 proposed 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 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 effect 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, A Professional Law Corporation, Bond Counsel, will rely on the Validation Judgment, among other things.

Recent 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 undertook 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 adversely affect the owners of bonds issued by or for the District (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. [No assurance is given regarding addition of project areas in the District or the addition of territory to the District.] See "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.

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"). The City is located at the northern tip of the San Francisco Peninsula, generally bounded by the Pacific Ocean to the west, the Bay and the San Francisco-Oakland Bay Bridge to the east, the entrance to the Bay and the Golden Gate Bridge to the north, and San Mateo County to the south. 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. The City is among the most populous cities in California as well as the country. As of July 1, 2021, the State estimates the City's population to be 855,550. 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 International 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 and University of California, San Francisco.

Impact of COVID-19 Pandemic on San Francisco Economy. Beginning in late winter 2020, the City faced significant negative impacts resulting from the global COVID-19 pandemic and efforts to contain it, including the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools throughout the City and the United States. The impacts on the City's and the region's economy have been material and adverse. The pandemic has resulted in reductions in tourism and disruption of the regional and local economy, widespread business closures, and significantly higher levels of unemployment. In the City, numerous businesses have closed on a permanent basis and tourism-related economic activity declined substantially, with only a partial recovery to date. The unemployment rate in the City rose to a high of 13.0% in April 2020 from 2.2% in February 2020, before declining to 3.0% in December 2021. Some of the City's largest private employers instituted remote work policies that may continue for extended periods or indefinitely. A large-scale return to workplaces has yet to materialize, which is also reflected in continued low (though recently rising) transit ridership to workplace centers in the City.

The COVID-19 pandemic has negatively impacted values in certain segments of the real estate market. The City cannot predict how long the current economic conditions will last. While public health restrictions have been loosened or eliminated in response to positive public health data on COVID-19, future developments regarding COVID-19 remain substantially uncertain, particular with the emergence of the latest variant of the virus. The City's economy may experience similar continuing impacts or additional, different impacts from the COVID-19 pandemic or other public health emergencies, which may be material and adverse. See "RISK FACTORS – Public Health Emergencies" herein.

Impact of California Wildfires. 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 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. See "RISK FACTORS – Natural Disasters and Other Events" herein.

THE TREASURE ISLAND PROJECT

TI Series 1 has provided the following information with respect to the Treasure Island Project. No assurance can be given by the District that all information is complete. The District has not independently verified this information and assumes no responsibility for its accuracy or completeness. No assurance can be given that development of the property will be completed or that the plans or projections detailed below will actually occur. If planned development of the property is not completed Gross Tax 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 matters set forth herein, in evaluating an investment in the Series 2022AB Bonds.

Overview

The Treasure Island Project encompasses approximately 461 acres on Yerba Buena Island and Treasure Island, two adjacent islands (the "Islands") located in the middle of the San Francisco Bay between downtown San Francisco and the City of Oakland, accessible by automobiles via the San Francisco-Oakland Bay Bridge.

The Treasure Island Project is generally planned to include up to 8,000 residential units, up to approximately 140,000 square feet of new commercial and retail space, adaptive reuse of certain 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, 290 plus acres of open space, 22 miles of walking/biking paths, playing fields, a marina, and a ferry terminal.

The Initial Project Areas include approximately ____ gross acres of the approximately 461 acres of the Treasure Island Project.

Only the property in the Project Areas that is subject to ad valorem property taxes will generate Gross Tax Increment, the Pledged Facilities Increment derived therefrom securing the Series 2022A Bonds and the Pledged Housing Increment derived from Gross Tax Increment securing the Series 2022B 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.

History

Yerba Buena Island is a naturally occurring island that serves as the midpoint of the San Francisco-Oakland Bay Bridge. Treasure Island is an artificial island that was constructed of bay sand in the years 1936 and 1937. The two Islands are connected via a causeway.

In 1867, the U.S. Army (the "Army") established a post on the northeastern side of Yerba Buena Island adjacent to present day Clipper Cove. In the 1890s, the Army built a small torpedo station complex on the island; one building, the Torpedo Depot, remains. The Army maintained a small base on the island until 1960. In 1898, the Navy also established a training station on Yerba Buena Island; after 1923, it operated as a receiving station for servicemen returning from overseas assignments.

Treasure Island was intended to become an airport for the City, but with World War II looming, Treasure Island became a U.S. Naval Station in 1941 (previously defined as "Naval Station Treasure Island" or "NSTI"). During World War II, NSTI was used as a center for receiving, training, and dispatching service personnel. After World War II, it was used primarily as a naval training and administrative center.

Base Closure. In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. The Department of Defense subsequently designated the City, and later TIDA, as the local reuse authority responsible for the conversion of NSTI under the federal disposition process. In July 1996, after an extensive community planning effort, the City's Mayor, Board of Supervisors, Planning Commission, and the Citizens Reuse Committee unanimously endorsed a Draft Reuse Plan (previously defined as the "Reuse Plan") for NSTI to serve as the basis for the preliminary redevelopment plan for NSTI. The Board of Supervisors authorized the creation of TIDA in 1997 to serve as the entity responsible for the reuse and development of NSTI, and TIDA was incorporated in January 1998. The Board of Supervisors designated TIDA as a redevelopment agency with powers over NSTI under the Treasure Island Conversion Act of 1997 in Resolution No. 43-98, dated February 6, 1998. After completion of a competitive master developer selection process, TIDA and Treasure Island Community Development, LLC, a California limited liability company ("TICD") entered into the Exclusive Negotiating Agreement dated as of June 1, 2003, as amended and restated in September 2005, as further amended in July 2006, March 2008, February 2010, and June 2011. The 2006 Development Plan was adopted by all necessary parties and the Development Plan and Term Sheet were updated in 2010 and approved unanimously by the TIDA Board and the Board of Supervisors.

Navy Remediation and Transfer. In 2011, TIDA and the City certified an Environmental Impact Report and approved the Treasure Island Project entitlements, including the Disposition and Development Agreement between TIDA and TICD, dated as of June 28, 2011 (as amended from time to time, the "DDA"), a General Plan Amendment, adoption of Planning Code Section 749.72 that established the Treasure Island/Yerba Buena Island Special Use District (previously defined as the "TI/YBI SUD"), a Design for Development (previously defined as "D4D") that established design standards and guidelines, and a Development Agreement vesting those entitlements.

In 2014, the United States of America, acting by and through the Navy, and TIDA entered into an Economic Development Conveyance Memorandum of Agreement (as amended and supplemented from time to time and previously defined as the "Conveyance Agreement") that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA. Under the Conveyance Agreement, the Navy must convey NSTI to TIDA in phases after the Navy has completed environmental remediation and issued a finding of suitability to transfer for specified parcels of NSTI or portions thereof. Several parcels of land on Treasure Island remain under federal ownership to allow completion of environmental remediation activities by the Navy. The Navy is legally required to complete all of its environmental remediation obligations, including radiological cleanup, prior to transferring these remaining parcels to TIDA. The Navy's environmental remediation program is separate from the Treasure Island Project. The Navy remediates hazardous materials to standards consistent with applicable Federal laws governing base closure prior to transfer to TIDA.

The first conveyance occurred in early 2015 and included all of the Navy's property on Yerba Buena Island, most of the Navy-owned submerged lands around the Islands, and much of the southern portions of Treasure Island. [As of December 1, 2021, the Navy has made five separate conveyances to TIDA, including all of the property within the Initial Project Areas.] [Confirm.]

Trust Exchange. Treasure Island includes lands subject to the public trust (the "Public Trust"), a common law doctrine that has been developed primarily through case law and interpretations of law by the California State Lands Commission and Attorney General. The Public Trust effectively acts as a type of zoning by limiting the permitted uses of lands subject to the Public Trust. Uses of Public Trust lands are generally limited to waterborne commerce, navigation, fisheries, water-oriented recreation, including commercial facilities that must be located on or adjacent to water, and environmental preservation and recreation, such as natural resource protection, wildlife habitat and study, and facilities for fishing, swimming, and boating. Ancillary or incidental uses that promote Public Trust uses or accommodate public enjoyment of Public Trust lands are also permitted, such as hotels, restaurants and specialty retail. Residential and general office uses are generally not permitted uses on Public Trust lands.

To enable economic redevelopment, the California Legislature authorized a reconfiguration of the Public Trust whereby the Public Trust would be removed from certain portions on Treasure Island and added to certain portions of Yerba Buena Island. This Public Trust reconfiguration was authorized through the Treasure Island Public Trust Exchange Act (the "Exchange Act") and implemented through a trust exchange agreement (the "Trust Exchange Agreement") between TIDA and the California State Lands Commission ("SLC"). Pursuant to the Trust Exchange Agreement, in 2015, TIDA and SLC engaged in a series of concurrent quitclaim deed and patent conveyances whereby areas to be impressed with the Public Trust (referred to as "Trust Lands") were patented to TIDA by SLC subject to the Public Trust, and areas where the Public Trust was to be removed (referred to as "Trust Termination Lands") were patented to TIDA by SLC free of the Public Trust.

Subdivision Mapping Process. The TICD Developer (as defined herein) has filed and will file additional Tentative Transfer Map applications ("TTM") encompassing various Sub-Phases within Major Phases (see discussion under " – Land Transfer and Mapping Parcels" for a description of Major Phase 1), to allow for the processing of multiple phased final transfer maps. The final transfer maps establish transfer parcels within the development blocks of each Sub-Phase, and transfer parcels on Trust Termination or Non-Trust Lands may be transferred by TIDA to the TICD Developer upon Sub-Phase Approval and once these lands have gone through the trust exchange. Phases 1 and 2 of the trust exchange were completed in 2015 and 2020, respectively. Consistent with the Treasure Island/Yerba Buena Island Subdivision Regulations, these transfer parcels may be used for financing purposes, including as collateral to support construction lending, but they do not include any development rights.

As contemplated under the DDA and following the approval of the applicable transfer map, various subdivision maps have been and are being processed to establish development lots on these lands. Lots established on Trust Termination Lands or Non-Trust Lands may be held in fee simple and are available for private residential, commercial, and mixed-use development in accordance with the D4D. In collaboration with TIDA, subdivision lots may also be established on Trust Lands to facilitate arrangements including ground leases to facilitate economic development on such lands and structures (e.g., historic buildings) while maintaining the Public Trust restrictions.

Opportunity Zone. The Opportunity Zones program was established by Congress in the Tax Cut and Jobs Act in 2017 as an innovative approach to spurring long-term private sector investments in low-income urban and rural communities nationwide. The program establishes a mechanism that enables investors with capital gains tax liabilities across the country to receive favorable tax treatment for investing in Opportunity Zones that are certified by the U.S. Treasury Department. Those incentives include temporary deferral of capital gains that are reinvested in qualified opportunity zones, a step up in basis for investments held in qualified opportunity funds, as well as other benefits. The Opportunity Funds use the capital invested to make equity investments in businesses and real estate in Opportunity Zones designated by each state. Treasure Island and Yerba Buena Island are both designated as Opportunity Zones and, although the project has not benefited to date, the project may directly or indirectly benefit from the added incentive the programs offered to investors to invest in future multifamily buildings or businesses.

TICD and the Treasure Island Project

TICD is the master developer of the Treasure Island Project. 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 Capital Group, LLC (collectively, "Stockbridge"), Kenwood Investments ("Kenwood") and Wilson Meany ("Wilson Meany") and (iv) an affiliate of Stockbridge ("SBTI"). TIH and TICD Hold Co. together own a fifty percent (50%) membership interest in TICD, and KSWM and SBTI 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 (all of which are Lennar employees), with equal power given to the KSWM and TIH representatives. Wilson Meany, on behalf of KSWM, and Lennar, on behalf of TIH, are co-managing members of TICD, charged with conducting the business of TICD on a day-to-day basis. TICD's subsidiary, Treasure Island Development Group, LLC ("TIDG"), leads many of the day-to-day activities of the Project under the direction of TICD's co-managing members (Wilson Meany, on behalf of KSWM, and Lennar, on behalf of TIH).

Treasure Island Project Development Plan

The Treasure Island Project is designed to provide a new, high-density, mixed-use community with a variety of housing types, a retail core, open space and recreation opportunities, on-site infrastructure, and public and community facilities and services. There are expected to be up to approximately 8,000 residential units; up to approximately 140,000 square feet of new commercial and retail space; adaptive reuse of three specified historic buildings with up to 311,000 square feet of commercial/flex space; approximately 100,000 square feet of new office space; up to 500 hotel rooms; approximately 290 acres of parks and open space; bicycle, transit, and pedestrian facilities; a ferry terminal and intermodal transit hub; and new and/or upgraded public services and utilities, including a new or upgraded wastewater treatment plant. In addition to the adaptive reuse of those three historic buildings on Treasure Island there is also an opportunity to adaptively reuse nine other historic buildings and four garages on Yerba Buena Island.

Development Entitlement

The Treasure Island Project is carried out by TICD in accordance with the DDA and 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 D4D, and the TI/YBI SUD). These documents control the overall design, development and construction of the Treasure Island Project and all infrastructure and improvements, including the permitted uses on the Treasure Island Project Site, the required infrastructure and community benefits, the density and intensity of uses, the maximum height and size of buildings, the number of allowable parking spaces and all mitigation measures required in order to eliminate or mitigate any materially adverse environmental impacts of the Treasure Island Project.

Treasure Island Project Phasing

The Treasure Island Project has been divided into four Major Phases and, within each Major Phase, various Sub-Phases. Subject to the terms and conditions of the DDA, TIDA will convey development blocks within the Treasure Island Project owned or acquired by TIDA from the Navy to TICD or a phase developer selected by TICD (herein, the entity actually developing the property, whether TICD or a phase developer, shall be referred to as the "TICD Developer").

TIDA's approval of each Major Phase Application is required before, or concurrently with, its consideration of and grant of a Sub-Phase Approval for any Sub-Phase in that Major Phase. Such approval is based on established development requirements (e.g., development requirements under the DDA, the DA, and Vertical DDAs) and cannot be denied if those requirements are satisfied. Major Phase 1, which is comprised of eight Sub-Phases shown in pink on the diagram below, and the sub-phase applications for Sub-Phases 1YA, 1YB, 1B, 1C, and 1E were approved by TIDA in 2015. Major Phase 1 includes approximately 3,500-plus residential units, approximately 103 acres of parks, and a ferry terminal to support ferry service between Treasure Island and San Francisco.

The following graphic shows the Major Phases and the boundary delineation of the Sub-Phases. The Initial Project Areas are located entirely within Sub-Phase 1YA, Sub-Phase 1YB, Sub-Phase 1B, Sub-Phase 1C and Sub-Phase 1E.

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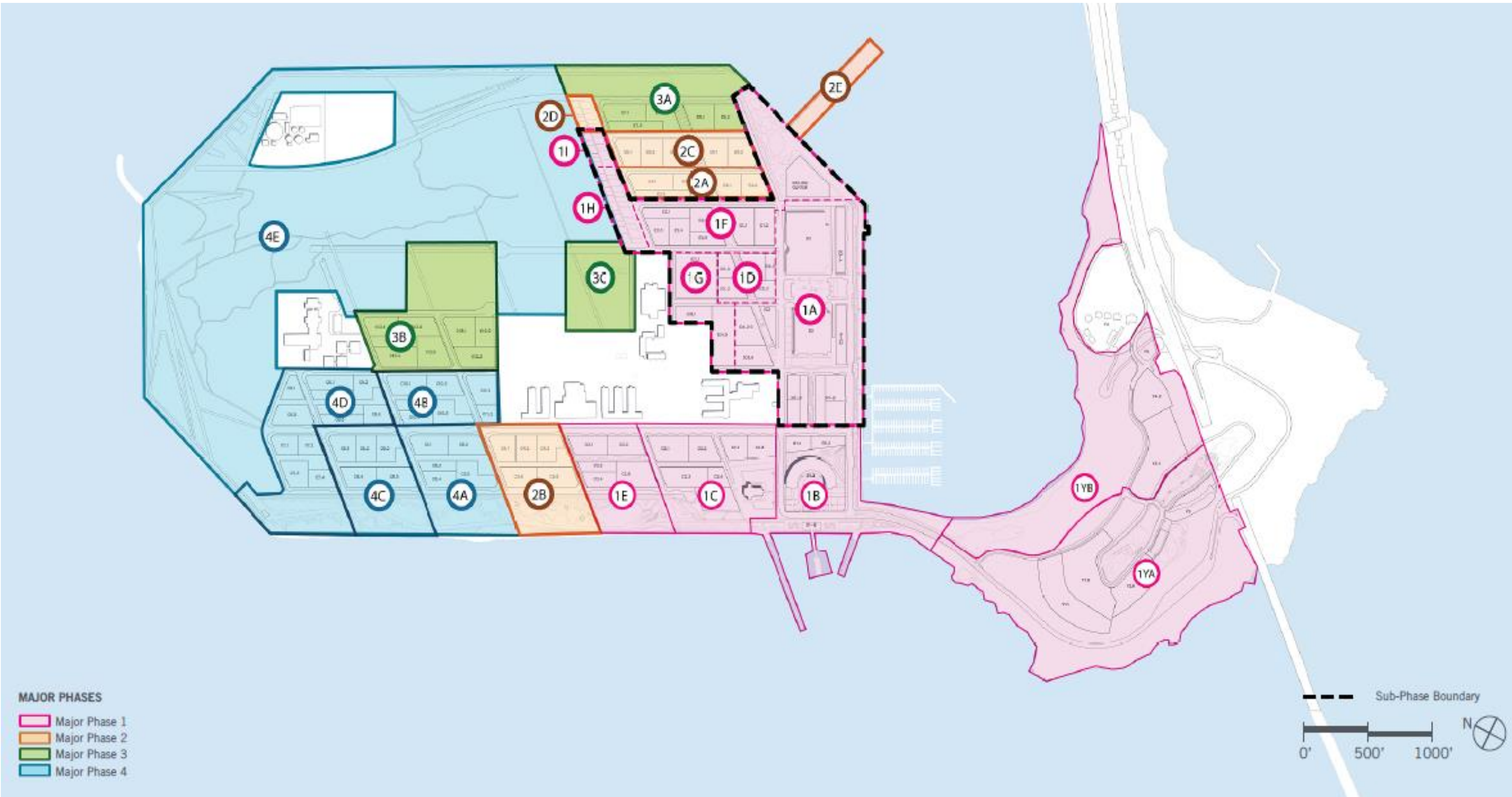

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Initial Phase Approvals and Land Transfers

TIDA approved the Major Phase 1 Application and the Sub-Phase Applications 1 and 2 for Sub-Phases 1YA, 1YB, 1B, 1C, and 1E in 2015. Major Phase 1 includes approximately 3,500-plus residential units, approximately 103 acres of parks, and a ferry terminal to support ferry service between Treasure Island and San Francisco. Horizontal construction work has begun on Treasure Island and Yerba Buena Island.

- Sub-Phases 1YA and 1YB (Yerba Buena Island) encompass all of the Treasure Island Project lands on Yerba Buena Island other than the TIDA-retained historic buildings and garages. On February 22, 2016, TI Series 1 acquired from TIDA Sub-Blocks 1Y, 3Y, and 4Y. Subsequently, Sub-Blocks 1Y, 3Y and 4Y were sold to merchant builders. Sub-Block 2Y is owned by TIDA, subject to the Public Trust. Hilltop Park, Beach Park and open space are part of these Sub-Phases but TIDA retains ownership of these public lands. On July 10, 2020, TIDA transferred two small areas of land on Yerba Buena Island to YBI Phase 1 Investors. This transfer followed a parcel boundary adjustment with the State to remove these areas of land from the trust in order to accommodate redesigned private infrastructure. This transfer included land within Sub-Phase 1YB. The Sub-Blocks located within Sub-Phases 1YA and 1YB are within Project Area A.

- Sub-Phases 1B, 1C and 1E (Treasure Island) encompass much of the southwestern portion of Treasure Island. On February 22, 2016, TIDA conveyed to TI Series 1 certain development blocks within Sub-Phases 1B, 1C and 1E. TIDA retained leasehold and public property that will be developed by TICD Developer within these Sub-Phases including Building 1, the Building 1 Plaza, Marina Plaza, Clipper Cove Promenade 1, Cityside Waterfront Park 1, Cultural Park, Cityside Waterfront Park 2 and various streets within these Sub-Phases. The Sub-Blocks located within Sub-Phases 1B, 1C and 1E are within Project Areas B, C, D and E.

- Sub-Phases 1A, 1D, 1F, 1G, 1H and 1I (Treasure Island) encompass most of the remaining southern-middle portion of Treasure Island. On September 4, 2019, Treasure Island Series 2, LLC ("TI Series 2") – a wholly-owned subsidiary of TICD – acquired certain development parcels within Sub-Phase 1A. Certain other development parcels within Sub-Phase 1A and the rest of these Sub-Phases are expected to be transferred at a later date. On December 31, 2020, TIDA conveyed to TI Series 2 certain additional lots within Sub-Phase 1A for development.

TICD, through one or more TICD Developers, anticipates developing each phase of the Treasure Island Project following acquisition of the phase from TIDA, as provided in the DDA and DA. If acquired, TICD, through one or more TICD Developers, anticipates developing the property in four Major Phases, as described in the DA.

