PRELIMINARY OFFICIAL STATEMENT DATED ________, 2023

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 2023AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2023AB Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

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

$[2023A Par]*
TAX INCREMENT REVENUE BONDS, SERIES 2023A (FACILITIES INCREMENT)

$[2023B Par]*
TAX INCREMENT REVENUE BONDS, SERIES 2023B (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 2023A (Facilities Increment) (the "Series 2023A Facilities Bonds") pursuant to an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Facilities Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee") and Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the "Series 2023B Housing Bonds" and together with the Series 2023A Facilities Bonds, the "Series 2023AB Bonds") pursuant to an Indenture of Trust, dated as of September 1, 2022 (the "Housing Indenture"), as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Housing Indenture"), each by and between the District and the Trustee. As explained more fully in this Official Statement, the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2023AB Bonds are similar, this Official Statement describes both series of the Series 2023AB Bonds.

The Series 2023A Facilities 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 2023A Facilities Bonds, all as further described herein. The Series 2023B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2023B Housing Bonds, all as further described herein. See "THE FINANCING PLAN" herein.

The Series 2023AB Bonds will be issued in denominations of $100,000 or any integral multiple of $5,000 in excess thereof, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the respective inside front cover pages hereof. Interest on the Series 2023AB Bonds shall be payable on each March 1 and September 1, commencing March 1, 2024 (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 2023AB 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 2023AB Bonds. Individual purchases of the Series 2023AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2023AB Bonds will be payable by DTC through the DTC participants. See "THE SERIES 2023B FACILITIES BONDS - Book-Entry System" and "THE SERIES 2023B HOUSING BONDS - Book-Entry System" herein. Purchasers of the Series 2023AB Bonds will not receive physical delivery of the 2023AB Bonds purchased by them.

The Series 2023A Facilities Bonds and the Series 2023B Housing Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2023B FACILITIES BONDS" and "THE SERIES 2023B HOUSING BONDS" herein.

The Series 2023A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023B Housing Bonds are limited obligations

* Preliminary, subject to change.

of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2023B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds are a debt of the City and County of San Francisco (the "City"), the State of California (the "State") or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2023A Facilities Bonds or the Series 2023B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

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

The Series 2023AB Bonds are not rated. Investment in the Series 2023AB Bonds involves certain risks and the Series 2023AB Bonds are not suitable investments for all types of investors. Accordingly, the Series 2023AB 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 2023AB 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 2023AB Bonds) cannot be, any person except a Qualified Purchaser; provided, however, that Series 2023AB 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 2023AB Bonds is a Qualified Purchaser. See "TRANSFER RESTRICTIONS" herein.

The Series 2023AB 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 their counsel Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California. It is anticipated that the Series 2023AB Bonds will be available for delivery through the book-entry facilities of DTC on or about ____________, 2023.

STIFEL

Dated: ____________, 2023

MATURITY SCHEDULE

$[2023A Par]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2023A
(FACILITIES INCREMENT)

(Base CUSIP† ______)

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

$_________ _____% Term Series 2023A Facilities Bonds due September 1, 20__ – Yield: _____% Price: ___ CUSIP†: ______
$_________ _____% Term Series 2023A Facilities Bonds due September 1, 20__ – Yield: _____% Price: ___ CUSIP†: ______

---

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and County of San Francisco (the "City") and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2023A Facilities Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023A Facilities Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023A Facilities Bonds.

$[2023B Par]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2023B
(HOUSING INCREMENT)

(Base CUSIP† _______)

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

$_________ _____% Term Series 2023B Housing Bonds due September 1, 20__ – Yield: _____% Price: ___ CUSIP†: ______
$_________ _____% Term Series 2023B Housing Bonds due September 1, 20__ – Yield: _____% Price: ___ CUSIP†: ______

* Preliminary, subject to change.
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2023B Housing Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2023B Housing Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2023B Housing Bonds.

CITY AND COUNTY OF SAN FRANCISCO
MAYOR

London N. Breed

BOARD OF SUPERVISORS[1]

Aaron Peskin, *Board President*, *District 3*

Connie Chan, *District 1*
Catherine Stefani, *District 2*
Joel Engardio, *District 4*
Dean Preston*, District 5*
Matt Dorsey, *District 6*
Myrna Melgar, *District 7*
Rafael Mandelman, *District 8*
Hillary Ronen, *District 9*
Shamann Walton, *District 10*
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.
Berkeley, California

Municipal Advisor
CSG Advisors Incorporated
San Francisco, California

Trustee
Zions Bancorporation, National Association
Los Angeles, California

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

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

TABLE OF CONTENTS
(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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2023AB 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 2023AB 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 2023AB Bonds makes an assignment of its beneficial ownership interest in the Series 2023AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2023AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See "TRANSFER RESTRICTIONS" herein.

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

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

IN CONNECTION WITH THE OFFERING OF THE SERIES 2023AB BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2023AB 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 2023AB 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 2023AB Bonds will be secured by revenues derived from a portion of ad valorem taxes levied in the Project Areas located on certain portions of Yerba Buena Island and Treasure Island. No mortgage or deed of trust on property secures the Series 2023AB 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 2023AB Bonds, nor shall any other property or resources of the District be available to pay debt service on the Series 2023AB Bonds. See "SECURITY AND SOURCES OF PAYMENT" herein.

OFFICIAL STATEMENT

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

$[2023A Par]*	**$[2023B Par]***
TAX INCREMENT REVENUE BONDS,	**TAX INCREMENT REVENUE BONDS,**
SERIES 2023A	**SERIES 2023B**
(FACILITIES INCREMENT)	**(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 2023A (Facilities Increment) (the "Series 2023A Facilities Bonds") and Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the "Series 2023B Housing Bonds" and together with the Series 2023A Facilities Bonds, the "Series 2023AB Bonds").

The Series 2023A Facilities Bonds will be secured primarily by Pledged Facilities Increment, and the Series 2023B Housing 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.

As explained more fully in this Official Statement, the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2023AB Bonds are similar, this Official Statement describes both series of the Series 2023AB Bonds.

Authority for Issuance

The Series 2023AB 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. [__]-23, adopted by the Board of Supervisors as the legislative body of the District on [_____], 2023, and signed by the Mayor on [_____], 2023, approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed $[______] (the "2023 Bond Resolution," and collectively with the Original Resolution of Issuance, as supplemented, the "Resolution").

* Preliminary, subject to change.
136768638.5

The Series 2023A Facilities Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Facilities Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee").

The Series 2023B Housing Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022 (the "Housing Indenture"), as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Housing Indenture"), each by and between the District and the Trustee, as trustee.

Use of Proceeds

The Series 2023A Facilities 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 2023A Facilities Bonds.

The Series 2023B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2023B Housing Bonds. See "THE FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2023AB Bonds

The Series 2023A Facilities Bonds will be issued in denominations of $100,000 or any integral multiple of $5,000 in excess thereof ("Authorized Denominations"), shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the first inside front cover hereof.

The Series 2023B Housing Bonds will be issued in Authorized Denominations, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the second inside front cover hereof.

Interest on the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds shall be payable on each March 1 and September 1, commencing March 1, 2024 (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 2023AB Bonds delivered to the Trustee prior to the applicable Record Date.

The Series 2023AB 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 2023AB Bonds. Individual purchases of the Series 2023AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2023AB Bonds will be payable by DTC through the DTC participants. Purchasers of the Series 2023AB Bonds will not receive physical delivery of the Series 2023AB Bonds purchased by them. See "THE SERIES 2023B FACILITIES BONDS - Book-Entry System" and "THE SERIES 2023B HOUSING BONDS - Book-Entry System" herein.

Security and Sources of Payment

The Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds (defined below) and any Parity Facilities Debt (defined herein) issued in the future will be secured primarily by Pledged Facilities Increment. The Series 2023B Housing Bonds, the Series 2022A Housing Bonds (defined below) and any

Parity Housing Debt (defined herein) issued in the future will be secured primarily by Pledged Housing Increment.

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

The Series 2022 Facilities Bonds, the Series 2023A Facilities Bonds and all 2022 Related Facilities Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See "2022 Facilities Reserve Account" below. The Series 2022B Housing Bonds, Series 2023B Housing Bonds and all 2022 Related Housing Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See "2022 Housing Reserve Account" below.

See the section of this Official Statement captioned "RISK FACTORS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2023AB Bonds.

Parity Bonds and Additional Parity Debt

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

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

2022 Facilities Reserve Account

The District has established the 2022 Facilities Reserve Account, which will serve as additional security for the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any future 2022 Related Facilities Bonds pursuant to the Facilities Indenture. The Facilities Indenture requires the 2022 Facilities Reserve Account to be funded at the 2022 Facilities Reserve Requirement (defined below). On the date of issuance of the Series 2023A Facilities Bonds, proceeds of the Series 2023A Facilities Bonds will be deposited into the 2022 Facilities Reserve Account so that the amount in the 2022 Facilities Reserve Account is equal to the 2022 Facilities Reserve Requirement.

The Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any future 2022 Related Facilities Bonds will be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. The moneys in the 2022 Facilities Reserve Account (except as otherwise provided in the Facilities Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any future 2022 Related Facilities Bonds that might be issued in the future as provided in the Facilities Indenture and in the Law until all of the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and all other 2022 Related Facilities Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Facilities Indenture. See "SECURITY AND SOURCES OF PAYMENT – 2022 Facilities Reserve Account" herein.

2022 Housing Reserve Account

The District has established the 2022 Housing Reserve Account, which will serve as additional security for the Series 2023B Housing Bonds, the Series 2022B Housing Bonds and any future 2022 Related Housing Bonds pursuant to the Housing Indenture. The Housing Indenture requires the 2022 Housing Reserve Account to be funded at the 2022 Housing Reserve Requirement (defined below). On the date of issuance of the Series 2023B Housing Bonds, proceeds of the Series 2023B Housing Bonds will be deposited into the 2022 Housing Reserve Account so that the amount in the 2022 Housing Reserve Account is equal to the 2022 Housing Reserve Requirement.

The Series 2023B Housing Bonds, the Series 2022B Housing Bonds and any future 2022 Related Housing Bonds will be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. The moneys in the 2022 Housing Reserve Account (except as otherwise provided in the Housing Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2023B Housing Bonds, the Series 2022B Housing Bonds and any future 2022 Related Housing Bonds that might be issued in the future as provided in the Housing Indenture and in the Law until all of the Series 2023B Housing Bonds, the Series 2022B Housing Bonds and all other 2022 Related Housing Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Housing Indenture. See "SECURITY AND SOURCES OF PAYMENT – 2022 Housing Reserve Account" herein.