The infrastructure improvements and fees required for the total development of the Treasure Island Project are estimated to cost approximately \$2.46 billion, as of December 1, 2021. As of December 1, 2021, TICD and TICD Developers have expended approximately \$553 million on such costs, and they expect to spend the remainder of such costs over the next 15 years.

Acquisition Agreement

In connection with the formation of the District, TICD, the City, and TIDA entered into an Acquisition and Reimbursement Agreement (Treasure Island/Yerba Buena Island), dated as of March 8, 2016 (as it may be amended from time-to-time, the "Acquisition Agreement"). Pursuant to the Acquisition Agreement, the City will purchase from TICD certain capital improvements and finance certain development impact fees for the construction of capital improvements (referred to herein as the "Authorized Improvements"). However, the City's obligation under the Acquisition Agreement will be funded solely from the sources identified in the Acquisition Agreement, which include (but are not limited to) certain special taxes and the net proceeds of community facilities district bonds. See "THE INITIAL PROJECT AREAS – Treasure Island Community Facilities District" herein. Currently available sources are sufficient to fund a portion, but not all, of the Authorized Improvements.

Treasure Island Amenities

The Treasure Island Project includes the development of up to 200,000 square feet of retail space plus 100,000 square feet of commercial space. Most of this space will be in new and rehabilitated historic structures in the "Island Center" neighborhood east of the transportation hub and Administration Building. Treasure Island currently is home to several businesses that will serve residents and their guests, including The Island Market grocery store with two locations, Mersea and Aracely restaurants, Woods Brewery, and Winery SF. However, TICD recognizes that the first residents will desire certain additional amenities to entice them to make the decision to move to the newly developing community. With this in mind, TICD is investing in improvements to existing buildings and available open spaces that can provide space for the most important resident serving businesses. These include expanded grocery offerings, additional restaurants, pharmacy, and an urgent care medical clinic. The Administration Building, Quarters 10, the Chapel/Cultural Park, and the future Hotel Parcel C2-H are all being studied for potential to host commercial space on an interim basis until the Island Center district can be built and occupied. In addition, the residential buildings in Project Area ___ and ___ contain approximately [8,000] square feet of ground floor retail space that can be home to new commercial businesses that will serve residents.

In addition to commercial space noted above, the Community Facilities Plan includes a number of planned community-serving facilities, including a new school, a community center, childcare centers, a police and fire station, new sports fields, an urban farm, an environmental education center, space for the Treasure Island Museum, and a pad for the Treasure Island Sailing Center. The Community Facilities Plan further describes these uses, and the DDA describes the developer's community facilities funding obligations. No assurance is given that these planned amenities will be constructed as planned.

Transportation Planning

The transportation plan for the Treasure Island Project is integral to the DDA and the project EIR. The relevant document is the Treasure Island Transportation Implementation Program, or "TITIP." The TITIP goals are to encourage walkability, bikeability, and transit use, while discouraging auto use. The TITIP is overseen by the Treasure Island Mobility Management Agency ("TIMMA"), a transportation agency formed specifically for the Treasure Island Project. The San Francisco County Transportation Agency has been designated to act as the TIMMA.

The Transportation Program consists of new services, including a ferry to downtown San Francisco, new AC Transit bus service to Oakland, enhanced MUNI bus service to San Francisco, and an on-island shuttle. Revenues to support the program will come from fare box recovery, parking charges on Treasure Island, a mandatory transit pass program for new residents, a new auto toll, and subsidies from TICD defined in the TITIP and the DDA. All parking is to be charged, and revenues from public parking meters and future garages (but not resident parking garages) will support the transportation program.

A new "congestion pricing" auto toll will charge drivers for each auto trip to and from Treasure Island, with the highest pricing during the commute peak hours, and minimal cost during less traffic-impacted hours. The toll is integral to the project EIR. TIMMA is pursuing approval of the pricing structure in early 2022 and plans to install the infrastructure to allow toll collections to commence by late 2023.

Currently, the Treasure Island Project is served by San Francisco MUNI line 25, with stops at the Administration Building/Ferry Terminal, the existing residential neighborhoods, and adjacent to the Job Corps Campus. Service is generally on 15-minute intervals on weekdays and evenings, with 20-30 minute intervals on weekends and overnight hours. In the future, MUNI service will be limited to the transit hub area of Treasure Island with service to new neighborhoods provided by the island shuttle.

TICD is establishing a privately-managed ferry service planned for commencement in early 2022 so that water transportation is available for the first new residents of a 124-unit condominium building called the Bristol on Yerba Buena Island. The service is expected to run from the new Treasure Island ferry terminal to the San Francisco Ferry Building, with approximately 16 daily round-trips. Frequency is expected to be approximately 30-minute intervals during commute hours and hourly in the afternoons and evenings. This service is expected to run until the full TIMMA program is ready to commence with ferry service provided by a public operator such as WETA, which is expected to launch by early 2024.

THE INITIAL PROJECT AREAS

As discussed under "SECURITY AND SOURCES OF PAYMENT," the Series 2022A Bonds are primarily secured by Pledged Facilities Increment and the Series 2022B Bonds are primarily secured by Pledged Housing Increment, each of which is derived from Gross Tax Increment generated within the Project Areas. The Initial Project Areas consist of Project Area A, Project Area B, Project Area C, Project Area D and Project Area E.

Location

The property in the Initial Project Areas is part of the larger Treasure Island Project. Set forth below is a map showing the Initial Project Areas. While the map below shows 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 Pledge Facilities Increment will be derived securing the Series 2022A Bonds and from which the Pledged Housing Increment will be derived securing the Series 2022B Bonds.

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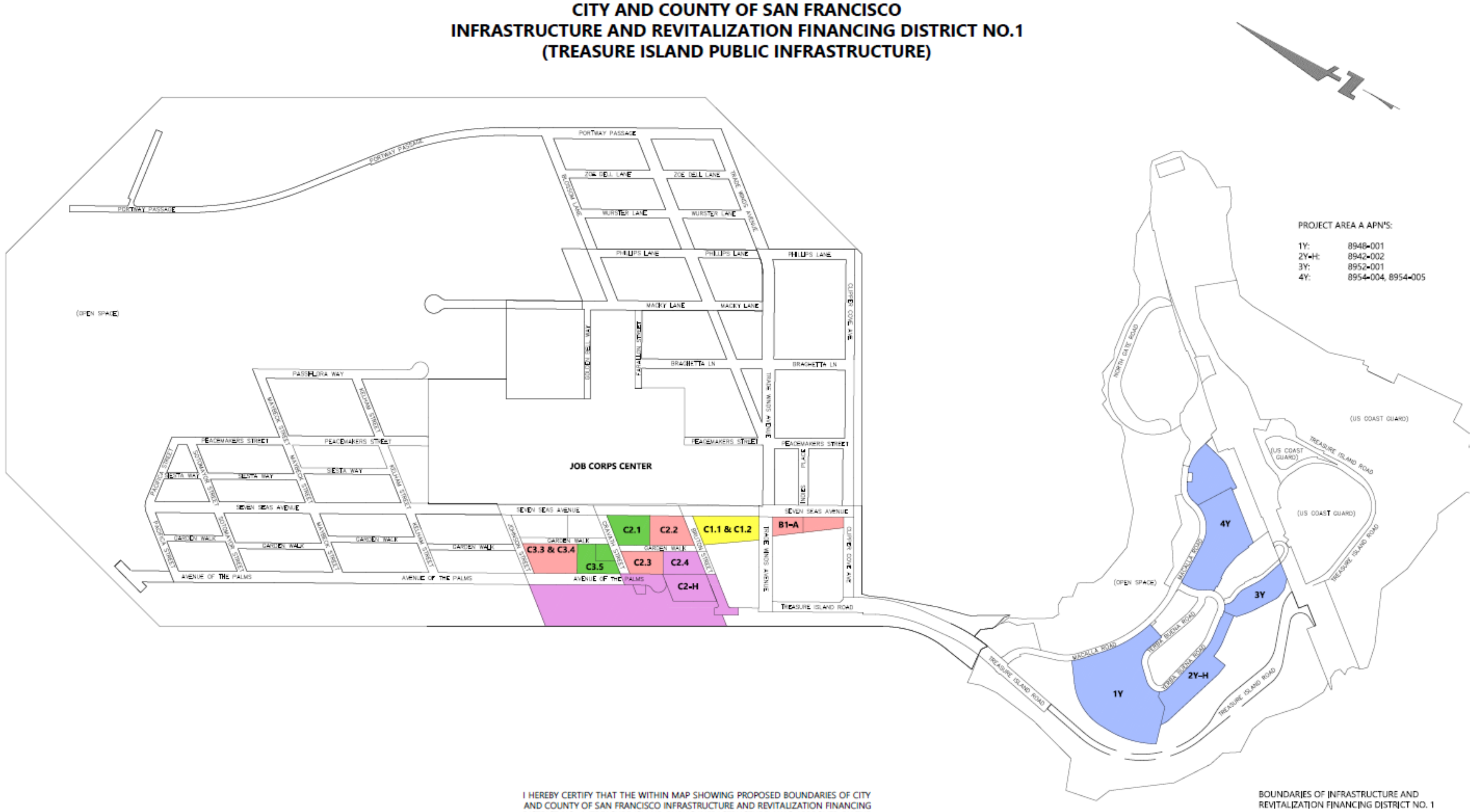
[If available, please provide a copy of this map that can be edited.]

**PROPOSED 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

Geotechnical Mitigation Program

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. 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.

The geotechnical plan relied on numerous techniques to achieve the stability needed to support the new development. The plan included densification of the sandy fill throughout the development and the shoreline with direct power compaction vibrocompaction improvement method ("DPC"), preloading new building parcels and City streets with surcharge, and strengthening the causeway and the portions of the shoreline with cement deep soil mixing.

The DPC technique employed combined tamping and direct power compaction, a method widely used in Japan that densifies loose sandy soils by vibration, displacement, and compaction. The equipment to perform this work includes an electrically driven, 50-ton vibratory hammer suspended from a vibration isolation mount, which in turn is suspended from the main cable of a 270-ton crawler crane. The hammer is attached to four H-beam probes, which are modified with steel flaps hinged to the web at the base of the beam. As the beam penetrates the ground, the flaps are deployed to provide more area for compaction. During extraction of the beams, the flaps retract to reduce resistance. Approximately 9,560 DPC compaction elements have been installed and DPC [is complete for the Initial Project Areas].

After completion of the deep power compaction, tamping is employed to compact the upper 10 feet of sandy soil. The tamper has a 35-ton vibratory hammer attached to a 10-foot-by-10- square steel plate. The tamper plate is placed directly on the ground and the vibro-hammer is activated to compact the soil. Then the tamper is relocated to an adjacent position and the process is repeated until all the densification area is tamped. Approximately 16,490 tamping elements have been completed and tamping [is complete for the Initial Project Areas].

Deep soil mixing ("DSM") was used to strengthen the weak soils that underlie parts of the shoreline and the causeway. DSM is a ground improvement technique that enhances the strength of the soils by mechanically mixing them with a cement slurry, causing the soil to become more like weak rock. In total, about 160,000 cubic yards of deep cement soil mixing was performed for the geotechnical program and DSM [is complete for the Initial Project Areas].

Geotechnical work continues for portions of Treasure Island outside of the Initial Project Areas.

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 [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."

Development Status

Currently, all of the real property in the Initial Project Areas is owned by developers and are in various stages of development. Horizontal infrastructure supporting the first phases of development planned in the Initial Project Areas is well underway. Geotechnical improvement of soil conditions supporting this required infrastructure and development within certain portions of the Initial Project Areas was completed in 2020. [Infrastructure needed to secure certificates of occupancy is expected to be completed by March 2022 for development in Project Area __, and by June 2022 for development within Project Areas __.]

The first residential project in Project Area A on Yerba Buena Island, a five-story, 124-unit condominium building called the Bristol, began construction in June 2019 and is expected to be ready for occupancy in [early 2022]. Four condominium floor plans are planned ranging in size from approximately 700 square feet to 2,100 square feet. Fourteen of the planned units will be restricted for sale at prices below market rate. Residences with bridge-facing views will have acoustic upgrades to reduce bridge noise inside the unit. The following table provides additional information regarding the proposed development of the 110 market rate units of the Bristol as of [June 1, 2021]. [As of December 31, 2021, 15] units at the Bristol have been pre-sold to home buyers.

Table 1
The Bristol
Sub-Block 4Y (Podium)
(Market Rate Units Only)
(as of [June 1, 2021])

Floor Plan	Avg. Approx. Square Footage	Total Number of Planned Market Rate Units(1)	Market Rate Units Under Construction(2)	Completed Market Rate Units Unsold or in Escrow	Market Rate Units Completed, Sold, and Closed	Base Sale Prices for Market Rate Units(3)
Plan A	700-750	12	12	0	0	$ 805,000
Plan B	900-1,000	47	47	0	0	1,295,000
Plan C	1,350	41	41	0	0	2,050,000
Plan D	1,850-2,100	10	10	0	0	3,430,000
Totals		**110**	**110**	**0**	**0**	

(1) Table 5 above excludes the 14 below-market units that are located in each of Plans A-D.
(2) As of [June 1, 2021], all of the Bristol's 110 total planned market rate units were under construction, but none were completed. [As of June 1, 2021, eight units were in escrow (two plan A units, two plan B units and four plan C units). Units in escrow do not include reservations taken and there can be no guarantee that such units will close escrow. First closings are anticipated in January 2022.]
(3) Reflects average unit pricing from publicly-listed units as of [May 1, 2021]. [Average unit pricing reflects initial release tranche of 18 total units comprised of Studios, 1-BD, 2-BD and 3-BD product types.] The actual base prices may be higher or lower than those shown in Table 1.

Source: [Merchant Builder].

Construction has begun on the first phase of the next residential project in Project Area A, known as the Residences. The Residences is a proposed development of 142 units, including condominiums, townhomes and a few single-family detached homes. Final buildout of the Residences is currently expected in 2025. Construction of the units within the Residences is anticipated to occur on a phased basis, with individual buildings expected to be constructed over approximately fourteen months to sixteen months. The first phase of the Residences is expected to include 31 units. The permits for the initial construction of 31 units (17 townhomes and 14 flats in five buildings) are [anticipated to be issued in the fourth quarter of 2021]. As of [October 1, 2021], only civil permits and no building permits for the construction of units within the Residences have been received. Depending on market conditions, the remaining portion of the Residences is expected in multiple phases in conjunction with market demand and available sources of capital.

The following table provides additional information regarding the proposed development of the 142 units within the Residences as of [June 1, 2021].

Table 2
The Residences
Sub-Blocks 1Y, 3Y, and 4Y (Townhomes and Flats)
(as of [June 1, 2021])

Floor Plan	Avg. Approx. Square Footage	Total Number of Planned Units	Units Under Construction	Completed Units Unsold or in Escrow	Units Completed, Sold, and Closed
Plan A	3,550	24	0	0	0
Plan B	2,900	24	0	0	0
Plan C	2,300	21	0	0	0
Plan D	3,450	11	0	0	0
Plan E	2,700	55	0	0	0
Plan F	1,200	2	0	0	0
Plan G(1)	8,000	5	0	0	0
Totals		**142**	0	0	0

(1) Estimate; the custom homebuilder on these lots may build a home of up to 8,000 square feet.
Source:[YBI Phase Parent Company.]

The first residential project on Treasure Island ([which project is located outside the Initial Project Areas]), a 105-unit, 100% affordable building developed by Chinatown Community Development Center in partnership with Swords to Plowshares called Maceo May Apartments, broke ground in the fall of 2020 and is scheduled for completion in late 2022. [Is Maceo May taxable and in Initial Project Areas? Consider moving this paragraph if not taxable and not in Initial Project Areas.]

Project Area B and a portion of Project Area E (on Treasure Island) are planned to be developed with five residential buildings located on Sub-Blocks B1, C2.2, C2.3, C2.4 and C3.4. The expected buildings are each summarized in the table below:

Expected Development	Total Number of Planned Units
Residential rental apartments	117
Residential rental apartments	178
For-sale residential condominiums	76
Residential rental apartments	250
For-sale residential condominiums	149
	770

Source: TI Series 1.

The first of such five residential projects is expected to break ground in [March 2022].

Project Area C and Project Area D (on Treasure Island) are planned to be developed with (a) two for-sale residential condominium buildings located on Sub-Blocks C1.2, C1.2 and C2.1 with an aggregate of 551 units expected and (b) one for-sale residential condominium building located on Sub-Block C3.5 with 160 units expected. [Add statement re permitting/development status of these buildings.]

The foregoing residential buildings are in different stages of planning, financing, development and construction. No assurance can be given that development of these properties will be completed, or that it will be completed on the currently-expected timeline.

[Discussion of planned projects that may be exempt from property taxes.]

TAX INCREMENT REVENUE AND DEBT SERVICE

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.

Assessed Valuation and Related Information

The aggregate assessed valuation in the Initial Project Areas for Fiscal Year 2021-22 by land use is set forth on the following Table 3.

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Table 3
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Fiscal Year 2021-22 Taxable Assessed Value by Land Use

		All Initial Project Areas			Initial Project Areas Collecting Tax Increment in Fiscal Year 2022-23 (Project Areas A, B, E)		
Land Uses Composition, Fiscal Year 2021-22	**Planned Units**	**No. of Parcels**	**Fiscal Year 2021-22 Taxable Value**	**% of Total**	**No. of Parcels**	**Fiscal Year 2021-22 Taxable Value**	**% of Total**
Residential Development Sites							
For-Sale Unit Development Sites							
Under Construction (1)	124	1	$ 82,790,393	29.4%	1	$ 82,790,393	29.8%
Site permit issued.(2)	149	2	14,900,000	5.3	2	14,900,000	5.4
Site permit not issued (3)	929	8	136,552,880	48.4	4	132,170,964	47.6
Subtotal	1,202	11	$234,243,273	83.1%	7	$229,861,357	82.8%
Apartment Development Sites							
Site permit not issued	178	1	$ 13,900,000	4.9%	1	$ 13,900,000	5.0%
Site permit issued	367	3	33,800,000	12.0	3	33,800,000	12.2
Subtotal	545	4	$ 47,700,000	16.9%	4	$ 47,700,000	17.2%
Total Residential Development Sites	1,747	15	$281,943,273	100.0%	11	$277,561,357	100.0%
Owned by TIDA and non-taxable		6	$0	0.0%	6	$0	0.0%
TOTAL		**21**	**$281,943,273**	**100.0%**	**17**	**$277,561,357**	**100.0%**

(1) Estimated completion Spring 2022, currently undergoing pre-final inspection process.
(2) Site permit issued in January 2022 for vertical construction of a 149-unit condo development that includes seven below market rate affordable units.
(3) Includes one parcel planned for use as a park.
(4) Site permits issued in late 2021 for vertical construction of a 250-unit high-rise rental development that includes 24 below market rate affordable units and a 117-unit mid-rise rental development that includes six below market rate affordable units.
Sources: City and County of San Francisco Office of the Assessor-Recorder, TICD, City and County of San Francisco Department of Building Inspection.

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The top taxpayers by assessed valuation in the Initial Project Areas, in aggregate, in Fiscal Year 2021-22 are set forth below in Table 4. Ownership concentration for these top taxpayers is [100%] of assessed value in the Initial Project Areas. See "RISK FACTORS – Concentration of Property Ownership."