Limited Obligations

The Series 2023A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture.

The Series 2023B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2023B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds are a debt of the City and County of San Francisco (the "City"), the State of California (the "State") or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith *and credit to the payment of debt service on the Series 2023A Facilities Bonds or the Series 2023B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.*

Treasure Island Project

The Treasure Island Project entails the development of portions of the naturally-formed Yerba Buena Island ("Yerba Buena Island") and the artificially created Treasure Island ("Treasure Island"), both located in the middle of the San Francisco Bay between downtown San Francisco and the City of Oakland. Yerba Buena Island and Treasure Island are connected by a causeway, and are accessible by ferry service (between the San Francisco Ferry Building and a terminal on Treasure Island) and Interstate Highway 80 via the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island).

The Treasure Island Project consists of approximately 461 acres entitled for the development of up to 8,000 residential units, up to approximately 140,000 square feet of new commercial and retail space, adaptive reuse of three historic buildings with up to 311,000 square feet of commercial/flex space, up to 500 hotel rooms, up to approximately 100,000 square feet of office space, over 290 acres of open space, 22 miles of walking/biking paths, playing fields, a marina, and a ferry terminal.

The Treasure Island Project is expected to be carried out by, or at the direction of, Treasure Island Community Development, LLC, a California limited liability company ("TICD"), the master developer for the Treasure Island Project.

The District and the Initial Project Areas

The District was formed by the City pursuant to the Law. The Act was enacted by the State of California (the "State") Legislature to provide an alternative method of financing certain purposes, including public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation, including on former military bases. Generally, the legislative body of a city that forms an infrastructure and revitalization financing district acts as the governing legislative body of such district. The Board of Supervisors serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election (which has already occurred) and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary to form the District and the initial project areas within it, approve an infrastructure financing plan for the District (as amended from time to time, the "Infrastructure Financing Plan"), and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan. See APPENDIX B – "INFRASTRUCTURE FINANCING PLAN" attached hereto. Such proceedings were validated by the California Superior Court.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E (collectively, the "Initial Project Areas"). Although the City, the District and TICD anticipate that additional territory will annex into the District, no assurance is given regarding addition of project areas in the District or addition of territory to the District.

A wholly-owned subsidiary of TICD, Treasure Island Series 1, LLC, a Delaware limited liability company ("TI Series 1"), is currently developing the property in the Initial Project Areas and has sold portions of the property to related entities undertaking vertical construction. See "THE TREASURE ISLAND PROJECT – Developer Entities" herein.

The property in the Initial Project Areas include about 33 acres, some of which are located on Yerba Buena Island and some of which are located on Treasure Island. Planned development within the boundaries of the Initial Project Areas includes 1,755 residential units (some of which have been completed) and two hotels; the infrastructure and utilities necessary for these projects to receive temporary certificates of occupancy have been completed.

The first project, the 124-unit residential condominium development on Yerba Buena Island known as the Bristol, was completed in June 2022. As of August 1, 2023, 36 of the market rate units and 6 of the below market rate units in the Bristol have been sold to individual buyers.

Vertical construction is currently underway on 31 units of the 53 planned townhomes and flats at Sub-Block 4Y, immediately adjacent to the Bristol, constituting the first phase of a project known as the "Residences." Vertical construction is also currently underway on three projects on Treasure Island: (i) "Portico," a 148 condominium unit building at Sub-Block C3.3/C3.4, (ii) "Isle House" (formerly, "Tidal House"), a 250-unit high-rise rental development at Sub-Block C2.4, and (iii) "Hawkins," a 178-unit mid-rise rental development at Sub-Block C2.2.

In total, 607 residential units are under construction as of August 2023, of which 567 are market rate and 40 are below market rate affordable units.

One other planned development in the Initial Project Areas, Sub-Block B1, has a site permit but has not yet begun vertical construction, executed guaranteed maximum price construction contracts or received construction financing. Sub-Block B1 is being reevaluated. In addition, permitted grading and shoring activities for a portion of Sub-Block 3Y have begun, though no site or building permit has yet been issued for that Sub-Block. The remaining planned developments are vacant land in earlier stages of development.

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

No Rating; Early Stage of Development; Transfer Restrictions

The Series 2023AB 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 2023AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2023AB Bonds in the secondary market. See "RISK FACTORS – Limited Secondary Market" herein.

The Pledged Facilities Increment and Pledged Housing Increment projected in the Fiscal Consultant Report are currently generated from properties with concentrated ownership, a substantial portion of which are under construction or vacant properties planned for residential development for which site permits have not yet been received. Assessed values attributable to construction in progress or vacant land may be subject to more volatility than assessed values of completed buildings, and the Bristol is currently the only completed building in the Initial Project Areas. See "THE INITIAL PROJECT AREAS," "TAX INCREMENT REVENUE AND DEBT SERVICE" and "RISK FACTORS – Real Estate Investment Risks" herein. Neither the District nor the Underwriter make any assurance that development of the property will be completed or that the plans or projections detailed herein will actually occur.

The Series 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds) of the Series 2023AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2023AB 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 2023AB 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 2023AB Bonds makes an assignment of its beneficial ownership interest in the Series 2023AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2023AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See "TRANSFER RESTRICTIONS" herein.

Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board ("MSRB") certain annual financial information and operating data and notice of certain enumerated events. The District's covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12 ("Rule 15c2-12"). See the caption "CONTINUING DISCLOSURE," Appendix E-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 2023A Facilities Bonds and Appendix E-2 for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District in respect of the Series 2023B Housing Bonds.

Further Information

Brief descriptions of the Series 2023AB Bonds, the applicable security for the Series 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds, see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" attached hereto.

THE FINANCING PLAN

The Series 2023A Facilities 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 2023A Facilities Bonds. Among other things, the proceeds of the 2023A Facilities Bonds are expected to be used to reimburse TICD for certain geotechnical work on Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

The Series 2023B Housing Bonds are being issued to (i) finance a grant or a forgivable loan for a portion of the TI Parcel IC4.3 Project (defined below), (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2023B Housing Bonds. The Law allows the District to finance for-sale and rental housing and requires at least 20% of the financed units to be set aside to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost or at an affordable rent, as defined in the Law. The Infrastructure Financing Plan requires 100% of the Net Available Housing Increment to be used to finance the costs of increasing, improving and preserving the City's supply of housing for persons and families of very low-, low-, or moderate-income pursuant to the Housing Plan of the Disposition and Development Agreement between the Treasure Island Development Authority ("TIDA") and TICD, dated as of June 28, 2011 (as amended from time to time, the "DDA"). Consistent with the Law and the Infrastructure Financing Plan, proceeds of the Series 2023B Housing Bonds will only finance affordable housing and/or housing that will become restricted with an affordability covenant. It is anticipated that proceeds of the Series 2023B Housing Bonds will be used by TIDA and Mayor's Office of Housing and Community Development ("MOHCD") to finance a grant or forgivable loan for a portion of the affordable housing component of a development by John Stewart Company and Catholic Charities on Treasure Island (the "TI Parcel IC4.3 Project"). The proposed 150-unit affordable housing development includes approximately 30 transitional units for legacy households relocating from formerly Navy-owned housing on Treasure Island, 60 One Treasure Island replacement units currently operated by HomeRise (for households that were homeless upon move in), and approximately 60 new affordable units. The development will also include a 6,000-10,000 square foot childcare facility for 50-100 children. Construction is scheduled to begin in late 2025 and is expected to be completed in late 2027. The TI Parcel IC4.3 Project will not be subject to property taxes.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2023AB Bonds is set forth below:

Sources of Funds	Series 2023A Facilities Bonds	Series 2023B Housing Bonds	Total
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 2023AB Bonds.

THE SERIES 2023A FACILITIES BONDS

Description of the Series 2023A Facilities Bonds

The Series 2023A Facilities Bonds will be issued as fully registered bonds, in Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the first inside cover page hereof. The Series 2023A Facilities Bonds will be issued in fully registered form, without coupons. The Series 2023A Facilities Bonds will mature on September 1 in the principal amounts and years as shown on the first inside cover page hereof.

The Series 2023A Facilities Bonds will bear interest at the rates set forth on the first inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2023A Facilities Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2023A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2024, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2023A Facilities Bond, interest thereon is in default, such Series 2023A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2023A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of Series 2023A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2023A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

"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 2023A Facilities Bonds and any premium on the Series 2023A Facilities Bonds are payable in lawful money of the United States of America upon surrender of the Series 2023A Facilities Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2023A Facilities Bonds redeemed or purchased pursuant to the Facilities Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2023A Facilities Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2023A Facilities Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2023A Facilities Bonds that are Term Facilities Bonds and maturing September 1, 20__, September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Facilities Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

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

Term Bonds maturing September 1, 20__

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

Provided however, that if some but not all of such Term Series 2023A Facilities Bonds of a maturity have been redeemed at the option of the District as described in "- *Optional Redemption*" above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2023A Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of $5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2023A Facilities Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2023A Facilities Bonds to be redeemed, shall state the individual number of each Series 2023A Facilities Bond to be redeemed or shall state that all Series 2023A Facilities Bonds between two stated numbers (both inclusive) or all of the Series 2023A Facilities Bonds Outstanding are to be redeemed, and shall require that such Series 2023A Facilities Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2023A Facilities Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2023A Facilities Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Facilities Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2023A Facilities Bonds for Redemption. Subject to the Facilities Indenture provisions described above under the captions " – Optional Redemption" and " – Mandatory Sinking Fund Redemption," whenever any Series 2023A Facilities Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2023A Facilities Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2023A Facilities Bonds, the Trustee shall assign to each Series 2023A Facilities Bond then Outstanding a distinctive number for each $5,000 of the principal amount of each such Series 2023A Facilities Bond. The Series 2023A Facilities Bonds to be redeemed shall be the Series 2023A Facilities Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2023A Facilities Bond of a denomination of more than $5,000 shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Purchase of Series 2023A Facilities Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2023A Facilities Bonds, amounts on deposit in the Net Available Facilities Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2023A Facilities Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2023A Facilities Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2023A Facilities Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE SERIES 2023B HOUSING BONDS

Description of the Series 2023B Housing Bonds

The Series 2023B Housing Bonds will be issued as fully registered bonds, Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the second inside cover page hereof. The Series 2023B Housing Bonds will be issued in fully registered form, without coupons. The Series 2023B Housing Bonds will mature on September 1 in the principal amounts and years as shown on the second inside cover page hereof.

The Series 2023B Housing Bonds will bear interest at the rates set forth on the second inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2023B Housing Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2023B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2024, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2023B Housing Bond, interest thereon is in default, such Series 2023B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2023B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least $1,000,000 aggregate principal amount of Series 2023B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2023B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

"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 2023B Housing Bonds and any premium on the Series 2023B Housing Bonds are payable in lawful money of the United States of America upon surrender of the Series 2023B Housing Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2023B Housing Bonds redeemed or purchased pursuant to the Housing Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2023B Housing Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2023B Housing Bonds maturing on or after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2023B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2023B Housing Bonds that are Term Housing Bonds and maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Housing Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

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

Term Bonds maturing September 1, 20__

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

Provided however, that if some but not all of such Term Series 2023B Housing Bonds of a maturity have been redeemed at the option of the District as described in "- *Optional Redemption*" above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2023B Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of $5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2023B Housing Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2023B Housing Bonds to be redeemed, shall state the individual number of each Series 2023B Housing Bond to be redeemed or shall state that all Series 2023B Housing Bonds between two stated numbers (both inclusive) or all of the Series 2023B Housing Bonds Outstanding are to be redeemed, and shall require that such Series 2023B Housing Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2023B Housing Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2023B Housing Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Housing Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2023B Housing Bonds for Redemption. Subject to the Housing Indenture provisions described above under the captions " – Optional Redemption" and " – Mandatory Sinking Fund Redemption," whenever any Series 2023B Housing Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2023B Housing Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2023B Housing Bonds, the Trustee shall assign to each Series 2023B Housing Bond then Outstanding a distinctive number for each $5,000 of the principal amount of each such Series 2023B Housing Bond. The Series 2023B Housing Bonds to be redeemed shall be the Series 2023B Housing Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2023B Housing Bond of a denomination of more than $5,000 shall be redeemed as shall equal $5,000 for each number assigned to it and so selected.

Purchase of Series 2023B Housing Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2023B Housing Bonds, amounts on deposit in the Net Available Housing Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2023B Housing Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2023B Housing Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2023B Housing Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE TRUSTEE

Zions Bancorporation, National Association has been appointed as the Trustee for all of the Facilities Bonds under the Facilities Indenture and as the Trustee for all of the Housing Bonds under the Housing Indenture. For a further description of the rights and obligations of the Trustee pursuant to the Facilities Indenture and the Housing Indenture, respectively, see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" hereto. The role of Zions Bancorporation, National Association, as trustee for the Facilities Bonds under the Facilities Indenture is separate from its role as trustee for the Housing Bonds under the Housing Indenture.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2023AB Bonds. The Series 2023AB 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 2023AB Bonds will not receive physical certificates representing their interest in the Series 2023AB Bonds. So long as the Series 2023AB 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 2023AB Bonds. Payments of the principal of, premium, if any, and interest on the Series 2023AB 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 2023AB Bonds. Disbursements of such payments to DTC's Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and Indirect Participants. See APPENDIX G – "BOOK-ENTRY SYSTEM" attached hereto.

SECURITY AND SOURCES OF PAYMENT

General

The Series 2022A Facilities Bonds, the Series 2023A Facilities Bonds and any Parity Facilities Debt will be secured primarily by Pledged Facilities Increment. The Series 2022B Housing Bonds, the Series 2023B Housing Bonds and any Parity Housing Debt will be secured primarily by Pledged Housing Increment.

Pledged Facilities Increment and Pledged Housing Increment are separate designated portions of the basic 1% of assessed value property tax levy in the Project Areas under Article XIIIA of the California Constitution.

The Pledged Facilities Increment will represent 53.285270% of incremental property taxes under the 1% levy in the Project Areas for which the Commencement Year (defined below based on Trigger Amounts (as defined in the Infrastructure Financing Plan) of taxes generated) has occurred (less certain administrative costs). The Pledged Housing Increment will represent 11.302936% of incremental property taxes under the 1% levy in the Project Areas for which the Commencement Year has occurred (less certain administrative costs).

The Initial Project Areas are Project Areas A, B, C, D and E. The Commencement Year has occurred for Project Area A, B and E. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached. Project Area C and Project Area D will not receive tax increment until the thresholds for commencement of tax increment are exceeded. See Table 3 under the caption "TAX INCREMENT REVENUE AND DEBT SERVICE – Commencement Year and Time Limits for Each Project Area" and APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto.

The table and summary below describes the designated components of the Pledged Facilities Increment and the Pledged Housing Increment. Additional security for Series 2023A Facilities Bonds and the Series 2023B Housing Bonds, respectively, are also described in the summary below.

City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Percentage Allocation of 1% Property Tax Increment to District

	Combined Total	Pledged Housing Increment (17.5% share)	Pledged Facilities Increment (82.5% share)
Allocated to IRFD No. 1			
(1) Net Available Increment	56.588206%	9.902936%	46.685270%
(2) Conditional City Increment[1]	8.000000%	1.400000%	6.600000%
Pledged Increment [= (1) + (2), less cost of allocating taxes][2]	**64.588206%**	**11.302936%**	**53.285270%**
Not Allocated to IRFD No. 1			
Other 1% Taxing Agencies (not available to IRFD No. 1)	35.411794%		
Total Tax Increment	**100.000000%**		

[1] Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service. See "SECURITY AND SOURCES OF PAYMENT" herein.
[2] The administrative cost of allocating taxes to the District is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in this table. Such administrative costs may vary over time.

Gross Tax Increment, Net Available Increment and Conditional City Increment

Relevant Definitions. The following defined terms are used in this Official Statement to describe the Pledged Facilities Increment pledged to the Series 2023A Facilities Bonds and any Parity Facilities Debt, and to describe the Pledged Housing Increment pledged to the Series 2023B Housing Bonds and any Parity Housing Debt. These terms are defined in the Facilities Indenture, the Housing Indenture or the Infrastructure Financing Plan.

"Gross Tax Increment" means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value (assessed value of Project Area property for a fiscal year less such assessed value in the Base Year (Fiscal Year 2016-17)) of property within the Project Area. Gross Tax Increment does not include any property tax in-lieu of vehicle license fee revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code. *Because the Base Year assessed value for every Project Area has been and will remain $0, Gross Tax Increment will effectively include all of the 1% ad valorem tax rate in the Project Areas for which the Commencement Year has occurred (subject to deduction for certain administrative costs).*

"Project Area" means, collectively, each project area established from time to time for the District pursuant to the Law. Currently, the Initial Project Areas are the only Project Areas.

"Commencement Year" means the fiscal year in which tax increment revenues generated in a Project Area will begin to be allocated to the District. The Commencement Year will be calculated separately for each Project Area. Under the Infrastructure Financing Plan, the Commencement Year for a Project Area is the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the "Trigger Amount") is generated in the Project Area and received by the City. The Trigger Amounts for the five Initial Project areas are identified in Table 3 herein. The District will stop receiving tax increment from Project Areas 40 years following their Commencement Year.

"Net Available Increment" means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan. To the extent the City's administrative costs incurred in connection with the division of taxes under the Law are not deducted from Gross Tax Increment, the District will first set aside from Net Available Increment such amounts for payment to the City.

"Conditional City Increment" means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

"Plan Limit" means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the District pursuant to the Infrastructure Financing Plan and the Law. Under the Infrastructure Financing Plan, the total nominal number of tax increment dollars to be allocated to the District from the Initial Project Areas over the life of the District shall not exceed $1.53 billion of Net Available Increment and $216 million of Conditional City Increment. The combined total of Net Available Increment and Conditional City Increment allocated to the Initial Projects Areas of the District shall not exceed $1.75 billion. If territory is annexed to the District in the future, a separate Plan Limit will be established for such territory as part of the annexation process.

Allocation of Net Available Increment to the District. Under the Law, an infrastructure financing plan may contain a provision that property taxes, if any, levied upon taxable property in the area included within the infrastructure revitalization financing district (or a project area, as applicable) each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted to create the district, shall be divided (excluding any property taxes approved by the voters to pay general obligation bonds), as follows:

> (a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district (or a project area, as applicable) as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.
>
> (b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity which has agreed to allocate taxes to the district in excess of the amount specified in paragraph (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district (or a project area, as applicable) exceeds the total assessed value of the taxable property in the district (or a project area, as applicable) as shown by the last equalized assessment roll referred to in paragraph (a), all of the taxes levied and collected upon the taxable property in the district (or a project area, as applicable) shall be paid to the respective affected taxing entities.

Under the Infrastructure Financing Plan, Net Available Tax Increment generated in each Project Area will be allocated to the District as described in the Infrastructure Financing Plan, commencing with the applicable Commencement Year. The Commencement Year for each Initial Project Area is identified in the current Infrastructure Financing Plan and is based on achieving a target amount of taxes generated. See APPENDIX B – "INFRASTRUCTURE FINANCING PLAN" attached hereto. The Commencement Year for Project Area A was Fiscal Year 2019-20 and for Project Areas B and E was Fiscal Year 2022-23. The Commencement Year for the Project Areas C and D has not yet occurred. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto.

For future Project Areas, the Commencement Year will be determined at the time of the related territory's annexation to the District. The Commencement Year for each future Project Area is expected to be identified in a supplement to the Infrastructure Financing Plan. See APPENDIX B – "INFRASTRUCTURE FINANCING PLAN" attached hereto.