Table 4
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Top Taxpayers for Fiscal Year 2021-22

	Top Taxpayers Fiscal Year 2021-22	Description	Planned No. of Res. Units	No. of Parcels	Project Area	Assessed Value Fiscal Year 2021-22[5]: All Project Areas	Assessed Value Fiscal Year 2021-22[5]: Active Areas[11]	% of Total and Incremental Assessed Value[6]: All	% of Total and Incremental Assessed Value[6]: Active Areas[11]
1	**Stockbridge and Wilson Meany**[1]								
	YBI Phase 1 Investors LLC	Bristol condos near complete (Block 4Y (Podium))[8]	124	1	A	$ 82,790,393	$ 82,790,393	29.4%	29.8%
	YBI Phase 4 Investors LLC	Site planned for condos, townhomes, single-family homes (Block 1Y)	78	1	A	78,784,000	78,784,000	27.9	28.4
	TI Lot 10 LLC	Site planned for apartment tower (Block C2.4)[8]	250	1	E	25,900,000	25,900,000	9.2	9.3
	YBI Phase 3 Investors LLC	Site planned for townhomes and flats (Block 4Y (Townhomes and Flats)	53	1	A	23,720,462	23,720,462	8.4	8.5
	YBI Phase 2 Investors LLC	Site planned for townhomes (Block 3Y)	11	1	A	18,666,502	18,666,502	6.6	6.7
	TI Lots 3-4 LLC[9]	Site planned for condos (Block C3.4)[8]	149	2	B	14,900,000	14,900,000	5.3	5.4
	TI Lots 5-6, LLC[2][9]	Site planned for condo tower (Block C3.5) and park	160	2	D	1,262,368	N/A	0.4	N/A
	Subtotal		825	9		$246,023,725	$244,761,357	87.3%	88.2%
2	**Poly USA**[3]								
	B1 Treasure Island 048 Holdings, LLC	Site planned for apartments (Block B1) [8]	117	2	B	$ 7,900,000	$ 7,900,000	2.8%	2.8%
	C23 Treasure Island 048 Holdings, LLC	Site planned for condos (Block C2.3)	76	1	B	11,000,000	11,000,000	3.9	4.0
	Subtotal		193	3		$ 18,900,000	$ 18,900,000	6.7%	6.8%
3	**Lennar**[4]	Site planned for apartments (Block C2.2)	178	1	B	$ 13,900,000	$ 13,900,000	4.9%	5.0%
4	**TICD**[7]	Sites planned for two condo towers (Block C1.1/C1.2, C2.1)	551	2	C & D	$ 3,119,548	N/A	1.1%	N/A
	TOTAL TOP TAXPAYERS[10]		**1,747**	**15**		**$281,943,273**	**$277,561,357**	**100.0%**	**100.0%**

(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 TICD, number 4 on the list of top taxpayers.
(2) Owner purchased parcels in May 2021, after the lien date for the Fiscal Year 2021-22 roll, for $29.6 million, resulting in an estimated increase of $28.3 million in assessed value for this property from the Fiscal Year 21-22 assessed value information identified.
(3) Includes separate legal entities affiliated with developer Poly (USA) Real Estate Development Corporation, as listed. Poly USA has an ownership interest in TICD, number 4 on the list of top taxpayers.
(4) 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 and Wilson Meany (TI Lots 3-4 LLC and TI Lots 5-6 LLC) being developed as a joint venture. Lennar has an ownership interest in TICD, number 4 on the list of top taxpayers.
(5) All assessed value consists of secured property (land and improvements).
(6) Percentages calculated based upon Fiscal Year 2021-22 assessed value and incremental assessed value of $281,943,273 (base year assessed value is zero).
(7) Includes property owned by Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top three taxpayers each have an ownership interest in TICD.

(8) Denotes projects for which a site permit has been issued.
(9) TI Lots 3-4 LLC and TI Lots 5-6 LLC are joint ventures between Stockbridge, Wilson Meany, and Lennar (number 3 on the list of top taxpayers).
(10) In addition to the top taxpayers listed, TIDA owns six parcels which are exempt from property taxes and planned for two hotels, right of way, parks, and open space.
(11) Includes Project Areas A, B, and E, which are projected to collect tax increment in Fiscal Year 2022-23.

Based on the records included within the Assessment Appeals Board database, no assessment appeals have been filed within the District since its formation.

Historical Allocation of Tax Increment to District

A summary of actual historic allocations of tax increment for the initial two years of tax increment collection (Fiscal Years 2019-20 and 2020-21) is presented below in Table 5. As shown, the District was allocated 100% of its calculated levy in Fiscal Year 2019-20 and 98.9% of its calculated levy in Fiscal Year 2020-21. Only Project Area A was eligible to be allocated tax increment during the period

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Table 5
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Allocations of Tax Increment to District

		Actual 2019-20[1]	Actual 2020-21	Estimated 2021-22
Assessed Value Increment, Project Area A[2]		$70,090,194	$102,085,597	$203,961,357
Calculated 1% Tax Increment	1% levy	700,902	1,020,856	2,039,614
District Tax Increment (Net Available Increment + Conditional City Increment)	64.588206%	**452,700**	**659,353**	**1,317,350**
Actual Amount Allocated by Controller[3]		**452,700**	**651,974**	**TBD**
Collections as % of Computed Levy		**100%**	**98.9%**	**TBD**

(1) Note: Fiscal Year 2019-20 was the initial year of tax increment collection for the District.
(2) Only Project Area A was eligible to collect tax increment during the period. The base year assessed value is zero.
(3) Amount allocated included Conditional City Increment that is available to the extent required for debt service. Funds have been reserved by the Controller for allocation to District but not yet disbursed.
Source: Controller, Fiscal Consultant.

According to the Controller, due to implementation of a new property tax software system, property tax allocation procedures for Fiscal Year 2020-21 varied on a one-time-basis and reflected allocation of taxes on a jurisdiction basis rather than the tax rate area-specific allocation process expected for Fiscal Year 2021-22 and future years. Had the Controller's allocation procedures in Fiscal Year 2020-21 conformed to existing practice, it is expected that 100% of the calculated levy would have been allocated rather than 98.9% because all Fiscal Year 2020-21 assessed value was part of the secured assessment roll subject to the City's Teeter policy. See "SECURITY AND SOURCES OF PAYMENT – Teeter Plan" above.

Although no debt had yet been issued, the Controller allocated Conditional City Increment to accounts held for the benefit of the District in Fiscal Year 2019-20 and Fiscal Year 2020-21. The allocation of Conditional City Increment was made to ensure the Conditional City Increment was available if required and to conform to the Controller's existing processes for allocation of property taxes. Release of these previously allocated Conditional City Increment funds not needed for District debt service to the applicable City taxing agencies is expected

Assessed Value Projections

Projected Fiscal Year 2022-23 assessed values are shown below in Table 6 and include the following increases from Assessor-reported Fiscal Year 2021-22 assessed values: (a) application of the State Board of Equalization reported 2% real property inflation factor under Proposition 13 for the Fiscal Year 2022-23 assessment roll; (b) an estimated $55.2 million in assessed value projected to be added to Project Area A in Fiscal Year 2022-23 from construction progress during calendar year 2021 on the Bristol and Parcel 4Y (the location of the Residences), as described in the Fiscal Consultant Report and (c) $28.3 million in assessed value to be added within Project Area D from the sale of Sub-Block C3.5. (As tax increment collection has not commenced in Project Area D, the additional assessed value is not projected to generate tax increment in any year in the projection presented in Table 7 and Table 8 below.)

Table 6
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projected Fiscal Year 2022-23 Assessed Values

	Assessed Value by Project Area					Total for Project Areas A, B, E Collecting TI in FY 22-23	Total for All Project Areas
	Area A	**Area B**	**Area C**	**Area D**	**Area E**		
Projected TI Collection Status, FY 2022-23	Collecting	Collecting	Not Collecting	Not Collecting	Collecting		
Assessed Value, FY 2021-22	$203,961,357	$47,700,000	$1,858,868	$ 2,523,048	$ 25,900,000	$277,561,357	$281,943,273
Additions to AV							
(1) Reported Prop 13 Inflation (2%)	$ 4,079,227	$ 954,000	$ 37,177	$ 50,461	$ 518,000	$ 5,551,227	$ 5,638,865
(2) Bristol / 4Y Construction in 2021	55,281,211	0	0	0	0	55,281,211	55,281,211
(3) Transfers of Ownership in 2021	0	0	0	28,337,632	0	0	28,337,632
Total Additions	$ 59,360,438	$ 954,000	$ 37,177	$28,388,093	$ 518,000	$ 60,832,438	$ 89,257,708
Projected FY 2022-23 Assessed Values	$263,321,795	$48,654,000	$1,896,045	$30,911,141	$26,418,000	$338,393,795	$371,200,981

Revenue Projections

Projected tax increment revenues are shown below in Table 7 and Table 8. Table 7 assumes that the respective assessed values for Fiscal Year 2022-23 for Project Areas A, B and E (the Project Areas projected to be allocated tax increment in Fiscal Year 2022-23) remain unchanged during the 40-year period following their respective Commencement Years, totaling $338,393,795 in each year through fiscal year 2058-59 and $75,072 in each of Fiscal Years 2059-60 through 2061-62). See Table 6 above. Table 8 assumes that the respective assessed values for Fiscal Year 2022-23 for Project Areas A, B and E (the Project Areas projected to be allocated tax increment in Fiscal Year 2022-23) increase by the 2% maximum allowable inflationary increase under Proposition 13 in each year during the 40-year period following their respective Commencement Years. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto.

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Table 7
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projection of Tax Increment ($ Thousands) (Based on Fiscal Year 2022-23 Assessed Value Without Increase Projection)

	A	B	C	D	E	F	G	H	I	J	K
	Gross Tax Increment = 1% x Table 17 Incremental Assessed Value for areas Collecting TI	**Net Available Facilities Increment**					**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Facilities Increment	**Pledged Facilities Increment**	Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
21-22	$2,040	$952	($5)	$947	$135	$1,082	$202	($1)	$201	$29	$230
22-23	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
23-24	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
24-25	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
25-26	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
26-27	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
27-28	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
28-29	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
29-30	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
30-31	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
31-32	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
32-33	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
33-34	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
34-35	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
35-36	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
36-37	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
37-38	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
38-39	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
39-40	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
40-41	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
41-42	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
42-43	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
43-44	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
44-45	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
45-46	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
46-47	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
47-48	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
48-49	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
49-50	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
50-51	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
51-52	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
52-53	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
53-54	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
54-55	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
55-56	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
56-57	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
57-58	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
58-59	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
59-60	751	350	(2)	349	50	398	74	(0)	74	11	84
60-61	751	350	(2)	349	50	398	74	(0)	74	11	84
61-62	751	350	(2)	349	50	398	74	(0)	74	11	84

Table 8
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projection of Tax Increment ($Thousands) (Based on 2% Growth of Fiscal Year 2022-23 Assessed Value)

	A	B	C	D	E	F	G	H	I	J	K
	Gross Tax Increment = 1% x Table 18 Incremental Assessed Value for areas Collecting TI	**Net Available Facilities Increment**					**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Facilities Increment	**Pledged Facilities Increment**	Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
21-22	$2,040	$952	($5)	$947	$135	$1,082	$202	($1)	$201	$29	$230
22-23	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
23-24	3,452	1,611	(8)	1,603	228	1,831	342	(2)	340	48	388
24-25	3,521	1,644	(8)	1,635	232	1,868	349	(2)	347	49	396
25-26	3,591	1,676	(8)	1,668	237	1,905	356	(2)	354	50	404
26-27	3,663	1,710	(9)	1,701	242	1,943	363	(2)	361	51	412
27-28	3,736	1,744	(9)	1,736	247	1,982	370	(2)	368	52	420
28-29	3,811	1,779	(9)	1,770	252	2,022	377	(2)	376	53	429
29-30	3,887	1,815	(9)	1,806	257	2,062	385	(2)	383	54	437
30-31	3,965	1,851	(9)	1,842	262	2,103	393	(2)	391	56	446
31-32	4,044	1,888	(9)	1,879	267	2,145	400	(2)	398	57	455
32-33	4,125	1,926	(10)	1,916	272	2,188	408	(2)	406	58	464
33-34	4,208	1,964	(10)	1,954	278	2,232	417	(2)	415	59	473
34-35	4,292	2,004	(10)	1,994	283	2,277	425	(2)	423	60	483
35-36	4,377	2,044	(10)	2,033	289	2,322	433	(2)	431	61	493
36-37	4,465	2,085	(10)	2,074	295	2,369	442	(2)	440	63	502
37-38	4,554	2,126	(11)	2,116	301	2,416	451	(2)	449	64	513
38-39	4,645	2,169	(11)	2,158	307	2,464	460	(2)	458	65	523
39-40	4,738	2,212	(11)	2,201	313	2,514	469	(2)	467	66	533
40-41	4,833	2,256	(11)	2,245	319	2,564	479	(2)	476	68	544
41-42	4,930	2,301	(12)	2,290	325	2,615	488	(2)	486	69	555
42-43	5,028	2,348	(12)	2,336	332	2,668	498	(2)	495	70	566
43-44	5,129	2,394	(12)	2,382	339	2,721	508	(3)	505	72	577
44-45	5,709	2,665	(13)	2,652	377	3,029	565	(3)	563	80	643
45-46	5,824	2,719	(14)	2,705	384	3,090	577	(3)	574	82	655
46-47	5,940	2,773	(14)	2,759	392	3,151	588	(3)	585	83	668
47-48	6,059	2,829	(14)	2,814	400	3,214	600	(3)	597	85	682
48-49	6,180	2,885	(14)	2,871	408	3,279	612	(3)	609	87	695
49-50	6,304	2,943	(15)	2,928	416	3,344	624	(3)	621	88	709
50-51	6,430	3,002	(15)	2,987	424	3,411	637	(3)	634	90	724
51-52	6,558	3,062	(15)	3,046	433	3,479	649	(3)	646	92	738
52-53	6,689	3,123	(16)	3,107	442	3,549	662	(3)	659	94	753
53-54	6,823	3,185	(16)	3,170	450	3,620	676	(3)	672	96	768
54-55	6,960	3,249	(16)	3,233	459	3,692	689	(3)	686	97	783
55-56	7,099	3,314	(17)	3,298	469	3,766	703	(4)	699	99	799
56-57	7,241	3,380	(17)	3,364	478	3,841	717	(4)	713	101	815
57-58	7,386	3,448	(17)	3,431	487	3,918	731	(4)	728	103	831
58-59	7,533	3,517	(18)	3,499	497	3,997	746	(4)	742	105	848
59-60	2,205	1,029	(5)	1,024	146	1,170	218	(1)	217	31	248
60-61	2,249	1,050	(5)	1,045	148	1,193	223	(1)	222	31	253
61-62	2,294	1,071	(5)	1,066	151	1,217	227	(1)	226	32	258

Debt Service and Coverage

The following is the debt service schedule for the Series 2022A Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as projections of Pledged Facilities Increment and related coverage. The table does not present any Parity Facilities Debt that could be issued or incurred. See "SECURITY AND SOURCES OF PAYMENT" herein.

Year Ending[1]	Series 2022A Bonds Principal	Series 2022A Bonds Interest[2]	Series 2022A Bonds Total	Pledged Facilities Increment Assuming No Assessed Value Growth[3]	Debt Service Coverage Assuming No Assessed Value Growth[4]	Pledged Facilities Increment Assuming 2% Assessed Value Growth[5]	Debt Service Coverage Assuming 2% Assessed Value Growth[4]
	$	$	$	$	%	$	%
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] Interest on the Series 2022A Bonds will be capitalized through ______ 20__.
[3] Projected. Assumes no assessed value growth. Rounded to thousands. Based on Fiscal Consultant Report projection. See Table 7 above.
[4] Reflects Pledged Facilities Increment divided by Annual Facilities Debt Service.
[5] Projected. Assumes 2% maximum allowable inflationary increase under Proposition 13 in each year. See Table 8 above.

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The following is the debt service schedule for the Series 2022B Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as projections of Pledged Housing Increment and related coverage. The table does not present any Parity Housing Debt that could be issued or incurred. See "SECURITY AND SOURCES OF PAYMENT" herein.

Year Ending[(1)]	Series 2022B Bonds Principal	Series 2022B Bonds Interest[(2)]	Series 2022B Bonds Total	Pledged Housing Increment Assuming No Assessed Value Growth[(3)]	Debt Service Coverage Assuming No Assessed Value Growth[(4)]	Pledged Housing Increment Assuming 2% Assessed Value Growth[(5)]	Debt Service Coverage Assuming 2% Assessed Value Growth[(4)]
	$	$	$	$	%	$	%
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) Interest on the Series 2022B Bonds will be capitalized through ______ 20__.
(3) Projected. Assumes no assessed value growth. Rounded to thousands. Based on Fiscal Consultant Report projection. See Table 7 above.
(4) Reflects Pledged Housing Increment divided by Annual Housing Debt Service.
(5) Projected. Assumes 2% maximum allowable inflationary increase under Proposition 13 in each year. See Table 8 above.

Treasure Island Community Facilities District

The Initial Project Areas substantially overlap geographically with Improvement Area Nos. 1, 2 and 3 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the "Treasure Island Community Facilities District") established pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 et seq. of the California Government Code). In October 2020 and August 2021, the City on behalf of the Treasure Island Community Facilities District issued approximately \$17 million and \$14 million, respectively, aggregate principal amount of bonds secured by a special tax levied upon all taxable parcels in Improvement Area No. 1 of the Treasure Island Community Facilities District to provide funds to finance construction of infrastructure within Improvement Area No. 1. In February 2022, the City of on behalf of the Treasure Island Community Facilities District issued approximately \$25 million aggregate principal amount of bonds secured by a special tax levied upon all taxable parcels in Improvement Area No. 2 of the Treasure Island Community Facilities District to provide funds to finance construction of infrastructure within Improvement Area No. 2. No Treasure Island Community Facilities District bonds have yet been issues in resect of Improvement Area No. 3.

RISK FACTORS

The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2022AB 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 2022AB Bonds. The occurrence of one or more of the events discussed herein could 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 2022AB Bonds, or could otherwise affect the market price and liquidity of the Series 2022AB Bonds in the secondary market. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Initial Project Areas.

Reduction in Taxable Value

The amounts of Pledged Facilities Increment available to pay principal and interest on the Series 2022A Bonds and the amount of Pledged Housing Increment available to pay principal and interest on the Series 2022B Bonds are based primarily on Gross Tax Increment (less certain administrative costs). The amount of Gross Tax Increment is determined by the amount of Incremental Assessed Property Value of property within the Project Areas and is allocated only after the related Commencement Year. The reduction of taxable values of property in the Initial 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 eventualities, earthquake or other natural disaster, could cause a reduction in the Gross Tax Increment from which Pledged Facilities Increment and Pledged Housing Increment, the respective repayment and security sources for the Series 2022A Bonds and the Series 2022B Bonds, are derived. Such reduction of Gross Tax Increment could have an adverse effect on the District's ability to make timely payments of principal of and interest on the Series 2022AB Bonds.

Article XIIIA 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 above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Series 2022AB Bonds could reduce available Gross Tax Increment and, in turn, Pledged Facilities Increment and Pledged Housing Increment. See “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIIIA of California Constitution.”

[Consider what to say about Prop 8 and appeals.]

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 2022AB 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 adversely affect the Pledged Facilities Increment and Pledged Housing Increment securing the Series 2022A Bonds and the Series 2022B Bonds, respectively.

Projections of Pledged Facilities Increment and Pledged Housing Increment

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 Project Areas (including assuming that the Project Areas will be limited to the Initial Project Areas), no growth or, alternatively, 2% growth in tax revenues over time, continuation of the Teeter plan, and assessed value to be added to the assessment roll as a result of new construction and transfers of ownership. 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. 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 2022AB Bonds.

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, 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 and other operating expenses, government rules (including, without limitation, zoning laws and restrictions relating to threatened and endangered species) and fiscal policies (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 adversely affect the 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."

Concentration of Property Ownership. The Initial Project Areas have a significant concentration of ownership. Currently all of the Sub-Blocks in the Initial Project Areas that are subject to property taxes are owned by TICD or the Merchant Builders. 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 2022AB Bonds. The City has adopted the Teeter Plan and provides one hundred percent (100%) of tax revenues to the District regardless of delinquencies. See "SECURITY FOR THE BONDS – Teeter Plan." However, such 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 and may be expected to decrease when ownership of the property in the District is diversified. At present, all of the property subject to property tax in the District are owned by TICD or the Merchant Builders.

Failure to Develop Properties. No buildings in the Initial Project Areas are fully-constructed. Many parcels are in the very early stages of development and building construction has not begun on some parcels. Unimproved or partially improved land is inherently less valuable than land with improvements 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 "SECURITY FOR THE BONDS – Teeter Plan."

Land development is subject to comprehensive federal, State and local regulations. Approval is 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 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 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, the income tax treatment of real property ownership, the national economy, or natural disasters that impact ferry or automobile access to the Project Areas.

Continued financing will be needed to complete the development of the property within the Project Areas. Additional public bond financing is needed to compete infrastructure serving the planned development in the Initial Project Areas. Issuance of future bonds for the Treasure Island Community Facilities District 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. [Except for construction contracts for ________, construction contracts for vertical development within the Initial Project Areas have not been executed. Design development of certain buildings is ongoing. Projected costs may increase. Construction loans have not been acquired and equity commitments have not been fully drawn.] No assurance can be given that the required funding will be secured or that the proposed horizontal infrastructure and/or planned vertical development will be partially or fully completed. It is possible that cost overruns will be incurred that will require additional funding beyond what that currently projected, which may or may not be available or that development may not proceed as planned.

The projections in the Fiscal Consultant Report assume certain levels of development in the Initial Project Areas. 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 assumed in the Fiscal Consultant Report or 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. On February 11, 2020 the World Health Organization ("WHO") announced the official name for the outbreak of a new disease ("COVID-19"), an upper respiratory tract illness caused by infection by a transmissible, novel coronavirus. COVID-19 has since spread across the globe. The WHO has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the Mayor of the City, the Governor of the State and the President of the United States.

From time to time since the onset of the pandemic, all counties in the Bay Area (including the City) have implemented and revised restrictions on mass gatherings and widespread closings or other limitations of the operations of government, commercial, educational, and other institutions. While significant portions of the population of the State of California (including the City) have been vaccinated, COVID-19 variants have resulted in increased infection rates and the imposition of certain restrictions on commercial and other activities. Although COVID-19 case rates had been relatively stable through October, November and early December 2021, case rates increased substantially in late December 2021 and early January 2022, including among the vaccinated. Case rates declined substantially by February 2022. As of March 2, 2022, the cumulative COVID-19 case count in San Francisco was 122,079 and the total death count was 806.