Infrastructure Financing Plan Allocation of Tax Increment. The Infrastructure Financing Plan provides that the annual allocation of tax revenues to the District by the City, as the sole affected taxing entity allocating tax revenues to the District, is contingent upon the District's use of such increment to pay for authorized District purposes, including to pay debt service on bonds issued to accomplish such purposes. In the Facilities Indenture, the District covenants to use the proceeds of the Facilities Bonds so as to ensure that the Pledged Facilities Increment may be used under the Law for the purposes set forth in the Facilities Indenture. Upon issuance of the Series 2023A Facilities Bonds, and as a condition to issuance of Parity Facilities Debt the District and the City are required to, certify that proceeds of the Series 2023A Facilities Bonds or the Parity Facilities Debt, as applicable, shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

In the Housing Indenture, the District covenants to use the proceeds of the Housing Bonds so as to ensure that the Pledged Housing Increment may be used under the Law for the purposes set forth in the Housing Indenture. Upon issuance of the Series 2023A Housing Bonds, and as a condition to issuance of Parity Housing Debt, the District and the City are required to, certify that proceeds of the Series 2023A Housing Bonds or the Parity Housing Debt, as applicable, shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

Net Available Increment Special Fund. As required by the Law, the District has established a special fund to be held by or on behalf of the District as a separate restricted account, to be known as the "Net Available Increment Special Fund." The District has established the following accounts within the Net Available Increment Special Fund to be held by or on behalf of the District as separate restricted accounts: the "Net Available Housing Increment Special Account" and the "Net Available Facilities Increment Special Account."

Amounts deposited to and held by the District in the Net Available Increment Special Fund and the accounts therein shall be at all times separately accounted for by the District from all other funds or accounts. The Net Available Facilities Increment shall be used and applied solely as set forth in the Facilities Indenture (see "Security for the Series 2023A Facilities Bonds and Parity Facilities Debt" below) and the Net Available Housing Increment shall be used and applied solely as set forth in the Housing Indenture (see "Security for the Series 2023B Housing Bonds and Parity Housing Debt" below).

The District has executed a Special Fund Administration Agreement dated as of September 1, 2022 (the "Special Fund Administration Agreement") by and among the City, the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the "CFD"), TIDA, the District and Zions Bancorporation, National Association, as special fund trustee ("Special Fund Trustee"). The purpose of the Special Fund Administration Agreement is to provide for the administration and disposition of various funds related to the Treasure Island Project. Under the Special Fund Administration Agreement, the Special Fund Trustee holds the Net Available Increment Special Fund, the Net Available Housing Increment Special Account, the Net Available Facilities Increment Special Account and the Conditional City Increment Special Fund (defined below), and those funds and accounts are administered as required by the Facilities Indenture and the Housing Indenture.

Security for the Series 2023A Facilities Bonds and Parity Facilities Debt

The Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any other Parity Facilities Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Facilities Increment (including the Net Available Facilities Increment in the Net Available Facilities Increment Special Account) and the Conditional City Facilities Increment (including the Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account) (subject to compensation, costs and indemnity payable under the Facilities Indenture to the Trustee, its officers, directors, agents or employees). The Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any other Parity Facilities Debt issued as Facilities Bonds are also secured by certain funds and accounts under the Facilities Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for administrative costs incurred by the City in connection with the division of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receipt of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District's receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Facilities Increment. "Net Available Facilities Increment" means 82.5% of the Net Available Increment (which Net Available Facilities Increment is equivalent to 46.685270% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Net Available Increment received in any Bond Year in the Net Available Facilities Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Facilities Increment Special Account in its discretion.

The Net Available Facilities Increment received in any Bond Year and deposited into the Net Available Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund, the 2022 Facilities Reserve Account, any other reserve account held by the Trustee for Facilities Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

All Net Available Facilities Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Facilities Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Facilities Increment to pay debt service on the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds or any other Parity Facilities Debt, payment of Subordinate Facilities Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Conditional City Facilities Increment. "Conditional City Facilities Increment" means 82.5% of the Conditional City Increment (which Conditional City Facilities Increment is equivalent to 6.6% of the Gross

Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Conditional City Increment received in any Bond Year in the Conditional City Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Facilities Increment Special Account in its discretion.

The Conditional City Facilities Increment received in any Bond Year and deposited into the Conditional City Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amount of Net Available Facilities Increment on deposit in the Net Available Facilities Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than additional Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Facilities Increment shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt following payment of the principal or redemption price of and interest on the Facilities Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Facilities Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Facilities Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Facilities Increment to the City. The District is not required to apply such released City Conditional Facilities Increment to replenish debt service reserve accounts under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Facilities Debt Service Fund. The Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any additional Facilities Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Facilities Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See "- Facilities Debt Service Fund" below.

2022 Facilities Reserve Account. The Series 2023A Bonds, the Series 2022A Facilities Bond and all other 2023A Related Facilities Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See "- 2022 Facilities Reserve Account" below.

"2022 Related Facilities Bonds" means any series of Parity Facilities Bonds for which (i) the proceeds are deposited into the 2022 Facilities Reserve Account so that the balance therein is equal to the 2022 Facilities Reserve Requirement following issuance of such Parity Facilities Bonds and (ii) the related Supplemental Facilities Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Facilities Bonds.

Limited Security. Amounts in the Facilities Project Fund (and the accounts therein) under the Facilities Indenture and the 2023A Costs of Issuance Fund are not pledged to the repayment of the Facilities Bonds.

Except for the Pledged Facilities Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account, until released from the pledge, security interest and lien under the Housing Indenture, as described below) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Bonds.

Plan Limit Covenant. Under the Facilities Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limit, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or (ii) claim all Net Available Facilities Increment not needed to pay all of the current or any past due debt service on Facilities Bonds or any Parity Facilities Debt through the scheduled maturity date(s) for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or to redeem Facilities Bonds and any Parity Facilities Debt that does not constitute Facilities Bonds.

2022 Facilities Reserve Account

The Trustee established under the Facilities Indenture a 2022 Facilities Reserve Account. The 2022 Facilities Reserve Account was established for the benefit of the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any other 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 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any other 2022 Related Facilities Bonds, (b) 125% of average Annual Debt Service on the Series 2023A Facilities Bonds, Series 2022A Facilities Bonds and any other 2022 Related Facilities Bonds and (c) 10% of the original principal of the Series 2023A Facilities Bonds, Series 2022A Facilities Bonds and any other 2022 Related Facilities Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds or any other 2022 Related Facilities Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds or any other 2022 Related Facilities Bonds was less than 98% or more than 102% of the original principal amount of the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds or any other 2022 Related Facilities Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Facilities Indenture exceed the amount on deposit in the 2022 Facilities Reserve Account on the date of issuance of the Series 2022A Facilities Bonds or the most recently issued series of 2022 Related Facilities Bonds except in connection with any increase associated with the issuance of 2022 Related Facilities Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Facilities Reserve Account in connection with the issuance of a series of 2022 Related Facilities Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2023A Facilities Bonds, the 2022 Facilities Reserve Requirement will be satisfied as reflected in the table below:

2022 Facilities Reserve Requirement	**$**
Prior balance in the 2022 Facilities Reserve Account	$
Additional deposit from Series 2023A Facilities Bonds proceeds	
Total Deposited to the 2022 Facilities Reserve Account	**$**

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 2023A Facilities Bonds, the Series 2022A Facilities Bonds and any future 2022 Related Facilities Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Facilities Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2023A Facilities Bonds, the Series 2022A Facilities Bonds or any future 2022 Related Facilities Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" attached hereto.

Parity Facilities Debt

The Series 2023A Facilities Bonds will be the second series of Facilities Bonds issued under the Facilities Indenture. In addition to the Series 2023A Facilities Bonds, the District has issued the Series 2022A Facilities Bonds and may issue additional Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Facilities Increment in such principal amount as shall be determined by the District. The District may issue Parity Facilities Debt, subject to the conditions set forth in the Facilities Indenture. If development proceeds as planned, the District anticipates issuing Parity Facilities Debt annually during the construction period in amounts then permitted by the conditions set forth in the Facilities Indenture.

Any Parity Facilities Debt, to the extent provided in the Facilities Indenture, shall be secured by a lien on the Pledged Facilities Increment on a parity with any Facilities Bonds issued under the Facilities Indenture. The District may issue and deliver any such Parity Facilities Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Facilities Debt:

(a) Except as provided in the Facilities Indenture as described in paragraph (i) below, no event of default under the Facilities Indenture, under any Parity Facilities Debt Instrument or under any Subordinate Facilities Debt Instrument (as defined in the Facilities Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Facilities Debt, and the District shall otherwise be in compliance with all covenants set forth in the Facilities Indenture.

(b) Except as provided in the Facilities Indenture as described in paragraph (i) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Facilities Revenues, the Pledged Facilities Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Facilities Debt then proposed to be issued or incurred.

"Additional Facilities Revenues" means, as of the date of calculation, the amount of Net Available Facilities Increment and Conditional City Facilities Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture, the Supplemental Facilities Indenture providing for the issuance of such Facilities Bonds shall provide for (i) a deposit to the 2022 Facilities Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Facilities Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Facilities Bonds (and such other series of Facilities Bonds identified by the District) in an amount defined in such Supplemental Facilities Indenture, as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account and that the Owners of the Facilities Bonds covered by the 2022 Facilities Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Facilities Reserve Account or another reserve account as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account or any other reserve account. The Supplemental Facilities Indenture may provide that the District may satisfy the 2022 Facilities Reserve Requirement for a series of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture by the deposit into the reserve account established pursuant to such Supplemental Facilities Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Facilities Indenture.

Nothing in the Facilities Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Facilities Debt that is not issued as additional Facilities Bonds under the Indenture.

(d) Principal with respect to such Parity Facilities Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Facilities Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Facilities Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Facilities Debt.

(g) The proceeds of the Parity Facilities Debt shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (i) below, the District shall deliver to the Trustee (i) a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity

Facilities Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Facilities Debt set forth in paragraph (g) above has been satisfied.

(i) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Facilities Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2023A Facilities Bonds or any other outstanding Parity Facilities Debt, provided that debt service payable in each year with respect to the proposed Parity Facilities Debt is less than the debt service otherwise payable in each year with respect to the Series 2023A Facilities Bonds or Parity Facilities Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Facilities Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Facilities Increment; or (b) secured by a pledge of or lien upon the Pledged Facilities Increment which is expressly subordinate to the pledge of and lien upon the Net Available Facilities Increment and the Conditional City Facilities Increment under the Facilities Indenture for the security of the Facilities Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA's promise to pay the Navy the purchase price of $55 million, plus interest, for the property constituting the project site of the Treasure Island Project. According to the Subordinate Pledge Agreement, the District's pledge to pay the purchase price is subordinate to any bonds issued by the District.