The spread of COVID-19 is having significant adverse health and financial impacts throughout the world, including the City. Existing and potential impacts to the City associated with the COVID--19 outbreak include, but are not limited to, increasing costs and challenges to the City's public health system, reductions in tourism and disruption of the regional and local economy, widespread business closures, worker migration out of the City due to permissive remote work policies and significantly higher levels of unemployment. See "THE CITY - Impact of COVID-19 Pandemic on San Francisco Economy" herein.

The COVID-19 outbreak is ongoing, and its duration and severity and economic effects are uncertain in many respects. Uncertain too are the actions that may be taken by federal and State governmental authorities to contain or mitigate the effects of the outbreak. The ultimate impact of COVID-19 on the operations and finances of the City, the District, TICD or the Merchant Builders 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) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession, (vii) reduced demand for development projects; (viii) delinquencies in payment of property taxes and (ix) 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 2022A 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 2022B 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 2022AB Bonds. See "SECURITY AND SOURCES OF PAYMENT – Limited Obligation" herein.

None of the District, the City, the Underwriter, TICD, DI Series 1 nor the Merchant Builders can predict the ultimate effects of the COVID-19 outbreak or 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 2022A Bonds and the Series 2022B 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 an adverse impact on the security for and the ability of the District to repay the Series 2022AB 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 an adverse effect on the District's ability to make timely payments on the Series 2022AB Bonds. Any reduction in Pledged Facilities Increment and Pledged Housing Increment, whether for any of these reasons or any other reasons, could have an adverse effect on the District's ability to pay the principal of and interest on the Series 2022AB Bonds. See "SECURITY AND SOURCE OF PAYMENT – Teeter Plan."

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 2022A Bonds and the Series 2022B Bonds, respectively, when due and a default could occur with respect to the payment of such principal and interest.

Seismic Risks

General. The City 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. Such earthquakes could 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 the City faces. The CAPSS Study prepared by the Applied Technology Council looked at the impact to all of the City'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. The deadline was extended from the original deadline of September 2020 in light of the COVID-19 pandemic. [As of July 6, 2021, improvements have been permitted or completed on approximately 88% of the buildings; however, the City currently does not expect full compliance by the September 2021 completion deadline due to the timing of construction on the various improvements.] Future tasks will address the seismic vulnerability of older nonductile concrete buildings, which are at high risk of severe damage or collapse in an earthquake.

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 *Fourth National Climate Assessment*, published by the U.S. Global Change Research Program in November 2018 ("NCA4"), finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. NCA4 states that rising temperatures, sea level rise, and changes in extreme events are expected to increasingly disrupt and damage critical infrastructure and property and regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. NCA4 states that the continued increase in the frequency and extent of high-tide flooding due to sea level rise threatens coastal public infrastructure. NCA4 also states that expected increases in the severity and frequency of heavy precipitation events will affect inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines.

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.

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 2022AB 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.

[Update as needed.] In September 2017, the City filed a lawsuit against the five largest investor-owned oil companies seeking to have the companies pay into an equitable abatement fund to help fund investment in sea level rise adaptation infrastructure. In July 2018, the United States District Court, Northern District of California denied the plaintiffs' motion for remand to state court, and then dismissed the lawsuit. The City appealed these decisions to the United States Court of Appeals for the Ninth Circuit, which is pending. While the City believes that its claims are meritorious, the City can give no assurance regarding whether it 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.

[With respect to the Treasure Island Project, the rate and method of apportionment of special taxes in the Treasure Island Community Facilities District requires the establishment of reserves for the Treasure Island Project as a whole for public improvements necessary to ensure that shoreline, public facilities, and public access improvements will be protected due to sea level rise at the perimeters of Treasure Island and Yerba Buena Island. However, the City can provide no assurances that the special taxes levied in the Treasure Island Community Facilities District's improvement areas will be available to fund such reserves or whether such reserves would be sufficient to protect the Islands from sea level rise.]

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 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, 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, with catastrophic results. 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 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.

As a result of the occurrence of events like those described above, a substantial portion of the property owners in the Project Areas may be unable or unwilling to pay property taxes when due, and the 2022 Facilities Reserve Account for the Series 2022A Bonds and the 2022 Housing Reserve Account for the Series 2022B Bonds may become depleted. See "SECURITY AND SOURCES OF PAYMENT – Teeter Plan."

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 – History – *Navy Remediation and Transfer* 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 that is realizable upon a delinquency.

The City is aware of a Complaint relating to environmental conditions with respect to the Treasure Island Project. For a description of the Complaint, see "– Treasure Island Related Complaint" below.

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 2022AB 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 2022AB 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 [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 2022AB Bonds.

Treasure Island Related Complaint

[To be reviewed for updates.] On January 23, 2020, a complaint ("Complaint") was filed by certain former and current residents of Treasure Island (i.e., a purported class of individuals who have been living, working, attending school or had substantial contact with Treasure Island from 2006 to the present) (collectively, the "Plaintiffs") in the Superior Court of the State of California, County of San Francisco (Case No. 20-cv-01328-JD), against TIDA ("Defendant 1"), Treasure Island Homeless Development Initiative ("Defendant 2"), Shaw Environmental ("Defendant 3"), U.S. Navy Treasure Island Clean Up Director Jim Sullivan, in his individual capacity ("Defendant 4"), U.S. Navy Treasure Island Clean Up Lead Project Manager David Clark, in his individual capacity ("Defendant 5"), U.S. Navy Representative Keith Forman, in his individual capacity ("Defendant 6"), Tetra Tech EC, Inc. ("Defendant 7"), Dan L. Batrack, in his individual and official capacity ("Defendant 8"), State Department of Toxic Substances Control ("Defendant 9"), San Francisco Department of Public Health ("Defendant 10"), Lennar Inc. ("Defendant 11"), Five Point Holdings, LLC ("Defendant 12"), John Stewart Company ("Defendant 13") and Does 1-100 inclusive ("Defendant 14" and, together with Defendants 1 through 13, the "Defendants"). On February 21, 2020, the U.S. Navy Defendants (Defendants, 4, 5, and 6) removed the case to the United States District Court for the Northern District of California.

The Complaint generally alleged that Treasure Island was contaminated with certain radioactive and chemical contaminants at levels higher than were disclosed to the public by the U.S. Navy. The Complaint further alleged that the Defendants had knowledge of the alleged elevated contaminant levels on Treasure Island and failed to disclose such information to the Plaintiffs.

The Complaint seeks the following relief: (1) a preliminary injunction, requiring the Defendants to take "anticipatory action" to prevent harm and, through exploration of current toxicity and careful analysis of courses of action in order, to present the least threat to residents to Treasure Island, as well as conduct an immediate health and safety assessment for residents, workers and students on Treasure Island; (2) a permanent injunction (available only if Plaintiffs prevail on the merits), requiring Defendants stop all development, construction, building, digging, erecting, disturbing the soil, dirt, earth, buildings, structures, pipes and all activity at Treasure Island until independent verified reports can be obtained showing complete and total remediation of all toxic substances, including all radioactive materials from Treasure Island; (4) monetary damages in the amount of $2 billion; (5) costs incurred bringing the action and (6) such other relief as the Court deems proper, including payment for immediate early-detection medical screenings for Plaintiffs.

On August 4, 2020, the court in response to various motions to dismiss by defendants entered an order granting Plaintiffs leave to amend their Complaint indicating, "The amended complaint also does not say anything about the point in time at which defendants might have had a duty to disclose this information [relating to levels of radiation on Treasure Island] to plaintiffs, in what context, and why, or how defendants failed. In short, plaintiffs' current allegations are so vague and perfunctory that they give defendants 'little idea where to begin' in preparing a response to the complaint." . . . "Plaintiffs are advised to focus and clarify their allegations and claims, and ensure that they state factual allegations against each named defendant. Otherwise, they are likely to face further, and potentially fatal, plausibility problems." The entity identified as Lennar, Inc. (Defendant 11) was named in connection with each of the eight causes of action.

On September 9, 2020, the Plaintiffs filed an amended Complaint, but the amendment did not make any material changes to the allegations set forth in the original Complaint. The City, the U.S. Department of Justice, One Treasure Island, John Stewart Company, Five Point Holdings, LLC and Lennar Inc. have each filed motions to dismiss on the basis that Plaintiffs failed to follow the court's instructions with respect to amending the Complaint. The hearing on the motion to dismiss was scheduled for November 5, 2020. The Court took the motions to dismiss under submission and did not initially issue a ruling. On February 16, 2021, Plaintiffs filed a motion seeking leave to file an amended complaint. Defendants filed opposition to this motion. On June 21, 2021, the Court granted Plaintiffs' motion to file their third amended complaint and denied all pending motions to dismiss as moot. On June 27, 2021, Plaintiffs filed their third amended complaint naming the City and adding as defendants two City employees and the California Department of Public Health, and dismissing Defendants 9, 11 (Lennar Inc.), 12, and 13. The third amended complaint contains the same allegations as were alleged in the Complaint and seeks the same relief. The City has filed a motion to dismiss the third amended complaint. The Court vacated a November 4, 2021 hearing, and will decide the motion to dismiss without oral argument. The City is awaiting a decision. If the matter proceeds to trial on Plaintiffs' third amended complaint, the City and TIDA believe that there are strong defenses available against each alleged cause of action relating to the City, TIDA and the individual City employees, which they intend to diligently pursue.

The parcels at issue in the Complaint are located on Treasure Island. [However, apparently none of the parcels at issue in the Complaint are located in the Project Areas [to be confirmed].] Certain utility infrastructure that will service parcels located in the Project Areas is being constructed on Treasure Island. If injunctive relief is granted and development on Treasure Island is delayed or prohibited, the delivery of utility services to the parcels located in the Project Areas may be delayed until alternative utility infrastructure is put into place or the injunction is lifted. Further, if development on Treasure Island is enjoined, the delivery of certain elements of the overall Treasure Island Project may be delayed. If the development of the property is not completed, or is not completed in a timely manner, there could be an adverse effect on the payment of property taxes, which, in turn, could result in the inability of the District to make full and punctual payments of debt service on the Series 2022AB Bonds.

The District, the City and TIDA can give no assurance regarding the outcome of this litigation, and if the Plaintiffs succeed in their lawsuit, it could have an adverse impact on the TIDA development and the collection of property taxes in the District.

Ballot Initiatives and Legislative Measures

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 Series 2022A Bonds or the Series 2022B 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 2022AB Bonds.

Limitations on Remedies

Remedies available to the owners of Series 2022A Bonds and Series 2022B 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 2022AB Bonds. Bond Counsel has limited its opinions as to the enforceability of the Series 2022AB 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 2022A Bonds and Series 2022B 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.

Limited Secondary Market

As stated herein, investment in the Series 2022AB 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 2022AB Bonds. [The Series 2022AB 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 2022AB Bonds or, if a secondary market exists, that the Series 2022AB 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. For example, in November 2016, the San Francisco Municipal Transportation Agency ("SFMTA") was subject to a ransomware attack which disrupted some of the SFMTA's internal computer systems. Although the attack neither interrupted Muni train services nor compromised customer privacy or transaction information, SFMTA took the precaution of turning off the ticket machines and fare gates in the Muni Metro subway stations from Friday, November 25 until the morning of Sunday, November 27.

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.

LIMITATIONS ON TAX INCREMENT REVENUES

The Series 2022A Bonds and the Series 2022B 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 2022A Bonds and the Series 2022B Bonds, respectively, is affected by several factors, including but not limited to those discussed below. See also "RISK FACTORS."

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 are due March 1. Unsecured taxes enrolled by July 31, if unpaid, are delinquent 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, Gross Tax Increment 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.]

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 XIIIA of California Constitution

Article XIIIA of the State Constitution, known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIA, 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 XIIIA 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 ([___]% for Fiscal Year 2022-23) 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 Net Tax Increment.

Article XIIIB of California Constitution

On November 6, 1979, California voters approved Proposition 4, which added Article XIIIB to the California Constitution. Article XIIIB has been subsequently amended several times. The principal effect of Article XIIIB 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 XIIIB 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 XIIIC and XIIID of California Constitution

On November 5, 1996, California voters approved Proposition 218. Proposition 218 added Articles XIIIC and XIIID 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 XIIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution. The Series 2022AB 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 XIIIA, Article XIIIB, Article XIIIC and Article XIIID 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.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate relating to the Series 2022A Bonds (the "2022A Disclosure Certificate"), the District has covenanted for the benefit of owners of the Series 2022A Bonds to provide certain financial information and operating data relating to the District (the "2022A 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 2022B Bonds (the "2022B Disclosure Certificate," and together with the 2022A Disclosure Certificate, the "Disclosure Certificates"), the District has covenanted for the benefit of owners of the Series 2022A Bonds to provide certain financial information and operating data relating to the District (the "2022A Annual Report") on an annual basis, and to provide notices of the occurrences of certain enumerated events. The Annual Report 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 2021-22 Fiscal Year (which is due not later than March 31, 2023). The specific nature of information to be contained in the 2022A Annual Report or the notice of events is summarized in APPENDIX E-1 – "FORM OF SERIES 2022A CONTINUING DISCLOSURE CERTIFICATE." The specific nature of information to be contained in the 2022A Annual Report or the notice of events is summarized in APPENDIX E-2 – "FORM OF SERIES 2022B CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made by the District in order to assist the Underwriter in complying with the Rule.

[The City has conducted a review of the compliance of the City, with their respective previous continuing disclosure undertakings pursuant to Rule 15c2-12.

On March 6, 2018, Moody's Investors Service, Inc. ("Moody's") upgraded certain of the City and County of San Francisco Finance Corporation lease-backed obligations to "Aa1" from "Aa2." The City timely filed notice of the upgrade with EMMA, but inadvertently did not link the notice to all relevant CUSIP numbers. The City has taken action to link such information to the applicable CUSIP numbers.

The Annual Report for fiscal year 2016-17, which was timely prepared, provided investors a link to the City's 2016-17 audited financial statements ("2016-17 Audited Financial Statements") on the City's website. However, the 2016-17 Audited Financial Statements were not posted on EMMA. The City subsequently filed the 2016-17 Audited Financial Statements and a notice of such late filing on EMMA.

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.]

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2022AB 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.

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 2022AB 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 2022AB Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Series 2022AB 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 2022AB 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 2022AB 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 2022AB Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2022AB Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2022AB Bonds who purchase the Series 2022AB Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2022AB Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2022AB 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 2022AB Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2022AB Bond (said term being the shorter of the Series 2022AB 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 2022AB Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2022AB 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 2022AB Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2022AB 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 2022AB Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Series 2022AB 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 2022AB 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 2022AB 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 2022AB Bonds, or as to the consequences of owning or receiving interest on the Series 2022AB Bonds, as of any future date. Prospective purchasers of the Series 2022AB 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 2022AB Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2022AB 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 2022AB Bonds, the ownership, sale or disposition of the Series 2022AB Bonds, or the amount, accrual or receipt of interest on the Series 2022AB Bonds.

Form of Opinion. The forms of opinions of Bond Counsel are set forth as Appendix F-1 and Appendix F-2 hereto.

UNDERWRITING

The District has sold the Series 2022AB Bonds to the California Statewide Communities Development Authority ("CSCDA") Stifel, Nicolaus & Co. Incorporated (the "Underwriter") simultaneously purchased the Series 2022A Bonds from CSCDA at a purchase price of $________, representing the principal amount of the Series 2022A Bonds less an Underwriter's discount of $________ and plus original issue premium of $________ and the Series 2022B Bonds at a purchase price of $________, representing the principal amount of the Series 2022B Bonds less an Underwriter's discount of $________ and plus original issue premium of $________. The Underwriter intends to offer the Series 2022AB 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 2022AB Bonds to the public. The Underwriter may offer and sell the Series 2022AB Bonds to certain dealers (including dealers depositing Series 2022AB 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, A Professional Law Corporation, San Francisco, California, as Bond Counsel, approving the validity of the Series 2022A Bonds and the Series 2022B Bonds, in substantially the respective forms set forth in Appendix F-1 and Appendix F-2 hereto, will be made available to purchasers of the Series 2022AB Bonds at the time of original delivery. Bond Counsel has not undertaken on behalf of the Owners or the Beneficial Owners of the Series 2022AB 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 2022AB Bonds.

Compensation paid to Jones Hall, A Professional Law Corporation, as Bond Counsel, and Norton Rose Fulbright US LLP, as Disclosure Counsel, is contingent on the issuance of the Series 2022AB Bonds.

Norton Rose Fulbright (US) LLP, Los Angeles, California has served as Disclosure Counsel to the District, and in such capacity has advised District staff with respect to applicable securities laws and participated with responsible 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. The District is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon issuance and delivery of the Series 2022AB 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 2022AB 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 addresses 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 2022AB 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 2022AB Bonds shall deposit the Series 2022AB 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 2022AB Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2022AB 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 2022AB Bond is Qualified Purchaser, however any actual transfer of a Series 2022AB 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 2022AB Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2022AB Bond for its own account for investment purposes and not with a view to distributing such Series 2022AB Bond. Each purchaser of any Series 2022AB 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 2022A 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 2022B 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 2022AB 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 2022AB 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 2022AB Bonds makes an assignment of its beneficial ownership interest in the Series 2022AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein.]

NO LITIGATION REGARDING SERIES 2022AB 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 2022AB Bonds will be furnished to the Underwriter and its affiliates at the time of the original delivery of the Series 2022AB 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 2022AB Bonds.

The District is aware of a Complaint relating to Treasure Island. See “RISK FACTORS - Treasure Island Related Complaint” for a description thereof. The District and TIDA can give no assurance regarding the outcome of this litigation, and if the Plaintiffs succeed in their lawsuit it could have an adverse impact on the TIDA development in the District.

Ongoing Investigations. [Subject to update.] On January 28, 2020, the City’s former Director of Public Works Mohammad Nuru was indicted on federal criminal charges of public corruption, including honest services wire fraud and lying to Federal Bureau of Investigation officials. The allegations contained in the complaint involve various schemes, including an attempt by Mr. Nuru and Mr. Nick Bovis, a local restaurateur who was also indicted by the federal government, to bribe an Airport Commissioner to influence the award of lease of space at the San Francisco International Airport, Mr. Nuru using his official position to benefit a developer of a mixed-use project in San Francisco in exchange for personal gifts and benefits; Mr. Nuru attempting to use his former position as the chair of the Transbay Joint Powers Authority to secure a lease for Mr. Bovis in the Salesforce Transit Center, in exchange for personal benefits provided by the restauranteur; Mr. Nuru providing Mr. Bovis with inside information on City projects regarding contracts for portable bathroom trailers and small container-like housing units for use by the homeless, so that Mr. Bovis could win the contracts for those projects; and Mr. Nuru obtaining free and discounted labor and construction equipment from contractors to help him build a personal vacation home while those contractors were also engaging in business with the City. Mr. Nuru resigned from employment with the City two weeks after his arrest. On February 4, 2020, the City Attorney and Controller announced a joint investigation that was underway, stemming from federal criminal charges filed against Mr. Nuru and Mr. Bovis.

The City Attorney's Office, in conjunction with the Controller's Office, is seeking to identify officials, employees and contractors involved in these schemes or other related conduct, and to identify contracts, grants, gifts, and other government decisions possibly tainted by conflicts of interest and other legal or policy violations. The Controller's Office, in conjunction with the City Attorney's Office, has put into place interim controls to review Public Works contracts for red flags and process failures. The Controller's Office is also working with the City Attorney's Office to identify whether stop payments, cancellations or other terminations are justified on any open contracts, purchase orders or bids. Also, the Controller, in coordination with the City Attorney's Office, intends to produce periodic public reports setting forth assessments of patterns and practices to help prevent fraud and corruption and recommendations about best practices, including possible changes in City law and policy.

On March 10, 2020, the City Attorney transmitted to the Mayor its preliminary report of investigations of alleged misconduct by the City's Director of the Department of Building Inspections ("DBI"). The allegations involve violations of the City Campaign and Conduct Code and DBI's Code of Professional Conduct by the Director by (i) providing intentional and preferential treatment to certain permit expediters, (ii) accepting gifts and dinners in violation of DBI's professional code of conduct, and (iii) otherwise violating City laws and policies by abusing his position to seek positions for his son and son's girlfriend. The Mayor placed the Director of Building Inspection on administrative leave, and he resigned shortly thereafter.

On June 29, 2020, the Controller released its preliminary assessment of Citywide procurement practices, with an emphasis on the Public Works Department. The report is subject to public comment and review and could be revised in the future. The preliminary assessment focused on City laws, practices and policies and made recommendations to make improvements on such City laws and policies to improve transparency, reduce the risk of loss and abuse in City contracting in the future. The Controller expects to issue additional reports in the future. Reviews of the City internal controls will be released in a subsequent report. Finally, the City Attorney investigation continues with respect to the review certain contracts and payments made to outside vendors. To date, the City Attorney's investigation has led to the release of four city employees (including the Director of Public Works and the Director of Building Inspections, as described above) or officials from their City positions.

On September 24, 2020, the Controller issued an additional report noting that Mr. Nuru also solicited donations from private sources and directed those donations to a non-profit supporting the Department of Public Works. Such arrangements, which were neither accepted or disclosed by the City, created a perceived risk of "pay-to-play" relationships. The report made recommendations to the Board of Supervisions that, among other things, would restrict the ability of department heads from soliciting donations from interested parties in the future and would increase transparency surrounding gifts made to benefit City departments.