Security for the Series 2023B Housing Bonds and Parity Housing Debt

The Series 2023B Housing Bonds, the Series 2022A Housing Bonds and any future Parity Housing Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Housing Increment (including the Net Available Housing Increment in the Net Available Housing Increment Special Account) and the Conditional City Housing Increment (including the Conditional City Housing Increment in the Conditional City Housing Increment Special Account) (subject to compensation, costs and indemnity payable under the Housing Indenture to the Trustee, its officers, directors, agents or employees). The Series 2023B Housing Bonds, the Series 2022A Housing Bonds and any future Parity Housing Debt issued as Housing Bonds are also secured by certain funds and accounts under the Housing Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for allocation to the District of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receive of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District's receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Housing Increment. "Net Available Housing Increment" means 17.5% of the Net Available Increment (which Net Available Housing Increment is equivalent to 9.902936% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Net Available Increment received in any Bond Year in the Net Available Housing Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Housing Increment Special Account in its discretion.

The Net Available Housing Increment received in any Bond Year and deposited into the Net Available Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund, the 2022 Housing Reserve Account, any other reserve account held by the Trustee for Housing Bonds that are not 2022 Related Housing Bonds and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

All Net Available Housing Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Housing Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Housing Increment to pay debt service on the Series 2023B Housing Bonds, the Series 2022A Housing Bonds or any other Parity Housing Debt, payment of Subordinate Housing Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Conditional City Housing Increment. "Conditional City Housing Increment" means 17.5% of the Conditional City Increment (which Conditional City Housing Increment is equivalent to 1.4% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Conditional City Increment received in any Bond Year in the Conditional City Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Housing Increment Special Account in its discretion.

The Conditional City Housing Increment received in any Bond Year and deposited into the Conditional City Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amount of Net Available Housing Increment on deposit in the Net Available Housing Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than additional Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Housing Increment shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Housing Increment in the Conditional City Housing Increment Special Account shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt following payment of the principal or redemption price of and interest on the Housing Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Housing Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Housing Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Housing Increment in the Conditional City Housing Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Housing Increment to the City. The District is not required to apply such released City Conditional Housing Increment to replenish debt service reserve accounts under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Housing Debt Service Fund. The Series 2023B Housing Bonds, the Series 2022A Housing Bonds and any additional Housing Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Housing Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “Housing Debt Service Fund” below.

2022 Housing Reserve Account. The Series 2023B Bonds, the Series 2022A Housing Bonds and all 2022 Related Housing Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See “2022 Housing Reserve Account” below.

“2022 Related Housing Bonds” means any series of Parity Housing Bonds for which (i) the proceeds are deposited into the 2022 Housing Reserve Account so that the balance therein is equal to the 2022 Housing Reserve Requirement following issuance of such Parity Housing Bonds and (ii) the related Supplemental Housing Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Housing Bonds.

Limited Security. Amounts in the Housing Project Fund (and the accounts therein) under the Housing Indenture and the 2023B Costs of Issuance Fund are not pledged to the repayment of the Housing Bonds.

Except for the Pledged Housing Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Housing Bonds.

Plan Limit Covenant. Under the Housing Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Housing Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Housing Bonds and any outstanding Parity Housing Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limits, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay all of the debt service on the Housing Bonds and any Parity Housing Debt through the scheduled maturity date(s), or (ii) claim all Net Available Housing Increment not needed to pay current or any past due debt service on Housing Bonds or any Parity Housing Debt for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Housing Bonds and any Parity Housing Debt, or to redeem Housing Bonds and any Parity Housing Debt that does not constitute Housing Bonds.

2022 Housing Reserve Account

The Trustee established under the Housing Indenture a 2022 Housing Reserve Account. The 2022 Housing Reserve Account was established for the benefit of the Series 2023B Housing Bonds and any future 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 2023B Housing Bonds, the Series 2022B Housing Bonds and any other 2022 Related Housing Bonds, (b) 125% of average Annual Debt Service on the Series 2023B Housing Bonds, the Series 2022B Housing Bonds and any future 2022 Related Housing Bonds and (c) 10% of the original principal of the Series 2023B Housing Bonds, the Series 2022B Housing Bonds and any future 2022 Related Housing Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2023B Housing Bonds, the Series 2022B Housing Bonds or any future 2022 Related Housing Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2023B Housing Bonds, the Series 2022B Housing Bonds or any future 2022 Related Housing Bonds was less than 98% or more than 102% of the original principal amount of the Series 2023B Housing Bonds, the Series 2022B Housing Bonds or any future 2022 Related Housing Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Housing Indenture exceed the amount on deposit in the 2022 Housing Reserve Account on the date of issuance of the Series 2023B Housing Bonds or the most recently issued series of 2022 Related Housing Bonds except in connection with any increase associated with the issuance of 2022 Related Housing Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Housing Reserve Account in connection with the issuance of a series of 2022 Related Housing Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2023A Housing Bonds, the 2022 Housing Reserve Requirement will be satisfied as reflected in the table below:

2022 Housing Reserve Requirement	**$[_______]**
Prior balance in the 2022 Housing Reserve Account	$[_______]
Additional deposit from Series 2023B Housing Bonds proceeds	[_______]
Total Deposited to the 2022 Housing Reserve Account	**$[_______]**

All money in the 2022 Housing Reserve Account shall be used and withdrawn by the Trustee for the purpose of (i) making transfers to the Interest Account and the Principal Account in the Housing Debt Service Fund in such order of priority to pay principal of and interest on the Series 2023B Housing Bonds, the Series 2022A Housing Bonds and any other 2022 Related Housing Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Housing Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2023B Housing Bonds, the Series 2022B Housing Bonds or any other 2022 Related Housing Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" attached hereto.

Parity Housing Debt

The Series 2023B Housing Bonds will be the second series of Housing Bonds issued under the Housing Indenture. In addition to the Series 2023B Housing Bonds, the District has issued the Series 2022B Housing Bonds and may issue additional Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Housing Increment in such principal amount as shall be determined by the District. The District may issue Parity Housing Debt, subject to the conditions set forth in the Housing Indenture. If development proceeds as planned, the District anticipates issuing Parity Housing Debt annually during the construction period in amounts then permitted by the conditions set forth in the Housing Indenture.

Any Parity Housing Debt, to the extent provided in the Housing Indenture, shall be secured by a lien on the Pledged Housing Increment a parity with any Housing Bonds issued under the Housing Indenture. The District may issue and deliver any such Parity Housing Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Housing Debt:

(a) Except as provided in the Housing Indenture as described in paragraph (h) below, no event of default under the Housing Indenture, under any Parity Housing Debt Instrument or under any Subordinate Housing Debt Instrument (as defined in the Housing Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Housing Debt, and the District shall otherwise be in compliance with all covenants set forth in the Housing Indenture.

(b) Except as provided in the Housing Indenture as described in paragraph (h) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Housing Revenues, the Pledged Housing Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Housing Debt then proposed to be issued or incurred.

"Additional Housing Revenues" means, as of the date of calculation, the amount of Net Available Housing Increment and Conditional City Housing Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term "increases in the assessed valuation" means the amount by which the assessed valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture, the Supplemental Housing Indenture providing for the issuance of such Housing Bonds shall provide for (i) a deposit to the 2022 Housing Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Housing Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Housing Bonds (and such other series of Housing Bonds identified by the District) in an amount defined in such Supplemental Housing Indenture, as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account and that the Owners of the Housing Bonds covered by the 2022 Housing Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Housing Reserve Account or another reserve account as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account or any other reserve account. The Supplemental Housing Indenture may provide that the District may satisfy the 2022 Housing Reserve Requirement for a series of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture by the deposit into the reserve account established pursuant to such Supplemental Housing Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Housing Indenture.

Nothing in the Housing Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Housing Debt that is not issued as additional Housing Bonds under the Indenture.

(d) Principal with respect to such Parity Housing Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Housing Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Housing Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Housing Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) any bonds or other debt issued or incurred for the sole purpose of refunding such refunding bonds, funding a reserve fund and paying related costs of issuance.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Housing Debt shall not exceed the maximum amount of Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Housing Debt.

(g) The proceeds of the Parity Housing Debt shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (h) below, the District shall deliver to the Trustee a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity Housing Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Housing Debt set forth in paragraph (g) has been satisfied.

(h) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Housing Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2023B Housing Bonds or any other outstanding Parity Housing Debt, provided that debt service payable in each year with respect to the proposed Parity Housing Debt is less than the debt service otherwise payable in each year with respect to the Series 2023B Housing Bonds or Parity Housing Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Housing Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Housing Increment; or (b) secured by a pledge of or lien upon the Pledged Housing Increment which is expressly subordinate to the pledge of and lien upon the Net Available Housing Increment and the Conditional City Housing Increment under the Housing Indenture for the security of the Housing Bonds. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA's promise to pay the Navy the purchase price of $55 million, plus interest, for the property constituting the project site of the Treasure Island Project. According to the Subordinate Pledge Agreement, the District's pledge to pay the purchase price is subordinate to any bonds issued by the District.

Limited Obligations

The Series 2023A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023A Facilities Bonds are not payable from any other source of funds other than the Pledged

Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2023B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds are a debt of the City, the State of California (the "State") or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2023A Facilities Bonds or the Series 2023B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

FORMATION OF THE DISTRICT AND THE INITIAL PROJECT AREAS

The District was formed by the City pursuant to the Law. The Law was enacted by the State of California (the "State") Legislature to establish a long-term permanent program that provides local governments with tools and resources for among other things, public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation.

The Board of Supervisors, as the legislative body that formed an infrastructure and revitalization financing district, serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary under the Law to form the District and the Initial Project Areas, approve the "Infrastructure Financing Plan for the District, and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan.

The District formation proceedings also established a process for the annexation of property to the District in the future, as described in "Future Annexation of Property to the District" below.

Initial Formation Proceedings. The proceedings undertaken by the Board of Supervisors to establish the District include the following:

(i) Resolution No. 512-16 adopted by the Board of Supervisors on December 6, 2016, pursuant to which the City (as the only taxing entity allocating tax increment revenue to the District under the Infrastructure Financing Plan) approved the Infrastructure Financing Plan and acknowledged that future project areas may be designated in the District and that territory on Yerba Buena Island and Treasure Island may be annexed to the District in the future;

(ii) Resolution No. 6-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City declared the results of a special election at which the qualified landowner electors, among other things, (A) approved the allocation of tax increment to the District as described in the Infrastructure Financing Plan and (B) authorized the issuance of bonds and other debt in the maximum amount of (1) $780 million plus (2) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District;

(iii) Resolution No. 7-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City authorized issuance of bonds for the District and project areas therein, in an aggregate principal amount not to exceed $780,000,000 (excluding refunding bonds from the calculation of such principal amount) (such resolutions referred to herein as the "Resolutions"); and

(iv) Ordinance No. 21-17 (the "Ordinance") adopted by the Board of Supervisors on January 31, 2017, forming the District and the Initial Project Areas, adopting the Infrastructure Financing Plan, declaring that the District has the authority to issue bonds and other debt in the maximum amount of (A) $780 million plus (B) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District, and providing for designation of additional project areas in the future and annexation of territory on Yerba Buena Island and Treasure Island to the District in the future.