On November 30, 2020, Harlan L. Kelly, Jr., the General Manager of the San Francisco Public Utilities Commission ("PUC"), was charged in a federal criminal complaint with one count of honest services wire fraud. The complaint alleges that Mr. Kelly engaged in a long-running bribery scheme and corrupt partnership with Walter Wong, a San Francisco construction company executive and permit expediting consultant, who ran or controlled multiple entities doing business with the City. The complaint further alleges that as part of the scheme, Mr. Wong provided items of value to Mr. Kelly in exchange for official acts by Mr. Kelly that benefited or attempted to benefit Mr. Wong's business ventures. Earlier criminal charges filed against Walter Wong alleged that Mr. Wong conspired with multiple City officials, including Mr. Nuru, in a conspiracy and money laundering scheme. Mr. Wong pled guilty in July 2021 and is cooperating with the ongoing federal investigation.

Mr. Kelly resigned on December 1, 2020 and the PUC's Commission acted on his resignation on December 8, 2020. Dennis J. Herrera is currently serving as the General Manager for the PUC.

In addition to the joint investigation by the City Attorney's Office and the Controller's Office, the City's Board of Supervisors has initiated a series of public hearings before its Government Audit and Oversight Committee to examine issues raised by the federal complaints. That committee will also consider the Controller's periodic reports. The full Board of Supervisors is considering retaining additional independent services relating to the matters that were the subject of the federal indictment. The City can give no assurance regarding when the City's investigation will be completed or what the outcome will be.

On March 4, 2021, the City Attorney announced an approximately $100 million settlement with Recology San Francisco ("Recology"), the contractor handling the City's waste and recycling collection. The settlement arose from overcharges that were uncovered as part of the continuing public integrity investigation tied to Mr. Nuru and others. As part of the Settlement, Recology will be required to lower commercial and residential rates starting April 1, 2021, and make a $7 million settlement payment to the City under the California Unfair Competition Law and the San Francisco Campaign and Governmental Conduct Code. In addition, Recology will be enjoined for four years from making any gift to any City employee or any contribution to a nonprofit at the behest of a City employee. The comprehensive settlement agreement with Recology is subject to approval by the Board of Supervisors. The bribery and corruption public integrity investigation related to the Nuru matter is ongoing. On July 8, 2021 the San Francisco District Attorney announced the arrest of former Department of Public Works bureau manager Gerald "Jerry" Sanguinetti. Mr. Sanguinetti was charged with five felony counts of perjury and two misdemeanor charges arising from his failure to report income and file financial disclosure statements associated with the sale to the Public Works Department of merchandise by a company owned by his wife. The charges arise out of the continuing investigation into public corruption involving the Public Works Department. The Public Works Department investigation is ongoing.

On January 6, 2022, Mr. Nuru entered a guilty plea on one count of fraud as part of a plea agreement with prosecutors.

The criminal investigation by the Federal Bureau of Investigation and the United States Attorney's office is ongoing. The City Attorney, together with the City's Controller, continues to undertake an internal investigation of City contracting and policies and procedures arising from the federal charges.

[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 2022AB 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 2022AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2022AB Bonds in the secondary market. See “RISK FACTORS - Limited Secondary Market.”]

MUNICIPAL ADVISOR

The District has retained CSG Advisors Incorporated, as Municipal Advisor in connection with the issuance of the Series 2022AB 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 2022AB 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 2022AB Bonds.

Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Series 2022AB Bonds.

[Remainder of page intentionally left blank.]

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 2022AB 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

DEMOGRAPHIC INFORMATION REGARDING THE CITY AND COUNTY OF SAN FRANCISCO

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 2022A CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$[PAR AMOUNT]
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022A
(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. 22-__, adopted by the Board of Supervisors as the legislative body of the District on _______, 2022, and signed by the Mayor on _______, 2022 (the "2022 Bond Resolution," and together with the Original Resolution of Issuance, the "Resolution"), and the provisions of an Indenture of Trust, dated as of June 1, 2022 (the "Indenture"), by and between the District and [Trustee], 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 Goodwin Consulting Group, Inc., acting in its capacity as Dissemination Agent under this Disclosure Certificate, or any successor 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 2021-22 Fiscal Year (which is due not later than March 31, 2023), 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 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) (1) the principal amount of the outstanding Parity Bonds as of September 2 preceding the date of the Annual Report and total debt service of the outstanding Parity Bonds that was due in the Bond Year preceding the date of the Annual Report, and (2) the debt service of the outstanding Parity Bonds by series and in total that was due or is scheduled to be due in the then-current Bond Year, and in each Bond Year thereafter through the final maturity date of the outstanding Parity Bonds.

(c) the balance in the Facilities Project Fund as of June 30 preceding the date of the Annual Report (until such fund has been closed).

(d) the balance in the 2022 Facilities Reserve Account and any reserve for any Facilities Bonds other than the 2022 Facilities Reserve Account and the then-current reserve requirement amount for the Bonds and any other Facilities Bonds as of June 30 preceding the date of the Annual Report.

(e) the top ten taxpayers by assessed valuation in the Project Areas for the fiscal year to which the Annual Report pertains in a form substantially similar to Table __ of the Official Statement;

(f) assessed valuations and tax increment for the fiscal year to which the Annual Report pertains, by means of an update to Table ___ of the Official Statement;

(g) estimated all-in debt service coverage for Facilities Debt for the fiscal year to which the Annual Report pertains by means of an update to Table __ of the Official Statement.

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: _______, 2022

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

AGREED AND ACCEPTED:

GOODWIN CONSULTING GROUP, INC., as Dissemination Agent

By: ___________________________________
Name: _________________________________
Title: __________________________________

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 2022A (Facilities Increment)
Date of Issuance:	________, 2022

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 ______, 2022. 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: ________________________________

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APPENDIX E-2

FORM OF SERIES 2022B CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$[PAR AMOUNT]
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2022B
(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. 22-__, adopted by the Board of Supervisors as the legislative body of the District on _______, 2022, and signed by the Mayor on _______, 2022 (the "2022 Bond Resolution," and together with the Original Resolution of Issuance, the "Resolution"), and the provisions of an Indenture of Trust, dated as of June 1, 2022 (the "Indenture"), by and between the District and [Trustee], 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 Goodwin Consulting Group, Inc., acting in its capacity as Dissemination Agent under this Disclosure Certificate, or any successor 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 2021-22 Fiscal Year (which is due not later than March 31, 2023), 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) (1) the principal amount of the outstanding Parity Bonds as of September 2 preceding the date of the Annual Report and total debt service of the outstanding Parity Bonds that was due in the Bond Year preceding the date of the Annual Report, and (2) the debt service of the outstanding Parity Bonds by series and in total that was due or is scheduled to be due in the then-current Bond Year, and in each Bond Year thereafter through the final maturity date of the outstanding Parity Bonds.

(c) the balance in the Housing Project Fund as of June 30 preceding the date of the Annual Report (until such fund has been closed).

(d) the balance in the 2022 Housing Reserve Account and any reserve for any Housing Bonds other than the 2022 Housing Reserve Account and the then-current reserve requirement amount for the Bonds and any other Housing Bonds as of June 30 preceding the date of the Annual Report.

(e) the top ten taxpayers by assessed valuation in the Project Areas for the fiscal year to which the Annual Report pertains in a form substantially similar to Table __ of the Official Statement;

(f) assessed valuations and tax increment for the fiscal year to which the Annual Report pertains, by means of an update to Table ___ of the Official Statement;

(g) estimated all-in debt service coverage for Housing Debt for the fiscal year to which the Annual Report pertains by means of an update to Table __ of the Official Statement.

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: _______, 2022

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

AGREED AND ACCEPTED:

GOODWIN CONSULTING GROUP, INC., as Dissemination Agent

By: ___________________________________
Name: _________________________________
Title: __________________________________

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 2022B (Housing Increment)
Date of Issuance:	________, 2022

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 ______, 2022. 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: ________________________________

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APPENDIX F-1

FORM OF SERIES 2022A BOND COUNSEL OPINION

APPENDIX F-2

FORM OF SERIES 2022B BOND COUNSEL OPINION

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 2022AB Bonds. The Series 2022AB 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 2022AB 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 die 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 2022AB Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022AB 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 2022AB 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 2022AB Bonds, except in the event that use of the book-entry system for the Series 2022AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022AB Bonds deposited by Direct Participants with DTC are registered in the name of DTCs partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022AB 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 2022AB Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022AB 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 well 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 2022AB Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022AB Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022AB Bond documents. For example, Beneficial Owners of Series 2022AB Bonds may wish to ascertain that the nominee holding the Series 2022AB 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 2022AB 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 2022AB 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 2022AB 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 2022AB 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 2022AB 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.

March 4, 2022

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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 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 2022A (Facilities Increment) ("Series A Bonds"); and 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 B Bonds").

Together the Series A Bonds and Series B 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 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 will create 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 the Disposition and Development Agreement (Treasure Island / Yerba Buena Island) by and between the Treasure

Island Development Authority and Treasure Island Community Development LLC (“DDA”), which provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Map 1. Vicinity Map of Treasure and Yerba Buena Islands

Exhibit EE to the DDA establishes a financing plan (“DDA Financing Plan”) that calls for the formation of infrastructure financing districts to finance the facilities and affordable housing costs of the Treasure Island Project. Pursuant to the DDA Financing Plan, IRFD No. 1 was formed by the City in 2017. 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. 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 are expected to 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 DDA Financing Plan.

The DDA Financing Plan provides that TICD may request issuance of debt by the IRFD from time to time. Pursuant to a request by TICD under the DDA Financing Plan, IRFD No. 1 is proposing to issue its Series A Bonds to finance facilities costs and its Series B Bonds to finance affordable housing costs of the Treasure Island Project.

This Fiscal Consultant Report provides a projection of tax increment revenues available for payment of debt service on the Series A Bonds and Series B Bonds. Projections reflect reported fiscal year (“FY”) 2021-22 assessed values, transfers of ownership that were recorded subsequent to the January 1, 2021 lien date applicable to the FY 2021-22 assessment roll, and assessed value added by new construction completed subsequent to the January 1, 2021 lien date for the FY 2021-22 assessment roll. 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 and to pay debt service on bonds issued to finance these costs.

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. The five project areas have a combined land area of approximately 34 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.

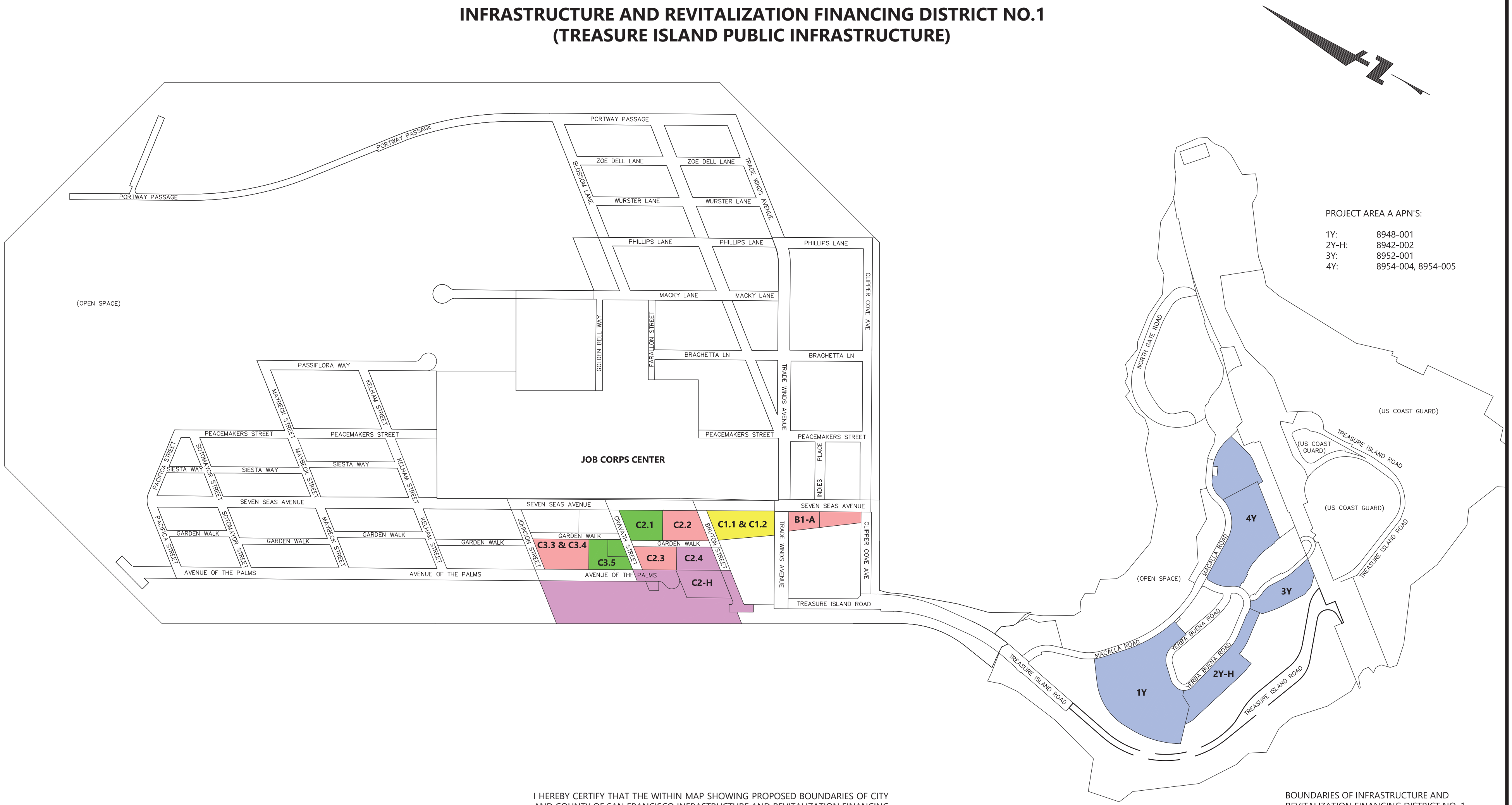
As described above, it is anticipated that territory will be added to IRFD No. 1 in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. It is anticipated that additional territory will be added as additional IRFD No. 1 project areas.

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)



PROJECT AREA A APN'S:

1Y:	8948-001
2Y-H:	8942-002
3Y:	8952-001
4Y:	8954-004, 8954-005

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. __________________.

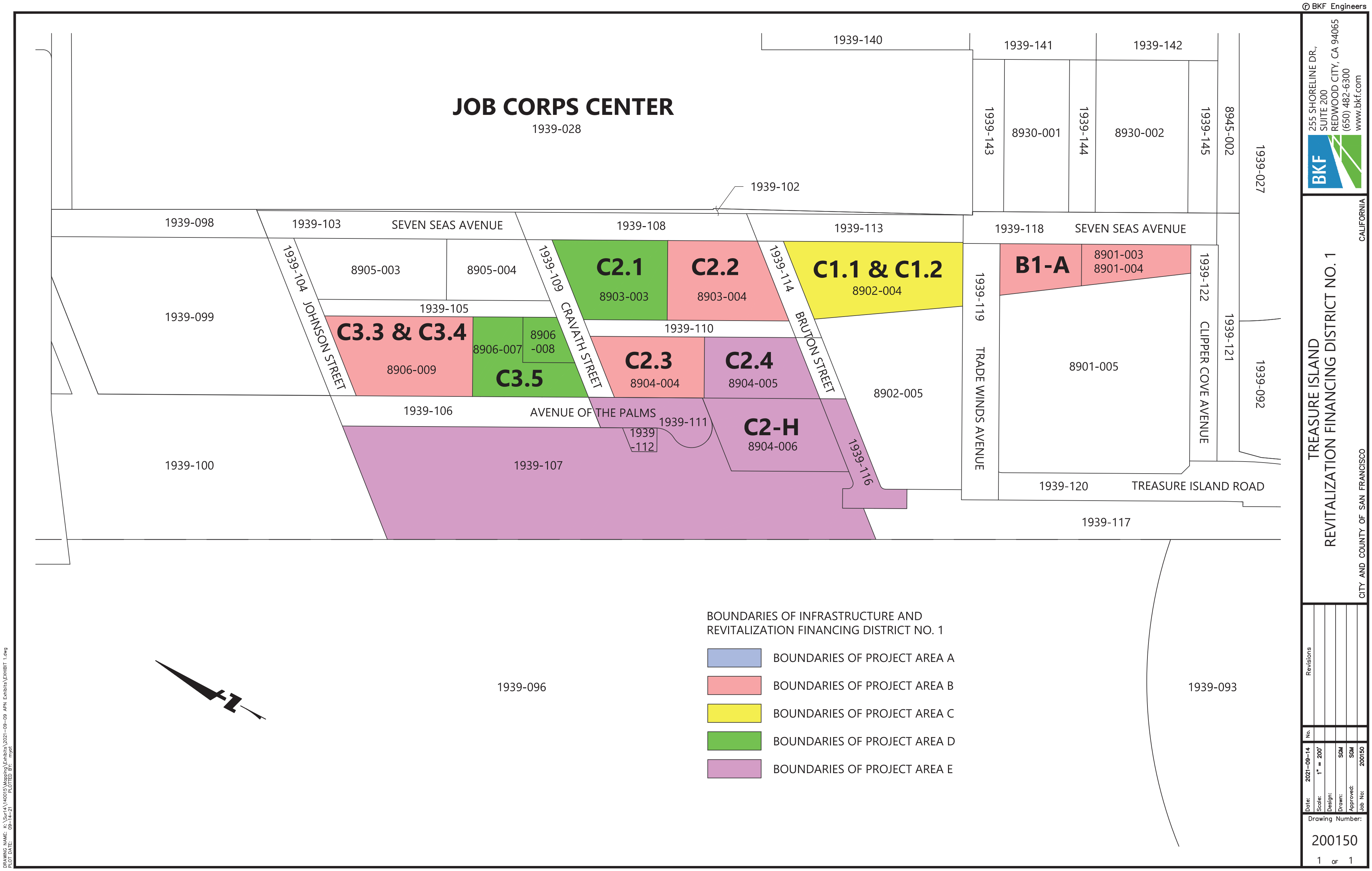
____

(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

BKF


JOB CORPS CENTER
1939-028
1939-140
1939-141
1939-142
1939-143
8930-001
1939-144
8930-002
1939-145
8945-002
1939-027
1939-102
1939-098
1939-103
SEVEN SEAS AVENUE
1939-108
1939-113
1939-118
SEVEN SEAS AVENUE
1939-104
JOHNSON STREET
8905-003
8905-004
1939-109
CRAVATH STREET
C2.1
8903-003
C2.2
8903-004
1939-114
BRUTON STREET
C1.1 & C1.2
8902-004
1939-119
TRADE WINDS AVENUE
B1-A
8901-003
8901-004
1939-122
CLIPPER COVE AVENUE
1939-121
1939-099
1939-105
C3.3 & C3.4
8906-009
8906-007
8906
-008
C3.5
1939-110
C2.3
8904-004
C2.4
8904-005
8901-005
8902-005
1939-092
1939-106
AVENUE OF THE PALMS
1939-111
1939
-112
C2-H
8904-006
1939-116
1939-100
1939-107
1939-120
TREASURE ISLAND ROAD
1939-117
1939-096
1939-093
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
© BKF Engineers
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TREASURE ISLAND
REVITALIZATION FINANCING DISTRICT NO. 1
CITY AND COUNTY OF SAN FRANCISCO
CALIFORNIA
Revisions
No.
Date: 2021-09-14
Scale: 1" = 200'
Design:
Drawn: SGM
Approved: SGM
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 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 Capital Group, LLC ("Stockbridge"), Kenwood Investments ("Kenwood"), Wilson Meany, LP ("Wilson Meany"), and Poly USA Real Estate Development Corporation ("Poly USA"). TICD, and its subsidiaries including Treasure Island Series 1, LLC and Treasure Island Series 2, LLC, 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 2,800 market rate residential homes, 770 below market rate units, 551,000 square feet of commercial space, and 500 hotel rooms. Major Phase 1 includes eight sub-phases. IRFD No. 1 currently encompasses development parcels within five of the eight 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 1,747 residential units and two hotels. Of the total number of residential units, 1,675 are market rate units and 72 are below market rate inclusionary units. Substantial infrastructure and site improvements have been made throughout IRFD No. 1 in preparation for vertical construction. Vertical construction of the Bristol, which will include 124 for-sale residential units, is expected to be completed in spring 2022. Site permits for vertical construction of three additional residential developments within IRFD No. 1 were issued in November 2021 through January 2022 and include a combined 516 residential units.