Judicial Validation. The Superior Court of the State of California, County of San Francisco, in a judgment entered on May 7, 2018 (Case No. CGC-17-557496) (the "Validation Judgment"), issued a judgment that:

(i) all proceedings by the City and the District in connection with the Infrastructure Financing Plan (under which the City allocated certain tax increment to the District) and related bonds and bond contracts, including the Resolutions and the Ordinance, were in conformity with applicable laws,

(ii) upon execution and delivery thereof, the related bonds (including the Facilities Bonds and the Housing Bonds) and bond contracts described therein (including the Facilities Indenture and the Housing Indenture) will be and are valid, legal and binding obligations of the parties thereto in accordance with their terms,

(iii) the allocation to the District by the Board of Supervisors of specific percentages of incremental property tax revenues from the Initial Project Areas as set forth in the Infrastructure Financing Plan are valid, legal, binding and irrevocable from and after the effective date of the Ordinance, and such incremental property tax revenues are available to be pledged to bonds and other debt, and

(iv) certain other propositions related to the District and the Project Areas.

The Validation Judgment permanently enjoins all persons from challenging the validity of, among other things, the District, the Facilities Bonds, the Housing Bonds, the Facilities Indenture, the Housing Indenture, the Infrastructure Financing Plan, the Resolutions and the Ordinance.

In issuing its approving opinions, Jones Hall, A Professional Law Corporation, Bond Counsel, will rely on the Validation Judgment, among other things.

Amendment Proceedings. Since formation of the District, the California State Board of Equalization notified the District and the City that the boundaries of the District and the Initial Project Areas needed to be revised to reflect the boundaries of the parcels in the District in order for the Board of Equalization to assign tax rate areas to the Initial Project Areas, and the District determined that there might be a future need to further amend the District's boundaries to conform to final development parcels in the District.

Accordingly, in 2022, the District completed proceedings, including a landowner election, to add territory to the District, amend the Infrastructure Financing Plan, and establish a procedure by which certain future amendments may be approved by the Board of Supervisors, as legislative body of the District, without further hearings or approvals, as long as the amendments will not impair the District's ability to pay debt service on its bonds or, in and of themselves, reduce the debt service coverage on any bonds below the amount required to issue parity debt (the "2022 District Amendments"). Pursuant to Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022, the Board of Supervisors, as the legislative body of the District, declared that (i) territory has been added to the District and the boundaries of certain Initial Project Areas have been amended and (ii) adopted an amended Infrastructure Financing Plan for the District.

In the Validation Judgment, the Superior Court ruled that the Infrastructure Financing Plan, including any amendments of the original Infrastructure Financing Plan that are consistent with the Law, is legal, valid and binding. The Infrastructure Financing Plan, as amended in connection with the 2022 District Amendments, declares that the amendments of the original Infrastructure Financing Plan are consistent with the Law and, therefore, are legal, valid and binding.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E. Project Areas A, B and E are currently contributing increment. No assurance is given regarding the addition of contributing project areas in the District or the addition of territory to the District in the future. See "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS" herein.

Future Annexation of Property to the District. The Infrastructure Financing Plan describes the procedures for annexation of property to the District, and establishes the following principles:

(i) Annexing property may be added to one of the Initial Project Areas or may be added as a new Project Area with distinct limits on the allocation of tax increment to the District. If a new Project Area is created, it will have its own Commencement Year and termination date.

(ii) The annexation proceeding will provide for an additional principal amount of bonds and other debt that can be issued by the District, to reflect the additional tax increment that may be allocated to the District.

(iii) The Infrastructure Financing Plan will be supplemented to reflect the annexation.

(iv) When property is annexed into the District, a vote will be required of the qualified electors of the territory to be annexed only.

THE CITY

General. The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (previously defined as the "Bay"). Silicon Valley is about a 40-minute drive to the south and the Napa and Sonoma "wine country" is about an hour's drive to the north. As of January 1, 2023, the State estimates the City's population to be 831,703, among the largest in the country. See APPENDIX A – "DEMOGRAPHIC INFORMATION REGARDING THE CITY AND COUNTY OF SAN FRANCISCO" hereto.

The City benefits from a broad economic base, anchored by major technology companies such as Salesforce Inc., Uber Technologies Inc., Accenture and Cisco Systems Inc. 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, University of California, San Francisco and UC Law San Francisco.

Continuing Impact of COVID-19 Pandemic and Other Factors 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. While public health restrictions have been loosened or eliminated in response to positive public health data on COVID-19, economic conditions have not fully recovered. Housing affordability, homelessness and crime, which have posed challenges in urban areas like the City in recent years, may also negatively impact economic activities.

The impacts on the City's economy have been material and in many cases adverse. The pandemic and recent economic conditions have resulted in a decline in population, reductions in tourism and disruption of the local economy, widespread business closures, business relocations out of the City and job cuts by many tech companies. A recent forecast from the State's Department of Finance indicates that the City's population is likely to remain below 2020 levels through 2060.

As of June 2023, hotel revenue was at about 75% of 2019 levels. Domestic and international enplanements were also below pre-pandemic levels. A large-scale return to workplaces has yet to materialize, which is also reflected in continued low transit ridership to workplace centers in the City.

In addition, the pandemic negatively impacted values in certain segments of the real estate market. The City's office vacancy rate topped 30% as of the third quarter of 2023. The downtown office market has been particularly impacted. Additionally, the City's housing market also remains sluggish, with condo prices falling faster in San Francisco than statewide. Apartment rents, however, have grown, surpassing the national growth rate, with vacancy rates under 6% as of July 2023, though rents remain below 2019 levels. Building permits for single and multifamily homes in 2022 numbered near 2020 levels, which was a ten-year low, with permits in 2023 issuing at an even slower annualized pace through June.

Recent economic conditions in the City also reflect periods of increasing interest rates driven by Federal Reserve rate-setting actions aimed at mitigating inflation.

See "RISK FACTORS – Real Estate Investment Risks" and " – Public Health Emergencies" herein.

THE TREASURE ISLAND PROJECT

The following provides information with respect to development of the Treasure Island Project. TI Series 1 has provided the information with respect to the Treasure Island Project under the captions " – Developer Entities," " – Planned Development," " – Infrastructure," " – Sea Level Rise and Adaptive Management Strategy," "KSWM Litigation" and " – Reassessment Covenants" below. No assurance can be given by the District that all such information is complete. The District has not independently verified such information and assumes no responsibility for its accuracy or completeness. Information under the captions " – City/TIDA-TICD Dispute; Negotiations Regarding Dispute and Other Matters" and " – Transfer Tax Refund Request" were prepared jointly by the City and TI Series 1 (except statements therein expressly attributed to a party or parties were provided only by such party or parties). No assurance can be given that development of the property will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur. If planned development of the property is not completed, Pledged Facilities Increment and Pledged Housing Increment could be comparatively lower than if development is completed as planned. See the section of this Official Statement captioned "RISK FACTORS" for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2023AB Bonds.

Only the property subject to ad valorem property taxes in each Project Area in or after the respective Commencement Year and for 40 consecutive years thereafter will generate the Pledged Facilities Increment securing the Series 2023A Facilities Bonds and the Pledged Housing Increment securing the Series 2023B Housing Bonds. The information below is intended to provide the overall context of the entire Treasure Island Project, of which the Initial Project Areas are a part.

Overview

The Treasure Island Project encompasses approximately 461 acres on Yerba Buena Island and Treasure Island, two adjacent islands (the "Islands"). The Islands are located in the San Francisco Bay and are connected by a causeway. The Islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station ("Naval Station Treasure Island" or "NSTI"). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority ("TIDA") to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, a public benefit agency and instrumentality and an authority of the City and the State of California. TIDA's board members are appointed by the Mayor of San Francisco.

The United States of America, acting through the Department of the Navy (the "Navy"), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement ("Navy MOA") that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within the District and Major Phase 1. The bulk of the land the Navy still owns is comprised of Investigation/Remediation Site 12 ("IR Site 12"), which includes a substantial portion of the Major Phase 4 area, a small portion of the Major Phase 2 area, and shares a boundary with Major 3 as it is currently defined. The Navy has not yet received approval from applicable State and federal regulators to transfer IR Site 12 in the condition required by the Navy MOA. While the Navy continues its remediation work, the timeline for the transfer of this property is uncertain. Portions of IR Site 12 could be delayed for as much as 10 years, and in such event TIDA could invoke a redesign process under the Navy MOA if such delay impacts future phases of the development. However, the timing of such disposition does not affect development of the Initial Project Areas.

In 2003, TIDA selected Treasure Island Community Development LLC ("TICD"), a California limited liability company, to serve as master developer for the "Treasure Island Project." The Treasure Island Project will be carried out by TICD in accordance with the Disposition and Development Agreement between TIDA and TICD, dated as of June 28, 2011 (as amended from time to time, the "DDA"), and the Development Agreement between the City and TICD dated as of June 28, 2011 (as amended from time to time, the "DA"), and related Treasure Island Project approvals (including the Mitigation Monitoring and Reporting Program adopted by TIDA and the City in reliance on the Treasure Island/Yerba Buena Island Environmental Impact Report, the Treasure Island/Yerba Buena Island Special Use District and a Design for Development that established design standards and guidelines).

The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed use neighborhood of up to 8,000 residential units, hotels, restaurants, retail, arts and entertainment, parks, and open space. The DDA provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Developer Entities

TICD is the master developer of the Treasure Island Project. TICD, and its subsidiaries including TI Series 1 and Treasure Island Series 2, LLC ("TI Series 2"), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders (each a "Merchant Builder") for construction of residential and commercial development. Of the development pads sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA.

TICD is a joint venture, the members in which are (i) a joint venture ("TIH") comprised of a subsidiary of Lennar Corporation ("Lennar") and a subsidiary of Poly (USA) Real Estate Development Corporation, as a non-managing, third-party member, (ii) an indirect subsidiary of Lennar ("TICD Hold Co"), (iii) a joint venture ("KSWM") comprised of affiliates of Stockbridge TI Fund LP (collectively, "Stockbridge"), Kenwood Investments ("Kenwood") and 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). Each of Wilson Meany and Lennar are deeply experienced in such projects, with seasoned and highly qualified personnel managing their respective roles in the Project, and TIDG's team is also deeply experienced and highly qualified. Third party investors in Stockbridge and TIH hold limited and customary major decision approval rights related to certain high-level policies of TICD. Capital for the development of the Project is to come from the proceeds of land sales, debt financing, and reimbursements from public financing sources (including CFD and IRFD). In addition, to the extent that TICD does not have capital in the amount or at the times required for budgeted expenses of the Treasure Island Project, TICD's co-managing members (Wilson Meany, on behalf of KSWM, and Lennar, on behalf of TIH) have the right to call capital of TICD's members, and the members are obligated to timely contribute their respective pro rata shares. The members of TICD are subject to customary and significant remedies in the event that they do not contribute such capital, and the other members are permitted to put in capital in the event that another member does not do so. In addition, see the caption " - KSWM Litigation" below for a discussion of the litigation between Kenwood and entities of Stockbridge and Wilson Meany.

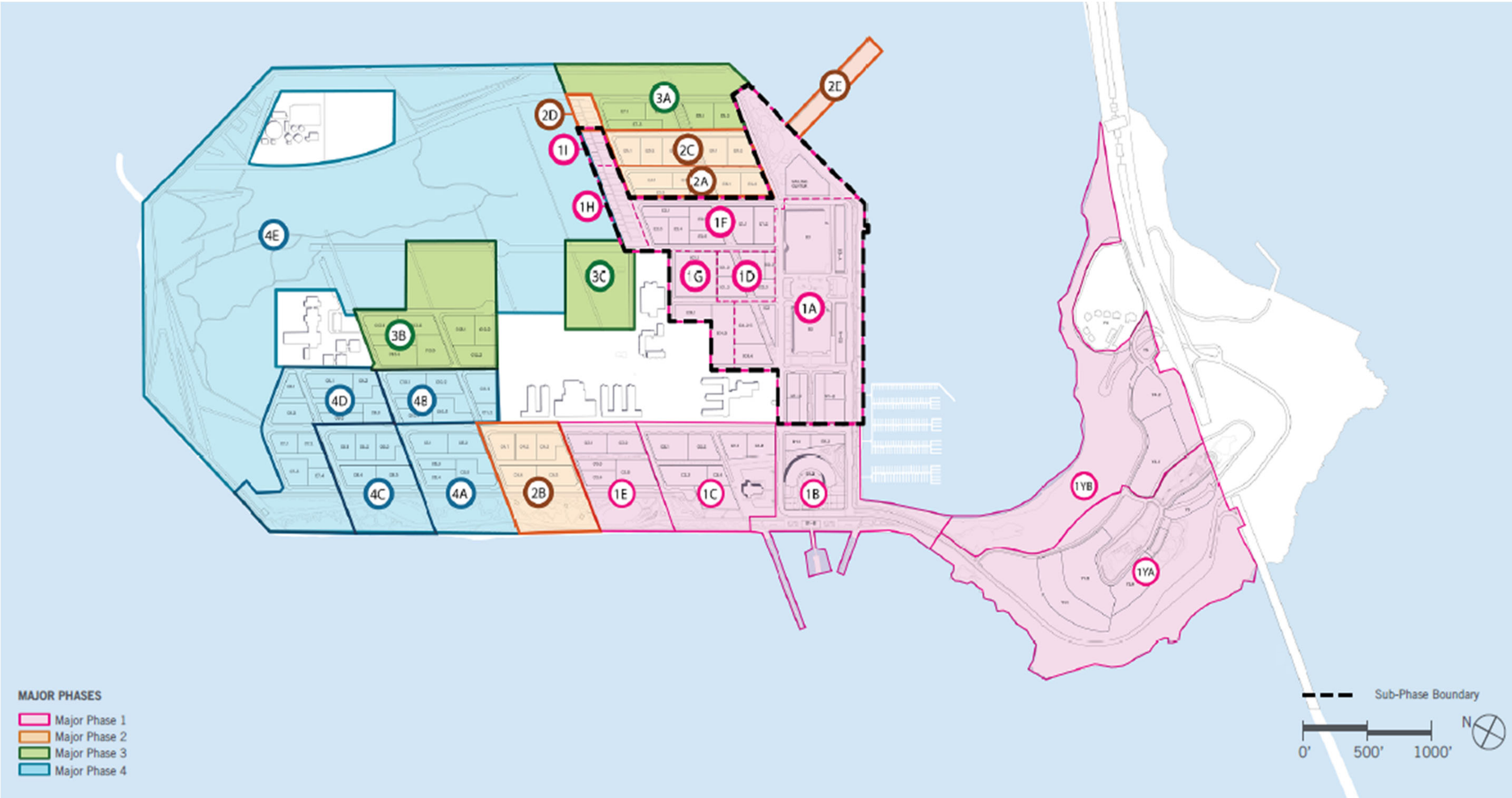
From time to time, TICD has admitted new members in connection with additional capital needs for the project. In one such instance, in 2016, Stockbridge TI Co-Investors, LLC was admitted as a direct member to TICD in proportion to its capital contributions. At the same time, Stockbridge admitted a new, limited partner investor in its ownership structure (an affiliate of CITIC Capital Holdings Limited).

As originally envisioned, TICD was going to sell property to builders to develop the property. As TICD sought to market the property to builders and developers, TICD found that the market would be more receptive for the land at the pricing being sought if it were to show "proof of concept." To do this, TICD's members determined to have affiliated entities acquire the land in the first phase of the project to build the vertical improvements. All acquisitions were at market prices.

Both of the actions in the prior two paragraphs took place without objection from any of the members of TICD, including Kenwood.

Planned Development

The Treasure Island Project is planned for development of 5,827 market rate residential units, 2,173 below market rate affordable units, 551,000 square feet of commercial space, 500 hotel rooms, and approximately 290 acres of parks and open space. Development is planned to occur in four major phases, with each major phase including several sub-phases. The four major phases and the 11 sub-phases of Major Phase 1 (including 1YA, 1YB, 1B, 1C and 1E) are shown on the map below.



Note: Area labels on the map above represent sub-phase designations, not Project Area designations. For Project Area designations, see map on page [__].

Table 1 below provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within the District.

Table 1
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Planned Development
Treasure Island Project and Portions Within Major Phase 1 and the District

Description	Treasure Island Project	Portion within Major Phase 1	Portion within District
		First of four major phases of the Treasure Island Project	Portions of five out of 11 subphases of Major Phase 1
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	2,173	700	73
Total Units	8,000	4,119	1,755[1]
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	100,000	100,000	0
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

[1] Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in FY 2022-23.

Infrastructure

All major backbone infrastructure required for development within the Initial Project Areas to receive temporary certificates of occupancy has been completed. Completed infrastructure includes geotechnical work in Major Phase 1 (described below), critical utilities (water, sewer, gas, and electricity) serving the Initial Project Areas, reconstruction of the causeway connecting Yerba Buena Island and Treasure Island, and streetscape and landscaping of roads serving the Initial Project Areas.

Total horizontal infrastructure improvements and fees required for development of the larger Treasure Island Project are estimated to total approximately $2.46 billion, as of July 1, 2023. As of July 1, 2023, TICD and related developers have expended approximately $749 million on such costs (all related to Major Phase 1) ("Initial Project Costs"), and they expect to spend the remainder of such costs over the next 15 years.

A geotechnical mitigation program was implemented in the Initial Project Areas and elsewhere on Treasure Island in advance of infrastructure improvements and construction of buildings to make the Treasure Island perimeter seismically stable, strengthen the causeway that connects Treasure Island to Yerba Buena Island, densify the sandy fill to minimize seismic settlement within the development footprint, and compress the soft Bay Mud sediments to minimize future settlement from the addition of fill and buildings. The plan included densification of the sandy fill throughout the development and the shoreline using the direct power compaction ("DPC") vibrocompaction improvement method, preloading new building parcels and City streets with surcharge, and strengthening the causeway and the portions of the shoreline with cement deep soil mixing. See "RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flooding Damage" for a description of Bay Mud. The geotechnical program for the Initial Project Areas and infrastructure serving it was completed and does not require ongoing maintenance work. Geotechnical work continues for portions of Treasure Island outside of the Initial Project Areas.

A portion of the Initial Project Costs have been reimbursed through the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (previously defined as, the "CFD"), established pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 et seq. of the California Government Code). The City, on behalf of the CFD, has issued three series of special tax bonds to date backed by special taxes levied on taxable parcels within either Improvement Area No. 1 or Improvement Area No. 2, as applicable. Both Improvement Area No. 1 and Improvement Area No. 2 are within the Initial Project Areas. These bonds have generated approximately $78 million in project funds to date, and additional special tax bonds are expected to be issued in the future. [An additional series of special tax bonds for Improvement Area No. 2 is expected to close later this year.] The special taxes supporting the CFD bonds are not available to pay the Facilities Bonds or the Housing Bonds, nor is tax increment from the Project Areas available to pay the CFD bonds.

See "THE INITIAL PROJECT AREAS – Planned Development" for information about infrastructure in the Initial Project Areas.

Transportation

Current transportation options serving the Islands include a ferry service between Treasure Island and the San Francisco Ferry Building (privately-managed by TICD) and MUNI bus service to and from mainland San Francisco. Vehicles have access to the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island) from both the eastern and western sides of Yerba Buena Island. A planned "congestion pricing" auto toll is expected to be charged to certain drivers for each auto trip to and from Treasure Island. Additional transportation programs - including AC Transit bus service to Oakland and a fare-free on-Islands shuttle - are planned for implementation as development proceeds on the Islands.

Sea Level Rise and Adaptive Management Strategy

The sea level rise and adaptive management strategy for Treasure Island includes a multi-phased approach to mitigation, with initial infrastructure designs to accommodate reasonable sea level rise scenarios as well as future monitoring and funding mechanisms to implement necessary improvements in the future. As part of the first phase of such strategy, the perimeter shoreline areas near the Initial Project Areas have been adjusted to function as a berm, and finished grades for the inland proposed building areas for some of the Initial Project Areas have been raised up to 6.0 feet. See "RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flood Damage" herein.