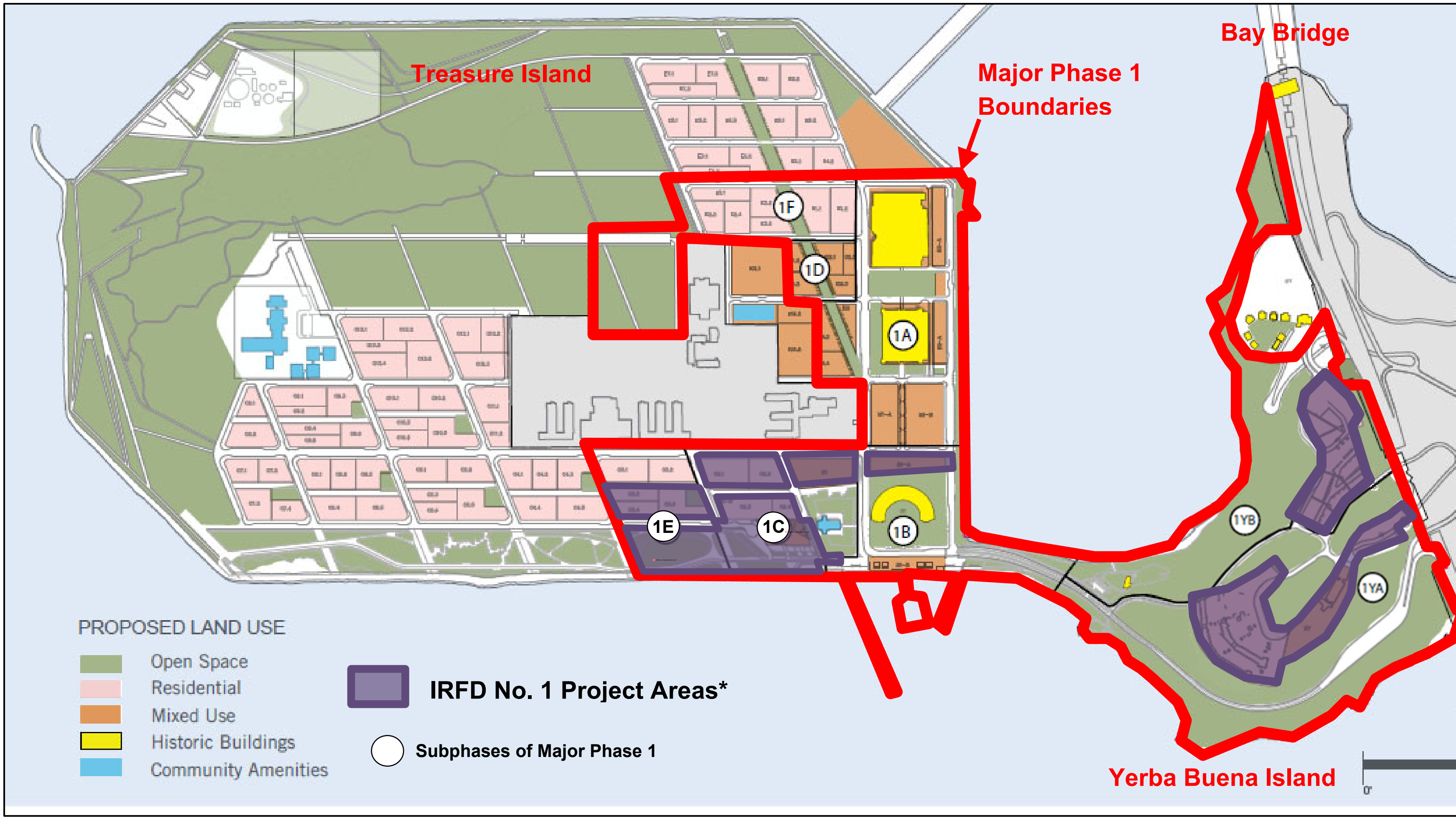
Table 1 provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within IRFD No. 1. Table 2 identifies the planned development by IRFD No. 1 Project Area and identifies the development blocks within each. A map of the 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 of Treasure Island Project within **Major Phase 1**	Portion of Major Phase 1 within **IRFD No. 1**
Description	Total project	First of four major phases of the Treasure Island Project	Portions of five out of eight subphases of Major Phase 1 are included within IRFD No. 1
Planned Residential Units (up to)	8,000 total units with 5,827 market rate and 2,173 below market rate	3,570 total units with 2,800 market rate and 770 below market rate	1,747 total units with 1,675 market rate and 72 below market rate
Planned Non-Residential Development (up to)	551,000 sq. ft. 500 hotel rooms	551,000 sq. ft. 500 hotel rooms	approx. 10,000 sq. ft. 350 hotel rooms

Table 2. Planned Development by IRFD No. 1 Project Area					
Project Area	**Location**	**Development Blocks**	**Applicable Major Phase 1 Subphases**	**CFD Improvement Area***	**Planned Residential and Hotel Development**
A	Yerba Buena Island	1Y, 2Y-H, 3Y, 4Y	1YA, 1YB	No. 1	266 units, 50-room hotel
B	Treasure Island	B1, C2.2, C2.3, C3.3/C3.4	1B, 1C, 1E	No. 2	520 units
C		C1.1/C1.2		No. 3	286 units
D		C2.1, C3.5		No. 3	425 units
E		C2.4, C2-H		No. 2*	250 units, 300-room hotel
				Total:	1,747 units and 350 hotel rooms

* 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.

Map 3. Proposed Land Use for Treasure Island Project, Boundaries of Major Phase 1, with IRFD No. 1 Project Areas



Source: Treasure Island and Yerba Buena Island Major Phase 1 Application.
*Boundaries are approximate.

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, 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 3.

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 are projected to be reached in FY 2021-22 based on the tax increment amounts to be generated by current year assessed values[1], resulting in the projected commencement of tax increment collection in FY 2022-23.

Trigger amounts for commencement of tax increment allocation have not been reached in Project Area C or D.

Table 3 summarizes the tax increment allocation status for each area.

Table 3. IRFD No. 1 Project Areas

Project Area	Acreage (1)	Trigger Amount for Commencement of Tax Increment Allocation	First Year of Tax Increment Allocation to IRFD No. 1	Last Year of Tax Increment
A	15.62	$150,000	FY 2019-20	FY 2058-59
B	4.38	$150,000	FY 2022-23 (2)	FY 2061-62
C	1.56	$300,000	To Be Determined.	To Be Determined (4)
D	2.33	$300,000		
E	10.1	$150,000	FY 2022-23 (3)	FY 2061-62
Total:	34.0			

(1) Aggregate land area of included assessors parcels.
(2) Tax increment for Area B to be generated and received by the City in FY 2021-22 is estimated to total $308,086 based on reported assessed values, which is above the $150,000 threshold for commencement of tax increment allocation to IRFD No. 1.
(3) Tax increment for Area E to be generated and received by the City in FY 2021-22 is estimated to total $167,283 based on reported assessed values, which is above the $150,000 threshold for commencement of tax increment allocation to IRFD No. 1.
(4) 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 after 40 years of collection, which is FY 2058-59 for Project Area A, FY 2061-62 for Project Areas B and D, and a fiscal year that remains to be determined for Project Areas C and D.

For Project Area D, estimated FY 2022-23 assessed values combined with estimated supplemental taxes resulting from a transfer of ownership recorded in May 2021 are potentially sufficient to exceed the $300,000 threshold that would trigger commencement of tax increment allocation to IRFD No. 1 in FY 2023-24. However, whether the threshold is exceeded will depend on the timing of receipt of supplemental taxes arising from this transfer of ownership[2]. Commencement of tax increment allocation to IRFD No. 1 for Project Area D is not projected in any year for purposes of the FY 2022-23 Revenue Projection included in Table 15 because it is

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[1] See notes to Table 3 regarding revenue estimates relative to thresholds. Receipt of revenues sufficient for commencement of tax increment allocation to IRFD No. 1 in areas B and E in FY 2022-23 is projected based on: (a) reported assessed values, (b) the practice of distributing 100% of calculated secured property taxes in accordance with the Teeter plan, as described in Section 7.2, and (c) the absence of assessment appeals, as described in Section 5.

[2] Estimated tax increment generated in Area D from regular secured taxes for FY 2022-23 totals $199,324. Estimated supplemental taxes arising from a May 2021 transfer of ownership are estimated to result in an additional tax increment amount for Area D of $183,028, resulting in a combined amount of $382,352, which exceeds the $300,000 threshold for commencement of tax increment allocation in Area D. However, estimated supplemental taxes have not been billed as of January 2022 and the timing of when supplemental taxes will be billed, paid and received by the City is not yet known. Thus, it is not known with certainty that the $300,000 threshold will be exceeded in FY 2022-23.

uncertain whether the Project Area D threshold will be reached in FY 2022-23. For purposes of the revenue projection scenario provided in Table 16 that includes 2% growth in assessed values per year, commencement of tax increment allocation to IRFD No. 1 in Project Area D is projected in FY 2044-45.

Tax increment funds derived from all component project areas of IRFD No. 1 are aggregated for purposes of financing.

2.2 Tax Increment Allocation to IRFD No. 1

Tax increment allocable to IRFD No. 1 is calculated based upon the growth in assessed value 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 exempt from property taxes, as of the January 1, 2016 lien date for the base year 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 XIIIA 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 56.688206% 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 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); and

- **“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.

(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 Series A and Series B Bonds:

- **“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; and

- **“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.

“Pledged Housing Increment” is equal to the sum of (1) Net Available Housing Increment and (2) Conditional City Housing Increment (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 Series B Bonds.

“Pledged Facilities Increment” is equal to the sum of (1) Net Available Facilities Increment and (2) Conditional City Facilities Increment (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 Series A Bonds.

Table 4 provides a summary.

Table 4. Percentage Allocation of 1% Property Tax Increment to IRFD No. 1

	Combined Total	**Pledged Housing Increment** (17.5% share)	**Pledged Facilities Increment** (82.5% share)
(1) **Net Available Increment** allocated to IRFD No. 1	56.588206%	9.902936%	46.685270%
(2) **Conditional City Increment** allocated to IRFD No. 1 if necessary for debt service	8.000000%	1.400000%	6.600000%
Pledged Increment [= (1) + (2)]	64.588206%	**11.302936%**	**53.285270%**
Other 1% Taxing Agencies (**not** available to IRFD No. 1)	35.411794%		
Total Tax Increment	100.000000%		

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 of $1.53 billion and cumulative limit on receipt of Conditional City Increment of $216 million, resulting in a combined $1.746 billion limit for the existing project areas, as shown in Table 5. Through June 30, 2021, approximately $968,000 in Net Available Increment and $137,000 of Conditional City Increment were allocated, representing 0.06% of the respective cumulative limits.

Table 5. Cumulative Limits on Receipt of Tax Increment		
	Cumulative Limit on Receipt of Revenue for IRFD No. 1	Cumulative Amount Allocated through June 30, 2021 (1)
Net Available Increment	$1,530,000,000	$967,847
Conditional City Increment	$216,000,000	$136,827
Total	$1,746,000,000	$1,104,674

(1) Based on the records of the City Office of the Controller regarding the total amount allocated. Allocation between Net Available and Conditional City Increment estimated by KMA for FY 2020-21.

Based upon the growth assumptions incorporated into the Table 16 revenue projections, incorporating the 2% maximum annual inflation increase under Proposition 13, approximately $82.1 million of Net Available Increment and $11.6 million of Conditional City Increment will be allocable to IRFD No. 1 from the five existing project areas through the 2052 final maturity for the Bonds, representing 5.4% of the cumulative tax increment limits under the IFP. For the cumulative tax increment limits to be reached prior to the final debt service payment in 2052, it is estimated that assessed values for IRFD No. 1 would need to grow at a compound annual growth rate more than approximately 17% 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 51% of the respective cumulative tax increment limits through the 2052 final maturity of the Bonds.

As described above, it is expected that additional territory will annex into IRFD No. 1 as property is transferred by the Navy to TIDA, and then from TIDA to TICD. 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 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.

As further described in Section 3.2, 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 is subordinate to any bonds issued by the IRFD.

As of the date of this report, the only debt of the IRFD is its obligation under the Subordinate Pledge Agreement.

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 15 and 16 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") has not allocated such costs to IRFD No. 1 to date; however, the Controller expects to allocate costs for the division of taxes to IRFD No. 1 in the future. This property tax-related administrative cost is projected based on 0.5% of Net Available Increment, proportionately allocated to Net Available Facilities Increment and Net Available Housing Increment. This estimate is based on the Controller's property tax-related administrative costs for allocation of tax increment to the former redevelopment areas in the City, which equated to approximately 0.01% of gross tax increment revenue in FY 2020-21 (based on a total annual administrative cost of $28,350 and gross tax increment revenues of approximately $401 million). The Controller's costs are allocated based on time spent, not based on a percentage of revenue. Therefore, administrative costs for IRFD No. 1 are expected to be greater on a percentage basis than for former redevelopment areas because the existing annual IRFD No. 1 revenues are far less (approximately 0.5% of the FY 2020-21 gross tax increment revenues of the former redevelopment areas). The estimated administrative cost of 0.5% of Net Available Increment equates to an FY 2022-23 cost of approximately $10,000, which is approximately one third of the total property tax-related administrative costs allocated to the City's fourteen former redevelopment project areas.

3.2 Subordinate Use of Net Available Increment Under DDA Financing Plan

The 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 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 15 and 16 tax increment revenue projections.

3.3 Subordinate Pledge Agreement Securing Payments to Navy

Payments to the United States Navy totaling $55 million, 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 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 15 and 16 revenue projections.

It is assumed that the Subordinate Pledge Agreement does not constitute indebtedness for purposes of the $780 million limitation under the IFP because it pledges Net Available Increment only as a secondary source of payment to provide additional security for the Navy.

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. Interim TRAs are currently being used to track assessed values for IRFD No. 1, pending the approval of new TRAs by the California State Board of Equalization ("BOE"). Approval of the 2022 amendment to the IFP was a requirement to establish new TRAs, because it allowed the project area boundaries to conform to assessor parcel numbers. The City is currently pursuing the establishment of TRAs by BOE and anticipates the new TRAs to be in place for the FY 2023-24 assessment roll.

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.

4.1 Historic Taxable Values

Aggregated taxable assessed values for IRFD No. 1 from the FY 2016-17 base year through FY 2021-22 are summarized in Table 6. Further detail for current year assessed values, including a breakout between land and improvement assessed values, is provided in Table 7 for current year assessed values and in Table 19 for both current and prior years.

Table 6. Historic Assessed Values

Fiscal Year	Area A	Area B	Area C	Area D	Area E	Total (1)	%Increase
2016-17 (base year)	-	-	-	-	-	-	
2017-18	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	1,768,367	2,848,093	577,630	78,646,648	n/a
2019-20	70,090,194	5,054,967	1,803,733	2,448,642	972,038	80,369,574	2.2%
2020-21	102,085,597	5,155,625	1,839,808	2,497,179	991,477	112,569,686	40.1%
2021-22 (2)	$203,961,357	$47,700,000	$1,858,868	$2,523,048	$25,900,000	$281,943,273	150.5%

(1) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.
(2) Includes the escape assessments described in Section 4.2.

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 master developer TICD, 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 acre, except for three parcels totaling 6.8 acres on Yerba Buena Island assessed based upon the $61.2 million sale price applicable to a sale by TICD to a vertical builder.

The increase in assessed value from FY 2019-20 to FY 2020-21 was a result of development within Project Area A, primarily construction in progress for the 124-unit Bristol condominium project which is now nearing completion.

The increase in assessed value from FY 2020-21 to FY 2021-22 was primarily due to sale of development pads within Project Areas A, B and E by TICD to separate vertical builders, each of whom have an ownership interest in TICD, which resulted in increases in the assessed values for the applicable parcels to the amount of the sale price.

4.2 Current Year Assessed Values for IRFD No. 1

Table 7 provides additional detail regarding the FY 2021-22 taxable assessed values for IRFD No. 1. Of the $281,983,273 in aggregate FY 2021-22 taxable assessed value for IRFD No. 1, $239,261,988 is land assessed value and $42,681,285 is improvement assessed value. These amounts are net of tax-exempt property[3]. For Project Areas A, B, and E, for which collection of tax increment is projected to have commenced as of FY 2022-23, aggregate FY 2021-22 taxable assessed value is $277,561,357.

Secured property includes property for which taxes levied by the County become a lien on that property.

Escape roll assessments occur when a correction is made by the Assessor to reflect a re-assessable event that should have been reflected on the regular assessment roll but was not. IRFD No. 1 escape roll assessments for FY 2021-22 reflect assessed values added by transfers of ownership in calendar year 2020. Assessed values included on the escape roll in FY 2021-22 will become a part of the regular secured roll in FY 2022-23.

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 2021-22, there is no unsecured property assessed value within IRFD No. 1.

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[3] Except for the homeowner's exemption which is reimbursed to local governments through a State subvention and is included as part of tax increment revenue.

Table 7. FY 2021-22 Taxable Assessed Values, IRFD No. 1						
	Project Area A	Project Area B	Project Area C	Project Area D	Project Area E	Total
Assessed Value						
Secured Roll Land	$90,225,195	$28,449,245	$1,858,868	$2,523,048	$1,001,748	$124,058,104
Secured Roll Improvements	42,681,285	-	-	-	-	42,681,285
Subtotal Secured Roll	132,906,480	28,449,245	1,858,868	2,523,048	1,001,748	166,739,389
Escape Roll (Land AV) (1)	71,054,877	19,250,755	-	-	24,898,252	115,203,884
Unsecured Roll	-	-	-	-	-	-
Total Assessed Value	203,961,357	47,700,000	1,858,868	2,523,048	25,900,000	281,943,273
Total Land	161,280,072	47,700,000	1,858,868	2,523,048	25,900,000	239,261,988
Total Improvements	42,681,285	-	-	-	-	42,681,285
Base Year Assessed Value	-	-	-	-	-	-
Incremental Assessed Value	**$203,961,357**	**$47,700,000**	**$1,858,868**	**$2,523,048**	**$25,900,000**	**$281,943,273**
TI Commencement Threshold						
Max. IRFD TI based on AV (2)	$1,317,350	$308,086	$12,006	$16,296	$167,283	
TI Commencement Threshold	$150,000	$150,000	$300,000	$300,000	$150,000	
Threshold Reached	FY 18-19	FY 21-22(3)	No	No	FY 21-22(3)	
Incr. AV for Areas Receiving TI						
FY 2021-22	$203,961,357	N/A	N/A	N/A	N/A	$203,961,357
FY 2022-23	$203,961,357	47,700,000	N/A	N/A	25,900,000	$277,561,357

(1) FY 2021-22 escape roll assessments represent assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.
(2) Maximum IRFD Tax Increment calculated as 1% X incremental assessed value X 64.588206%.
(3) Projected based on calculated revenue to be allocated for FY 2021-22 based on reported assessed values.
Source: Assessor.

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 XIIIA 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 2021-22, all 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 2022-23 is 2%. The annual Proposition 13 factor has been less than 2% for four of the last 10 fiscal years. A 10-year history of Proposition 13 inflation factors is provided in Table 8.

Table 8. Prop 13 Inflation Factors, Ten-Year History	
2013-14	2.000%
2014-15	0.454%
2015-16	1.998%
2016-17	1.525%
2017-18	2.000%
2018-19	2.000%
2019-20	2.000%
2020-21	2.000%
2021-22	1.036%
2022-23	2.000%

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. As of FY 2021-22, IRFD No. 1 does not include any personal property assessed value.

4.4 Values by Property Use

A distribution of FY 2021-22 taxable assessed values by land use category is summarized in Table 9, for all Project Areas combined and for Project Areas that will collect tax increment in FY 2022-23. Identification of land uses is based on information provided by the City and TICD regarding property uses. Land use categories identified on the FY 2021-22 assessment roll classify all parcels as vacant. All FY 2021-22 taxable assessed value for IRFD No. 1 is comprised of residential units under construction and land for residential development.

Table 9. FY 2021-22 Taxable Assessed Value by Land Use

Land Uses Composition, FY 2021-22	Planned Units	All IRFD No. 1 Project Areas			Project Areas Collecting Tax Increment in FY 2022-23 (Project Areas A, B, E)		
		No. of Parcels	2021-22 Taxable Value	% of Total	No. of Parcels	2021-22 Taxable Value	% of Total
Residential Development Sites							
For-Sale Unit Development Sites							
Under Construction (1)	124	1	$82,790,393	29.4%	1	$82,790,393	29.8%
Site permit issued (2)	149	2	$14,900,000	5.3%	2	$14,900,000	5.4%
Site permit not issued (3)	929	8	$136,552,880	48.4%	4	$132,170,964	47.6%
Subtotal	1,202	*11*	*$234,243,273*	*83.1%*	*7*	*$229,861,357*	*82.8%*
Apartment Development Sites							
Site permit not issued	178	1	$13,900,000	4.9%	1	$13,900,000	5.0%
Site permit issued (4)	367	3	$33,800,000	12.0%	3	$33,800,000	12.2%
Subtotal	545	4	$47,700,000	16.9%	4	$47,700,000	17.2%
Total Residential Development Sites	1,747	*15*	*$281,943,273*	100.0%	*11*	*$277,561,357*	100.0%
Owned by TIDA and non-taxable		*6*	*$0*	*0.0%*	*6*	*$0*	*0.0%*
Total		**21**	**$281,943,273**	**100.0%**	**17**	**$277,561,357**	**100.0%**

Sources: City and County of San Francisco Office of the Assessor-Recorder, TICD, City and County of San Francisco Department of Building Inspection.

(1) Estimated completion Spring 2022, currently undergoing pre-final inspection process.

(2) Site permit issued in January 2022 for vertical construction of a 149-unit condo development that includes seven below market rate affordable units.

(3) Includes one parcel planned for use as a park.

(4) Site permits issued in late 2021 for vertical construction of a 250-unit high-rise rental development that includes 24 below market rate affordable units and a 117-unit mid-rise rental development that includes six below market rate affordable units.

4.5 Largest Taxpayers

The largest taxpayers for IRFD No. 1 are summarized in Table 10 for all project areas and separately for those project areas that are projected to collect tax increment in FY 2022-23. KMA identified the largest taxpayers based upon a review of the FY 2021-22 assessed valuations reported by the Assessor. There are currently four owners within IRFD No. 1 which together represent 100% of the FY 2021-22 total and incremental taxable assessed value. 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 and ownership is also separately reported in Table 10 by legal entity. The Table 10 summary of the largest taxpayers includes taxpayer name, property use, parcel count, assessed value, and percentage share of the total reported and incremental assessed value for each of the top taxpayers[4].

All taxable assessed value within IRFD No. 1 is comprised of property owned by either TICD, master developer for the Treasure Island Project, or affiliates of three separate vertical builders that each have an ownership interest in TICD. In addition to the four top taxpayers, TIDA owns six parcels that are exempt from property taxes.

[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 10. Top Taxpayers for IRFD No. 1, FY 2021-22

	Top Taxpayers FY 2021-22	Description	Planned No. of Res. Units	No. of Parcels	Project Area	Assessed Value FY 2021-22 (5): All Project Areas	Assessed Value FY 2021-22 (5): Active Areas (11)	% of Total and Incremental AV (6): All	% of Total and Incremental AV (6): Active Areas (11)
1	**Stockbridge and Wilson Meany (1)**								
	YBI Phase 1 Investors LLC	Bristol condos near complete (por. Block 4Y) (8)	124	1	A	$82,790,393	$82,790,393	29.4%	29.8%
	YBI Phase 4 Investors LLC	Site planned for condos, townhomes, estate homes (Block 1Y)	78	1	A	$78,784,000	$78,784,000	27.9%	28.4%
	TI Lot 10 LLC	Site planned for apartment tower (Block C2.4) (8)	250	1	E	$25,900,000	$25,900,000	9.2%	9.3%
	YBI Phase 3 Investors LLC	Site planned for townhomes and flats (portion Block 4Y)	53	1	A	$23,720,462	$23,720,462	8.4%	8.5%
	YBI Phase 2 Investors LLC	Site planned for townhomes (Block 3Y)	11	1	A	$18,666,502	$18,666,502	6.6%	6.7%
	TI Lots 3-4 LLC (9)	Site planned for condos (Block C3.3/.4) (8)	149	2	B	$14,900,000	$14,900,000	5.3%	5.4%
	TI Lots 5-6, LLC (2) (9)	Site planned for condo tower (Block C3.5) and park	160	2	D	$1,262,368	N/A	0.4%	N/A
	Subtotal		825	9		$246,023,725	$244,761,357	87.3%	88.2%
2	**Poly USA (3)**								
	B1 Treasure Island 048 Holdings, LLC	Site planned for apartments (Block B1) (8)	117	2	B	$7,900,000	$7,900,000	2.8%	2.8%
	C23 Treasure Island 048 Holdings, LLC	Site planned for condos (Block C2.3)	76	1	B	$11,000,000	$11,000,000	3.9%	4.0%
	Subtotal		193	3		$18,900,000	$18,900,000	6.7%	6.8%
3	**Lennar (4)**	Site planned for apartments (Block C2.2)	178	1	B	$13,900,000	$13,900,000	4.9%	5.0%
4	**TICD (7)**	Sites planned for two condo towers (Block C1.1/2, C2.1)	551	2	C & D	$3,119,548	N/A	1.1%	N/A
Total Top Taxpayers (10)			1,747	15		$281,943,273	$277,561,357	100%	100%

(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 TICD, number 4 on the list of top taxpayers.

(2) Owner purchased parcels in May 2021, after the lien date for the FY 2021-22 roll, for $29.6 million, resulting in an estimated increase of $28.3 million in AV for this property from the FY 21-22 assessed value information identified.

(3) Includes separate legal entities affiliated with developer Poly (USA) Real Estate Development Corporation, as listed. Poly USA has an ownership interest in TICD, number 4 on the list of top taxpayers.

(4) 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 and Wilson Meany (TI Lots 3-4 LLC and TI Lots 5-6 LLC) being developed as a joint venture. Lennar has an ownership interest in TICD, number 4 on the list of top taxpayers.

(5) All assessed value consists of secured property (land and improvements).

(6) Percentages calculated based upon FY 2021-22 assessed value and incremental assessed value of $281,943,273 (base year AV is zero).

(7) Includes property owned by Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top three taxpayers each have an ownership interest in TICD.

(8) Denotes projects for which a site permit has been issued.

(9) TI Lots 3-4 LLC and TI Lots 5-6 LLC are joint ventures between Stockbridge, Wilson Meany, and Lennar (number 3 on the list of top taxpayers).

(10) In addition to the top taxpayers listed, TIDA owns six parcels which are exempt from property taxes and planned for two hotels, right of way, parks, and open space.

(11) Includes Project Areas A, B, and E, which are projected to collect tax increment in FY 2022-23.

The following provides a description of each of the top taxpayers for IRFD No. 1.

1. **Stockbridge Capital Group, LLC ("Stockbridge") and Wilson Meany, LP** ("**Wilson Meany**") and their affiliated legal entities listed in Table 10, are vertical developers for nine parcels within IRFD No. 1, which are planned for development of a combined 825 residential units. Of the planned residential units:

   - 124 are condominium units nearing construction completion as part of the Bristol project (YBI Phase 1 Investors LLC parcel). The units are currently being marketed for sale.

   - 250 are rental units within a 22-story high-rise rental tower (TI Lot 10 LLC parcel) for which a site permit for construction was issued in November 2021. Vertical construction is projected to begin in Spring 2022 with completion anticipated in 2024.

   - 149 units are condominium units within a six-story building (TI Lots 3-4 LLC parcels) for which a site permit for construction was issued in January 2022. Vertical construction is projected to begin in Spring 2022 with completion anticipated in 2024.

   - 302 are planned future units and include a mix of condominiums, townhomes, flats, and single family home-sites (TI Lots 5-6 LLC, YBI Phase 2 Investors LLC, YBI Phase 3 Investors LLC, YBI Phase 4 Investors LLC). The units have received land use approvals but permits for construction are not yet issued.

   Of the properties included as part of the Stockbridge and Wilson Meany ownership, TI Lots 3-4 LLC and TI Lots 4-5 LLC are part of a joint venture that also includes Lennar, identified as number 3 on the list of top taxpayers. Properties that are part of the joint venture with Lennar comprise 5.7% of FY 2021-22 assessed value.

2. **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, listed in Table 10, are vertical developers that own three parcels within IRFD No. 1 which are planned for development of a combined 193 residential units. Of the planned residential units:

   - 117 rental units are within a five-story building that will also include three retail shell spaces for which a site permit for construction was issued in December 2021 (B1 Treasure Island 048 Holdings LLC parcels). Vertical construction is projected to begin in Spring 2022 with completion anticipated in 2024.

- 76 condominium units are within a six-story building that has received land use approvals and is currently estimated to receive permits to begin construction in spring 2022 (C23 Treasure Island 048 Holdings, LLC parcels).

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 a parcel planned for 178 rental units in a six-story building currently estimated to receive permits to begin construction in spring 2022.

   Lennar also has an interest in TI Lots 3-4, LLC and TI Lots 5-6 LLC as part of a joint venture with Stockbridge and Wilson Meany. These joint venture properties are included under the list of properties owned by top taxpayer Stockbridge and Wilson Meany. Lennar would be number two on the list of top taxpayers if these parcels were instead included under the list of properties under Lennar ownership.

4. **Treasure Island Series 1, LLC** is a subsidiary of TICD, master developer for the Project. The master developer is a joint venture comprised of various affiliates of Lennar Corporation, Stockbridge Capital Group, LLC, Kenwood Investments, and Wilson Meany, LP. TICD retains two parcels planned for sale to vertical developers for development of two separate condominium towers with a combined 551 units. Affiliates of the vertical builders comprising the top three taxpayers are all members of TICD.

Considering only those project areas that will collect tax increment in FY 2022-23, the taxpayers consist of the three vertical builders listed as number one, two and three on the list of top taxpayers. TICD is not a taxpayer within the three project areas that will collect tax increment in FY 2022-23.

In addition to the four taxpayers listed above, 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 land planned for use as public right of way, parks, and open space. 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.

5.0 ASSESSMENT APPEALS

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 applicant. 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 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.

KMA obtained a copy of the database maintained by the Assessment Appeals Board on appeals filings, including records of appeal filings throughout the City from July 1, 2016 through the September 15th filing deadline for appeals of FY 2021-22 assessed value. Based on the records included within the Assessment Appeals Board database, ***no assessment appeals have been filed within IRFD No. 1 since its formation***.

The DDA Financing Plan includes a provision for additional payments to the City in the event of successful assessment appeals for properties within IRFD No. 1 that are under the ownership of TICD, master developer of the Treasure Island Project. This DDA Financing Plan provision is effective following issuance of bonds secured by a pledge of IRFD revenues. Payments are required to be allocated in accordance with the IFP. This DDA Financing Plan provision does not mitigate the potential for a reduction in existing IRFD No. 1 revenues as a result of potential future assessment appeal filings because TICD retains ownership of only two parcels within IRFD No. 1, which are in Project Area C and Project Area D that do not currently generate tax increment, and the provision does not apply to the vertical developers that own the remaining taxable parcels in IRFD No. 1.

6.0 NEW DEVELOPMENT AND TRANSFERS OF OWNERSHIP

IRFD No. 1 is comprised of land that is actively under development or contemplated for development in the near term. The following section describes transfers of ownership and construction in progress occurring after the January 1, 2021 lien date for the FY 2021-22 assessment roll.

6.1 Planned Future Construction

Future buildout of portions of the Treasure Island Project within the existing boundaries of IRFD No. 1 is anticipated to include a total of 1,747 residential units and two hotels. Table 11 provides a summary of planned development and an estimate of future assessed value to be added upon completion. Assessed values projected to be added by future construction and unit sales described in Section 6.1 are <u>not</u> included for purposes of the Table 15 and 16 revenue projections. Only the 2021 events triggering reassessment described in Section 6.2 are included in the projections.

Assessed value upon completion of planned development is projected to total $3.26 billion, of which $282 million is enrolled as of FY 2021-22, resulting in a projected future net increase in assessed value upon full build out of $2.98 billion. This projected $2.98 billion increase in assessed values is derived from the following:

(1) Completion and Sale of Units in the Bristol - The 124-unit Bristol condominium project (Block 4Y) includes 110 market rate units and 14 inclusionary units. The project commenced construction in 2019 and is estimated to be completed in Spring 2022. The Bristol is six stories in height and has an average unit size of 1,196 square feet. Units are currently being marketed for sale. Sales prices are estimated to average $1,516,000, based on an average price of $1.7 million per market rate unit and $511,000 per inclusionary unit. Prices are estimated from list prices for 21 units currently being marketed for sale and below market rate unit prices reported by the City. List prices for the units were adjusted to a per square foot basis and applied to the square footage of each of the units in the project to estimate a total assessed value of $188 million upon completion and sale of the condominium units. This estimate is somewhat below the $194 million value estimated in an appraisal[5]. Of the $188 million total projected assessed value at completion, $82.8 million is currently enrolled and an additional $52.6 million is projected to be added to the FY 2022-23 roll based on construction completed during calendar year 2021, based on expenditures reported by the developer to the Assessor for purposes of establishing FY 2022-23 assessed values. An additional $52.6 million is projected to be added to the assessment roll in FY 2023-24 and FY 2024-25, following sale of the units.

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[5] Appraisal prepared by Integra Realty Resources and attached to official statement for the Series 2021 bonds issued by Community Facilities District 2016-1.

Table 11. Estimate of Future Assessed Value to be Added to Roll with Completion of Planned Development

Block	Use	IRFD Area	Planned No. of Stories	Planned Residential Units: Market Rate For-sale	Market Rate Rental	BMR	Total Units	average SF/Unit	Planned Hotel Rooms	Projected Start / Complete Construction(8)	Projected Assessed Value (6) at Completion	Existing FY 21-22 Roll Value	Projected AV Not Yet Enrolled	Projection of Future Assessed Value Added (6) [only 2022-23 figures are included in revenue projections] 2022-23	2023-24	2024-25	2025-26	26-27&future
											$000s	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Under Construction																		
4Y (Bristol)	Condo	A	6	110		14	124	1,196		2019 / 2022	$188,000 (1)	$82,790	$105,210	$52,567	$42,114	$10,528	$0	$0
Planned 2022 Construction Start																		
C2.4	Apart.	E	22		226	24	250	825		2022 / 2025	185,354 (3)	25,900	159,454	0	15,945	23,918	47,836	71,754
B1	Apart.	B	5		111	6	117	730		2022 / 2024	82,706 (3)	7,900	74,806	0	11,221	29,922	33,663	0
C3.3/4	Condo	B	6	142		7	149	1,001		2022 / 2024	222,870 (2)	14,900	207,970	0	20,797	51,993	51,993	83,188
C2.2	Apart.	B	6		169	9	178	790		2022 / 2024	113,755 (3)	13,900	99,855	0	14,978	39,942	44,935	0
C2.3	Condo	B	6	72		4	76	1,283		2022 / 2024	138,344 (2)	11,000	127,344	0	12,734	19,102	31,836	63,672
3Y	TH	A	3	11			11	3,640		2022 / 2025	49,938 (2)	18,667	31,271	0	3,127	9,381	18,763	0
4Y	TH/Flats	A	3 to 5	53			53	2,652		2022 / 2025	228,650 (2)	23,720	204,930	2,714	10,246	61,479	61,479	69,011
Subtotal				278	506	50	834				1,021,616	115,987	905,629	2,714	89,049	235,737	290,503	287,626
Planned Construction Start in 2023 and Beyond																		
1Y	TH	A	3	32			32	3,194		2023 / 2025	153,000 (2)	32,606	120,394	0	0	12,039	24,079	84,275
1Y	Flats	A	4	41			41	2,653		2023 / 2025	191,680 (2)	40,850	150,830	0	0	15,083	30,166	105,581
1Y	Estate	A	TBD	5			5	TBD		2025 / 2026	25,000 (7)	5,328	19,672	0	0	0	19,672	0
C3.5	Condo	D	20	152		8	160	1,208		2023 / 2026	279,872 (4)	1,262	278,610	28,338	0	55,722	55,722	138,828
2Y-H	Hotel	A	TBD	n/a					50	TBD	31,250 (5)	0	31,250	0	0	0	0	31,250
C1.1&2	Condo	C	Tower	286			286	1,584		TBD	752,255 (4)	1,859	750,396	0	0	0	0	750,396
C2.1	Condo	D	31	265			265	1,152		TBD	473,399 (4)	1,261	472,139	0	0	0	0	472,139
C2-H	Hotel	E	TBD						300	TBD	150,000 (5)	0	150,000	0	0	0	0	150,000
Subtotal				781	0	8	789		350		2,056,457	83,166	1,973,291	28,338	0	82,844	129,639	1,732,470
Total				**1,169**	**506**	**72**	**1,747**		**350**		**3,266,073**	**281,943**	**2,984,130**	**83,619**	**131,163**	**329,109**	**420,142**	**2,020,095**

Sources: City and County of San Francisco Controller's Office of Public Finance, TICD and affiliated entities, Integra Realty Resources, Assessor.
Abbreviations used in this table: TH = Townhomes, Condo= condominium, Apart. = Apartments, Estate = single family estate home sites, TBD = to be determined.

(1) Assessed value estimate based on list prices for 21 units currently listed for sale and prices for BMR units provided by the City.
(2) Assessed value estimate based on sales prices identified in 2021 appraisals prepared by Integra Realty Resources and included in official statements for the CFD 2016-1 Series 2021 and 2022A bonds.
(3) Estimated assessed value based upon direct construction cost as reported in the official statement for the CFD 2016-1 Improvement Area 2 Series 2022A Bonds plus existing land assessed value.
(4) Estimated AV based upon sales price estimates provided by the Controller with input by TICD, which are generally consistent with pricing from the appraisals described in Note 1.
(5) Estimated based on assessed values for hotels with recent substantial renovations or new construction. Greater AV per room for 2Y-H reflects greater planned floor area per room.
(6) Actual assessed values will vary from these projections depending upon actual future sales prices, actual construction costs, and future Assessor determinations of assessed value.
(7) Includes estimated assessed value from sale of estate home-sites based on a 2021 appraisal by Integra Realty Resources. AV associated with subsequent construction of new homes is not included.
(8) Timing of construction start and completion is based upon TICD estimates.

(2) Construction Projected to Commence in 2022

Development projects within IRFD No. 1 projected to commence construction during calendar year 2022 include a total of 834 residential units of which 278 are market rate condominiums, 506 are market rate apartments, and 50 are below market rate inclusionary units. Aggregate assessed value upon completion of these projects is estimated to total $1.022 billion, of which $116 million is currently enrolled, resulting in a projected future net increase in assessed value of $906 million. Construction projected to commence during 2022 includes the following projects:

- **Block C2.4** –A 22-story high rise apartment development planned for 250 rental units, including 24 below market rate affordable units, has received site permit approval and is projected to commence construction in 2022. The project has an average unit size of 825 square feet. The vertical construction budget reported by vertical developer, Wilson Meany and Stockbridge, includes $159 million in direct construction costs, or $638,000 per unit. Projected assessed value to be added by development of the project is estimated at $159 million based on the reported direct construction cost. The existing FY 2021-22 assessed value is comprised of $25.9 million in land value.

- **Block C3.3/C3.4** – A six-story 149-unit condominium development with seven inclusionary units, planned for development on Block C3.3 and C3.4 by Stockbridge and Wilson Meany, has received site permit approval and is projected to commence construction in 2022. The project has an average unit size of 1,001 square feet. Projected sales prices average $1,550,000 for market rate units and $396,000 for inclusionary units based on a 2021 appraisal report.[6] Based on the estimated sales prices, a total assessed value of $223 million is projected following completion and sale of the condominium units. Of this total, $14.9 million is currently enrolled, resulting in a projected net increase upon completion and sale of the units of $208 million.

- **Block B1** – A five-story apartment development with 117 rental units, including six below market rate inclusionary units, has received site permit approval and is projected to commence construction in 2022. The project has an average unit size of 730 square feet. The vertical construction budget reported by vertical developer Poly USA includes $74.8 million in direct construction costs, or $639,000 per unit, which is the basis for the estimated assessed value to be added by development of the project. The existing FY 2021-22 assessed value is comprised of $7.9 million in land value.

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[6] Appraisals prepared by Integra Realty Resources and attached to official statements for the Series 2021 and Series 2022A bonds issued by Community Facilities District 2016-1.

- **Block C2.2** – A six-story apartment development with 169 market rate and nine below market rate inclusionary units is projected to start construction in 2022. The project has an average unit size of 790 square feet and a reported direct construction budget of $99.9 million, or $561,000 per unit, which is the basis for the estimated assessed value to be added by the project. The existing FY 2021-22 assessed value is comprised of $13.9 million in land value.

- **Block C2.3** is planned for a six-story condominium development with 72 market rate units and four below market rate inclusionary units by vertical developer Poly USA and is projected to commence construction in 2022. The project has an average unit size of 1,283 square feet. Projected sales prices average $1,900,000 for market rate units and $396,000 for inclusionary units based on a 2021 appraisal report.[7] Based on the estimated sales prices, a total assessed value of $138 million is projected following completion and sale of the condominium units. Of this total, $11 million is currently enrolled, resulting in a projected net increase upon completion and sale of the units of $127 million.

- **Blocks 3Y and 4Y** are planned for development of a total of 64 market rate townhomes and flats by developer Stockbridge and Wilson Meany, of which approximately half of units are projected to commence construction in 2022 with the remaining units expected to commence construction in 2023. The 11 townhome units on Block 3Y have an average unit size of 3,640 square feet and an average projected sales price of $4.5 million while the 53 townhomes and flats planned for Block 4Y have an average unit size of 2,652 and an average projected sales price of $4.3 million, based on a 2021 appraisal report.[8] Based on the estimated sales prices, a total assessed value of $278.6 million is projected following completion and sale of the units. Of this total, $42.4 million is currently enrolled, an additional $2.7 million in assessed value is estimated to be added to the FY 2022-23 roll based on construction expenditures reported by the developer to the Assessor for purposes of establishing assessed values, and $233.5 million is estimated to be added to the roll in future years as construction progresses and units are completed and sold.

(3) Construction Projected to Commence in 2023 or later

Portions of the Treasure Island Project within IRFD No. 1 that are projected to commence construction in 2023 or later include a combined 781 for-sale market rate units, eight below market rate inclusionary units, and 350 hotel rooms. This includes planned development on Blocks 1Y, 2Y-H, C1.1, C1.2, C2.1, C2-H, and C3.5. Aggregate assessed value upon completion is estimated to total $2.05 billion, of which $83 million

[7] Appraisals prepared by Integra Realty Resources and attached to official statements for the Series 2021 and Series 2022A bonds issued by Community Facilities District 2016-1.
[8] Appraisals prepared by Integra Realty Resources and attached to official statements for the Series 2021 and Series 2022A bonds used by Community Facilities District 2016-1.

is currently enrolled, resulting in a projected future net increase in assessed value of $1.97 billion.

6.2 2021 Construction In-Progress and Ownership Transfers Included in Projection of FY 2022-23 Assessed Values

For purposes of projected assessed values for FY 2022-23 included in the Table 15 and 16 revenue projections, only the assessed values estimated to be added by construction-in-progress and transfers of ownership that occurred during calendar year 2021 are included, as follows:

- **Bristol Construction In-Progress** (Block 4Y)– Construction on the 124-unit Bristol condominium project was in-progress during calendar year 2021. Completion is estimated in Spring 2022. Construction costs are estimated to total $131 million of which $37.7 million in improvement value was included on the FY 2021-22 assessment roll. An additional $52.6 million in assessed value is estimated to be added to the FY 2022-23 assessment roll based on construction completed during calendar year 2021. The assessed value estimate is based on the cost of improvements and does not include assessed value added by future sale of the condominium units. Inclusive of this construction in progress value, the estimated FY 2022-23 assessed value for the Bristol totals $135.4 million, including land and improvements, which is approximately 72% of the projected fully enrolled value of $188 million after completion and sale of the condominium units. The property is within Project Area A.
- **Block 4Y**– Initial progress on the planned Parcel 4Y townhomes and flats including demolition work and site improvements during calendar year 2021 is estimated to result in additional assessed value added to the roll of $2.7 million based on a report identifying construction expenditures submitted by the developer to Assessor for purposes of establishing FY 2022-23 assessed values. The property is in Project Area A.
- **Development Pad Sale** (Block C3.5) – On May 28, 2021, TICD sold a development pad planned for 160 condominium units and a park to a separate vertical developer affiliated with Stockbridge, Wilson Meany, and Lennar. The Table 15 and 16 revenue projections include $28.3 million in assessed value added to the FY 2022-23 assessment role from this recorded transfer of ownership. However, the parcel is within Project Area D, which has not yet reached the threshold for allocation of tax increment to IRFD No. 1.

Table 12 provides a summary of the assessed value estimated to be added to the FY 2022-23 assessment roll from construction in progress and ownership transfers, as described in Section 6.2.

Table 12. Construction Progress and Ownership Transfers Included in Projection of FY 2022-23 Assessed Values					
			Assessed Values		
Item		Project Area	Estimated FY 2022-23	Existing FY 21-22	Net Added to FY 2022-23 Roll
1	Bristol Condominiums 2021 Construction Progress	A	$135,357,537[1]	$82,790,393	$52,567,144
2	4Y Townhomes and Flats 2021 Construction Progress	A	26,434,529[1]	23,720,462	2,714,067
	Subtotal Project Area A		$161,792,066	$106,510,855	$55,281,211
3	C3.5 Land Sale	D	$29,600,000[2]	$1,262,368	$28,337,632
	Total		**$191,392,066**	**$107,773,223**	**$83,618,843**

(1) Estimate based upon construction expenditures through 12/31/21 reported by developer to Assessor for purposes of establishing FY 2022-23 assessed values and existing assessed values.

(2) Estimate based on sale price for parcel.

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 XIIIA 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 Tables 15 and 16.

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 are due March 1 and 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 2021-22 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. IRFD No. 1 was allocated $87 in unitary revenue in FY 2020-21 and $270 in FY 2021-22 through January (representing a partial year). Unitary revenues are not included in the Table 15 and 16 revenue projections.

7.4 Historic Allocations of Tax Increment to IRFD No. 1.

A summary of actual historic allocations of tax increment for the initial two years of tax increment collection (2019-20 and 2020-21) is presented in Table 13. As shown, IRFD No. 1 was allocated 100% of its calculated levy in FY 2019-20 and 98.9% of its calculated levy in FY 2020-21.

Table 13. Historic Allocations of Tax Increment to IRFD No. 1				
		Actual **2019-20** (1)	Actual **2020-21**	Estimated **2021-22**
1. Assessed Value Increment, Project Area A (2)		$70,090,194	$102,085,597	$203,961,357
2. Calculated 1% Tax Increment	1% levy	$700,902	$1,020,856	$2,039,614
3. IRFD Tax Increment (Net Available Increment + Conditional City Increment)	64.588206%	**$452,700**	**$659,353**	**$1,317,350**
4. Actual Amount Allocated by Controller (3)		**$452,700**	**$651,974**	**TBD**
5. Collections as % of Computed Levy		**100%**	**98.9%**	**TBD**

Source: San Francisco Office of the Controller, KMA.

(1) Note: 2019-20 was the initial year of tax increment collection for the IRFD.

(2) Only Area A was eligible to collect tax increment during the period. The base year assessed value is zero.

(3) Amount allocated included Conditional City Increment that is available to the extent required for debt service. Funds have been reserved by the Controller for allocation to IRFD No. 1 but not yet disbursed.

According to the Controller, due to implementation of a new property tax software system, property tax allocation procedures for FY 2020-21 varied on a one-time-basis and reflected allocation of taxes on a jurisdiction basis rather than the TRA-specific allocation process expected for FY 2021-22 and future years. Had the Controller's allocation procedures in FY 2020-21 conformed to existing practice, it is expected that 100% of the calculated levy would have been allocated rather than 98.9% because all FY 2020-21 assessed value was part of the secured assessment roll subject to the City's Teeter policy.

Although no debt had yet been issued, the Controller allocated Conditional City Increment to accounts held for the benefit of IRFD No. 1 in FY 2019-20 and FY 2020-21. The allocation of Conditional City Increment was made to ensure the Conditional City Increment was available if required and to conform to the Controller's existing processes for allocation of property taxes. Release of these previously allocated Conditional City Increment funds not needed for IRFD No. 1 debt service to the applicable City taxing agencies is expected.

8.0 REVENUE PROJECTION

The projection of tax increment is summarized in Tables 15 and 16 on the following pages with supporting projections of assessed value included in Tables 17 and 18.

Two versions of the projection are presented:

(1) “FY 2022-23 Projection” (Table 15) that holds estimated FY 2022-23 assessed values constant over the term of the projection. Estimated FY 2022-23 assessed values are shown in Table 14 and include the following increases from Assessor-reported FY 2021-22 assessed values:

- **Reported FY 2022-23 Proposition 13 Inflation Factor** - Application of the State Board of Equalization reported 2% real property inflation factor under Proposition 13 for the FY 2022-23 assessment roll.

- **Construction Progress on Bristol and Parcel 4Y in 2021**- An estimated $55.2 million in assessed value projected to be added to Project Area A in FY 2022-23 from construction progress during calendar year 2021 on the Bristol and Parcel 4Y, described in Section 6.2 and Table 12.

- **Transfers of Ownership Since January 1, 2021** - $28.3 million in assessed value to be added within Project Area D from the sale of Block C3.5. As tax increment collection has not commenced in Project Area D, the additional assessed value is not projected to generate tax increment in any year in the FY 2022-23 Projection.

(2) “2% Growth Projection” (Table 16) reflecting application of the 2% maximum allowable inflationary increase under Proposition 13 to the FY 2022-23 estimated assessed values identified in Table 14 in each future year.

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 14. Projected FY 2022-23 Assessed Values, IRFD No. 1							
	Assessed Value by Project Area					Total for Project Areas A, B, E Collecting TI in FY 22-23	Total for All Project Areas
	Area A	Area B	Area C	Area D	Area E		
Projected TI Collection Status, FY 2022-23	Collecting	Collecting	Not Collecting	Not Collecting	Collecting		
Assessed Value, FY 2021-22	$203,961,357	$47,700,000	$1,858,868	$2,523,048	$25,900,000	$277,561,357	$281,943,273
Additions to AV							
(1) Reported Prop 13 Inflation (2%)	$4,079,227	$954,000	$37,177	$50,461	$518,000	$5,551,227	$5,638,865
(2) Bristol / 4Y Construction in 2021	$55,281,211	$0	$0	$0	$0	$55,281,211	$55,281,211
(3) Transfers of Ownership in 2021	$0	$0	$0	$28,337,632	$0	$0	$28,337,632
Total Additions	$59,360,438	$954,000	$37,177	$28,388,093	$518,000	$60,832,438	$89,257,708
Projected FY 2022-23 Assessed Values	$263,321,795	$48,654,000	$1,896,045	$30,911,141	$26,418,000	$338,393,795	$371,200,981

Table 15. Projection of Tax Increment ($Thousands), FY 2022-23 Projection											
	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.	K.
	Gross Tax Increment = 1% x Table 17 Incremental Assessed Value for areas Collecting TI	**Net Available Facilities Increment**					**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Facilities Increment	**Pledged Facilities Increment**	Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
21-22	$2,040	$952	($5)	$947	$135	$1,082	$202	($1)	$201	$29	$230
22-23	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
23-24	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
24-25	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
25-26	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
26-27	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
27-28	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
28-29	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
29-30	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
30-31	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
31-32	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
32-33	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
33-34	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
34-35	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
35-36	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
36-37	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
37-38	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
38-39	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
39-40	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
40-41	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
41-42	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
42-43	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
43-44	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
44-45	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
45-46	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
46-47	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
47-48	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
48-49	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
49-50	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
50-51	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
51-52	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
52-53	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
53-54	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
54-55	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
55-56	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
56-57	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
57-58	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
58-59	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
59-60	751	350	(2)	349	50	398	74	(0)	74	11	84
60-61	751	350	(2)	349	50	398	74	(0)	74	11	84
61-62	751	350	(2)	349	50	398	74	(0)	74	11	84

Table 16. Projection of Tax Increment ($Thousands), 2% Growth Projection											
	A.	B.	C.	D.	E.	F.	G.	H.	I.	J.	K.
	Gross Tax Increment = 1% x Table 18 Incremental Assessed Value for areas Collecting TI	**Net Available Facilities Increment**					**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Facilities Increment	**Pledged Facilities Increment**	Total	Prop Tax Admin Cost	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
21-22	$2,040	$952	($5)	$947	$135	$1,082	$202	($1)	$201	$29	$230
22-23	3,384	1,580	(8)	1,572	223	1,795	335	(2)	333	47	381
23-24	3,452	1,611	(8)	1,603	228	1,831	342	(2)	340	48	388
24-25	3,521	1,644	(8)	1,635	232	1,868	349	(2)	347	49	396
25-26	3,591	1,676	(8)	1,668	237	1,905	356	(2)	354	50	404
26-27	3,663	1,710	(9)	1,701	242	1,943	363	(2)	361	51	412
27-28	3,736	1,744	(9)	1,736	247	1,982	370	(2)	368	52	420
28-29	3,811	1,779	(9)	1,770	252	2,022	377	(2)	376	53	429
29-30	3,887	1,815	(9)	1,806	257	2,062	385	(2)	383	54	437
30-31	3,965	1,851	(9)	1,842	262	2,103	393	(2)	391	56	446
31-32	4,044	1,888	(9)	1,879	267	2,145	400	(2)	398	57	455
32-33	4,125	1,926	(10)	1,916	272	2,188	408	(2)	406	58	464
33-34	4,208	1,964	(10)	1,954	278	2,232	417	(2)	415	59	473
34-35	4,292	2,004	(10)	1,994	283	2,277	425	(2)	423	60	483
35-36	4,377	2,044	(10)	2,033	289	2,322	433	(2)	431	61	493
36-37	4,465	2,085	(10)	2,074	295	2,369	442	(2)	440	63	502
37-38	4,554	2,126	(11)	2,116	301	2,416	451	(2)	449	64	513
38-39	4,645	2,169	(11)	2,158	307	2,464	460	(2)	458	65	523
39-40	4,738	2,212	(11)	2,201	313	2,514	469	(2)	467	66	533
40-41	4,833	2,256	(11)	2,245	319	2,564	479	(2)	476	68	544
41-42	4,930	2,301	(12)	2,290	325	2,615	488	(2)	486	69	555
42-43	5,028	2,348	(12)	2,336	332	2,668	498	(2)	495	70	566
43-44	5,129	2,394	(12)	2,382	339	2,721	508	(3)	505	72	577
44-45	5,709	2,665	(13)	2,652	377	3,029	565	(3)	563	80	643
45-46	5,824	2,719	(14)	2,705	384	3,090	577	(3)	574	82	655
46-47	5,940	2,773	(14)	2,759	392	3,151	588	(3)	585	83	668
47-48	6,059	2,829	(14)	2,814	400	3,214	600	(3)	597	85	682
48-49	6,180	2,885	(14)	2,871	408	3,279	612	(3)	609	87	695
49-50	6,304	2,943	(15)	2,928	416	3,344	624	(3)	621	88	709
50-51	6,430	3,002	(15)	2,987	424	3,411	637	(3)	634	90	724
51-52	6,558	3,062	(15)	3,046	433	3,479	649	(3)	646	92	738
52-53	6,689	3,123	(16)	3,107	442	3,549	662	(3)	659	94	753
53-54	6,823	3,185	(16)	3,170	450	3,620	676	(3)	672	96	768
54-55	6,960	3,249	(16)	3,233	459	3,692	689	(3)	686	97	783
55-56	7,099	3,314	(17)	3,298	469	3,766	703	(4)	699	99	799
56-57	7,241	3,380	(17)	3,364	478	3,841	717	(4)	713	101	815
57-58	7,386	3,448	(17)	3,431	487	3,918	731	(4)	728	103	831
58-59	7,533	3,517	(18)	3,499	497	3,997	746	(4)	742	105	848
59-60	2,205	1,029	(5)	1,024	146	1,170	218	(1)	217	31	248
60-61	2,249	1,050	(5)	1,045	148	1,193	223	(1)	222	31	253
61-62	2,294	1,071	(5)	1,066	151	1,217	227	(1)	226	32	258

Table 17. Projection of Assessed Values ($Thousands), FY 2022-23 Projection							
Fiscal Year	Projection of Assessed Values by Project Area [3]					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
2021-22[1]	$203,961	$47,700	$1,859	$2,523	$25,900	$203,961	A
2022-23[2]	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2023-24	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2024-25	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2025-26	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2026-27	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2027-28	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2028-29	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2029-30	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2030-31	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2031-32	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2032-33	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2033-34	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2034-35	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2035-36	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2036-37	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2037-38	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2038-39	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2039-40	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2040-41	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2041-42	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2042-43	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2043-44	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2044-45	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2045-46	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2046-47	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2047-48	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2048-49	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2049-50	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2050-51	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2051-52	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2052-53	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2053-54	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2054-55	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2055-56	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2056-57	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2057-58	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2058-59	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2059-60		48,654	1,896	30,911	26,418	75,072	B, E
2060-61		48,654	1,896	30,911	26,418	75,072	B, E
2061-62		48,654	1,896	30,911	26,418	75,072	B, E

(1) Assessor reported values.
(2) See Table 14 for basis for estimated FY 2022-23 Assessed Values.
(3) Projected FY 2022-23 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 18. Projection of Assessed Values ($Thousands), 2% Growth Projection							
Fiscal Year	Projection of Assessed Values by Project Area (3)					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
2021-22(1)	$203,961	$47,700	$1,859	$2,523	$25,900	$203,961	A
2022-23(2)	263,322	48,654	1,896	30,911	26,418	338,394	A, B, E
2023-24	268,588	49,627	1,934	31,529	26,946	345,162	A, B, E
2024-25	273,960	50,620	1,973	32,160	27,485	352,065	A, B, E
2025-26	279,439	51,632	2,012	32,803	28,035	359,106	A, B, E
2026-27	285,028	52,665	2,052	33,459	28,596	366,288	A, B, E
2027-28	290,729	53,718	2,093	34,128	29,168	373,614	A, B, E
2028-29	296,543	54,792	2,135	34,811	29,751	381,086	A, B, E
2029-30	302,474	55,888	2,178	35,507	30,346	388,708	A, B, E
2030-31	308,523	57,006	2,222	36,217	30,953	396,482	A, B, E
2031-32	314,694	58,146	2,266	36,942	31,572	404,412	A, B, E
2032-33	320,988	59,309	2,311	37,681	32,203	412,500	A, B, E
2033-34	327,408	60,495	2,357	38,434	32,847	420,750	A, B, E
2034-35	333,956	61,705	2,405	39,203	33,504	429,165	A, B, E
2035-36	340,635	62,939	2,453	39,987	34,174	437,748	A, B, E
2036-37	347,448	64,198	2,502	40,787	34,858	446,503	A, B, E
2037-38	354,396	65,482	2,552	41,602	35,555	455,433	A, B, E
2038-39	361,484	66,792	2,603	42,434	36,266	464,542	A, B, E
2039-40	368,714	68,127	2,655	43,283	36,992	473,833	A, B, E
2040-41	376,088	69,490	2,708	44,149	37,731	483,310	A, B, E
2041-42	383,610	70,880	2,762	45,032	38,486	492,976	A, B, E
2042-43	391,282	72,297	2,817	45,932	39,256	502,835	A, B, E
2043-44	399,108	73,743	2,874	46,851	40,041	512,892	A, B, E
2044-45	407,090	75,218	2,931	47,788	40,842	570,938	A, B, D, E
2045-46	415,232	76,722	2,990	48,744	41,659	582,357	A, B, D, E
2046-47	423,537	78,257	3,050	49,719	42,492	594,004	A, B, D, E
2047-48	432,007	79,822	3,111	50,713	43,342	605,884	A, B, D, E
2048-49	440,647	81,418	3,173	51,727	44,208	618,002	A, B, D, E
2049-50	449,460	83,047	3,236	52,762	45,093	630,362	A, B, D, E
2050-51	458,450	84,708	3,301	53,817	45,994	642,969	A, B, D, E
2051-52	467,619	86,402	3,367	54,893	46,914	655,828	A, B, D, E
2052-53	476,971	88,130	3,434	55,991	47,853	668,945	A, B, D, E
2053-54	486,510	89,893	3,503	57,111	48,810	682,324	A, B, D, E
2054-55	496,241	91,690	3,573	58,253	49,786	695,970	A, B, D, E
2055-56	506,165	93,524	3,645	59,418	50,782	709,890	A, B, D, E
2056-57	516,289	95,395	3,718	60,607	51,797	724,087	A, B, D, E
2057-58	526,615	97,303	3,792	61,819	52,833	738,569	A, B, D, E
2058-59	537,147	99,249	3,868	63,055	53,890	753,340	A, B, D, E
2059-60		101,234	3,945	64,316	54,968	220,518	B, D, E
2060-61		103,258	4,024	65,603	56,067	224,928	B, D, E
2061-62		105,323	4,104	66,915	57,188	229,426	B, D, E

(1) Assessor reported values.
(2) See Table 14 for basis for estimated FY 2022-23 Assessed Values.
(3) Projection for FY 2023-24 forward based on 2% maximum annual increase under Prop 13.

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 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 19

Assessed Value History [3]

Infrastructure and Revitalization Financing District No. 1 (Treasure Island)

San Francisco, CA

	Base Year 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 [1]
Project Area A			*TI triggered* [2]	<---- *TI collection commenced*		---->
Land	0	0	68,568,818	70,090,194	90,611,492	161,280,072
Structure	0	0	0	0	11,474,105	42,681,285
Subtotal	0	0	68,568,818	70,090,194	102,085,597	203,961,357
Project Area B						
Land	0	0	4,883,740	5,054,967	5,155,625	47,700,000
Structure	0	0	0	0	0	0
Subtotal	0	0	4,883,740	5,054,967	5,155,625	47,700,000
Project Area C						
Land	0	0	1,768,367	1,803,733	1,839,808	1,858,868
Structure	0	0	0	0	0	0
Subtotal	0	0	1,768,367	1,803,733	1,839,808	1,858,868
Project Area D						
Land	0	0	2,848,093	2,448,642	2,497,179	2,523,048
Structure	0	0	0	0	0	0
Subtotal	0	0	2,848,093	2,448,642	2,497,179	2,523,048
Project Area E						
Land	0	0	577,630	972,038	991,477	25,900,000
Structure	0	0	0	0	0	0
Subtotal	0	0	577,630	972,038	991,477	25,900,000
Total - All Project Areas						
Land	0	0	78,646,648	80,369,574	101,095,581	239,261,988
Structure	0	0	0	0	11,474,105	42,681,285
Subtotal	0	0	78,646,648	80,369,574	112,569,686	281,943,273
Project Areas Where Increment Collection is Commenced [2]						
Applicable Project Areas	N/A	N/A	N/A	A	A	A
Land	0	0	0	70,090,194	90,611,492	161,280,072
Structure	0	0	0	0	11,474,105	42,681,285
Subtotal	0	0	0	70,090,194	102,085,597	203,961,357

(1) Includes $115,203,884 in escape roll assessed value. Escape assessments are payable in full during FY 21-22.

(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.

(3) Assessed value and incremental assessed value are the same as the base year assessed value is zero.

Note: Unsecured roll assessed value is zero for all applicable years and project areas.

Source: San Francisco Controller's Office.