KSWM Litigation

There is an ongoing lawsuit between certain entities holding indirect financial interests in the Stockbridge-Wilson Meany-Kenwood half of TICD (the "Stockbridge Ownership"). The Stockbridge Ownership consists of two members: Stockbridge TI Co-Investors, LLC ("Co-Investors") and KSWM Treasure Island, LLC ("KSWM"). KSWM's members are Stockbridge Treasure Island Investment Company, LLC ("STIIC"), a limited liability company affiliated with Stockbridge; Kenwood Investments, LLC ("Kenwood"), a real estate investment firm; and WMS Treasure Island Development, LLC ("WMS"), a real estate development firm associated with Wilson Meany.

As members of KSWM, relationship between the parties is governed by an operating agreement, which prescribes, among other things, the members' relative financial claims to any returns that KSWM derives from its investment in the Treasure Island project. Under KSWM's operating agreement, STIIC has a right to receive a return of its capital contributions to KSWM and a compounding aggregate preferred return on those contributions, for so long as such amounts were invested in KSWM, before any distributions are payable to Kenwood or WMS. In the event that STIIC receives sufficient distributions to repay its capital contributions and realizes its aggregate preferred return, Kenwood and WMS each would be entitled to share with STIIC any further distributions from KSWM pursuant to their respective "promote" interests in KSWM. For numerous reasons, including the COVID pandemic, supply chain issues, inflationary increases in costs, and various delays caused by the foregoing, projected revenues for the project have been pushed out and reduced such that the projected values of, and expected returns on, those interests are projected to be lower today than they were projected to be a few years ago.

In November 2022, Kenwood alleged that Stockbridge and WMS had breached the KSWM operating agreement by causing KSWM to enter into an amendment (the "2016 Amendment") to TICD's operating agreement that brought in Co-Investors as an additional member of TICD without Kenwood's consent. Kenwood alleged that, because Co-Investors' membership interest in TICD came out of KSWM's 50% share of KSWM, the 2016 Amendment diluted KSWM's interest in TICD, thereby reducing the value of Kenwood's promote. STIIC and WMS disputed Kenwood's allegations.

On March 31, 2023, STIIC and WMS delivered a buy-sell offer to Kenwood, under a provision of the KSWM operating agreement that allows members to make such an offer in the event of a "Deadlock," which is defined to include a dispute with other members over the validity of a decision made by KSWM's managing committee that renders KSWM incapable of carrying out its business. STIIC and WMS believe that there is a Deadlock among KSWM's members; Kenwood disputes that there is any such Deadlock.

On April 3, 2023, STIIC and WMS filed a complaint against Kenwood in the Superior Court of California, County of San Francisco, seeking a declaration of their right to make the March 31, 2023 buy-sell offer to Kenwood and Kenwood's obligation in response thereto. Stockbridge Treasure Island Investment Company, LLC v. Kenwood Investments, LLC, Case No. CGC-23-605537 (Superior Court, County of San Francisco).

On April 4, 2023, Kenwood filed its own complaint in San Francisco Superior Court against Stockbridge, Co-Investors, and WMS, asserting claims for breach of contract, breach of the covenant of good faith and fair dealing, negligent misrepresentation, intentional misrepresentation, tortious interference with contract, and quantum meruit. Kenwood Investments, LLC v. Stockbridge Capital Partners, LLC, Case No. CGC-23-605626 (Superior Court, Count of San Francisco). In its complaint, Kenwood alleged that Stockbridge and WMS breached the KSWM operating agreement by authorizing the 2016 Amendment without Kenwood's consent; misled Kenwood about the effect of the 2016 Amendment; and appropriated for themselves certain benefits relating to the Treasure Island development to which KSWM was entitled under its operating agreement, including by acquiring, through affiliates, various land parcels from TICD for vertical development.

On April 25, 2023, STIIC and WMS made a second buy-sell offer to Kenwood. This second offer was substantively similar to the first offer of March 31, 2023, but corrected what Kenwood had asserted was a deficiency in the first offer and also updated certain financial calculations. In their April 25, 2023 offer, STIIC and WMS selected an offer price such that Kenwood either could sell its interest in KSWM to STIIC and WMS for $0 or buy both STIIC's and WMS's interests in KSWM and Co-Investors' interest in TICD for $220,000,000.

On June 6, 2023, STIIC and WMS filed a first amended complaint against Kenwood asserting claims for declaratory relief as to the validity of the second buy-sell offer and breach of contract based on Kenwood's alleged repudiation of its buy-sell obligations.

Kenwood did not make an election in response to the April 25, 2023 buy-sell offer by the election deadline specified by KSWM's operating agreement. STIIC and WMS contend that, by failing to make any election, Kenwood is deemed to have elected to sell its interest in KSWM to STIIC and WMS. Kenwood disputes that the April 25, 2023 buy-sell offer is enforceable. On July 14, 2023, Kenwood filed a demurrer to STIIC and WMS's first amended complaint. If the April 25, 2023 buy-sell offer is found to be valid and enforceable, Kenwood will be compelled to sell its interest in KSWM for $0. If the offer is found to be invalid or otherwise unenforceable, Kenwood will not be required to sell its interest in KSWM and, absent a consensual transaction, will remain a member of KSWM along with STIIC and WMS.

On June 28, 2023, Kenwood filed a first amended complaint, which substituted STIIC for Stockbridge as a defendant and added claims against STIIC and WMS for breach of fiduciary duty. The allegations in Kenwood's first amended complaint are otherwise similar to those in its original complaint. As remedies on its claims, Kenwood seeks monetary and punitive damages, as well as restitution, but Kenwood does not expressly seek to rescind any prior investments in the project nor does it seek to enjoin any future development on the project.

No assurances can be given as to the outcome of this litigation or its potential effect on TICD and the Treasure Island development, but based on the current pleadings and the near-completion of the horizontal improvements for Improvement Area No. 2, the Developer does not believe that this lawsuit will prevent the continued development within Improvement Area No. 2.

City/TIDA-TICD Dispute; Negotiations Regarding Dispute and Other Matters

As discussed above, the Treasure Island Project is carried out by TICD in accordance with the DDA and the DA, and related Treasure Island Project agreements (collectively, the "Project Agreements"). The Project Agreements and related approvals control the overall design, development and construction of the Treasure Island Project and all infrastructure and improvements. The Treasure Island Project, as a complex, phased development of horizontal infrastructure and vertical development, requires coordination among TICD, TIDA and the various agencies of the City to map, permit, inspect, and construct the Treasure Island Project, and transfer to the City completed public infrastructure.

In the course of implementing the Treasure Island Project, disagreements have arisen between TICD on the one hand and TIDA and the City on the other.

Budget Disputes. The DDA obligates TICD to pay certain costs incurred by City departments ("City Costs"), certain TIDA costs to the extent there are annual budgetary shortfalls ("Authority Costs"), and certain agreed-upon developer subsidies, which include certain costs for open space, transportation, community facilities, authority housing, school improvements, ramps/viaducts, fill, and job training programs ("Developer Subsidies"). TICD has questioned the appropriateness and amount of City Costs and Authority Costs, and whether costs are being appropriately tracked and credited against TICD's payment obligations under the Project Agreements specifically for Developer Subsidies. The City and TIDA have asserted that the City Costs and Authority Costs invoiced to TICD are appropriate.

TICD has paid all invoiced and due City Costs and Authority Costs, to date, but paid the Fiscal Year 2020-21 Authority Costs of approximately $2.1 million under protest, and has argued that some of these costs should be credited against the defined Developer Subsidies. The aggregate amount of such invoiced costs was approximately $7.9 million in Fiscal Year 2020-21 and $3.8 million for Quarters 1, 2 and 3 of Fiscal Year 2021-22. Additional Authority Costs have not been invoiced in the interim period to date. Certain City Costs have been generated and invoiced to TICD in the interim to date, but TIDA has not received any disputes or questions related to such invoiced City Costs.

TICD has not delivered to TIDA a formal notice of default under the Project Agreements pertaining to this dispute over the City and Authority Costs (collectively, the "Budget Disputes"). On April 8, 2022, TICD filed a government claim under California Government Code section 900 et seq. (the "Government Claims Act") pertaining to the Budget Disputes to preserve its rights under the Project Agreements and applicable law.

Permit Disputes. TICD has also raised additional concerns from time to time regarding the time and manner in which the City has processed and conditioned the Treasure Island Project's permits and maps, and the scope, timing and acceptance of public infrastructure (collectively, the "Permit Disputes"). TICD claims that because of construction cost inflation, the pandemic and the City and TIDA's period to review permits and permit costs, the Treasure Island Project's total projected costs have increased from $1.5 billion to $2.5 billion and the time period for construction of the project has been extended. TICD has not sent to TIDA or the City a notice of default under the Project Agreements for the Permit Disputes, nor has it filed a government claim under the Government Claims Act pertaining to the Permit Disputes.

Negotiations Related to Dispute. The parties have met regularly to discuss the respective parties' concerns regarding the Budget Disputes and Permit Disputes. The discussions include, among other things, improved budgeting and permitting processes to manage costs and minimize schedule impacts, processes to limit changes to the Project's basis of design, processes to resolve certain budget disagreements, processes and potential changes to timing of when certain public facilities such as the new elementary school and fire and police station will be delivered, and funding sources to address the unintended increases in project costs that are not the fault of TICD or TIDA. Dialogue on these subjects is continuing.

TICD has informed TIDA and the City that it believes the parties' issues can be resolved amicably without resort to litigation. Consequently, there is no litigation pending, or currently threatened, against the Project, the Initial Project Areas or any of the underlying Project Agreements known to TICD, TIDA or the City at this time. However, TICD has informed the City and TIDA that it reserves the right to initiate such litigation, and to seek any and all appropriate legal and equitable remedies (e.g., specific performance, money damages, and/or rescission) if circumstances change.

In connection with any future claims, TICD might seek recovery of all or a portion of the costs incurred by TICD under the Project Agreements, including the Initial Project Costs. Although the City and TIDA believe that TICD is prevented from recovering damages (including costs) under the Project Agreements, no assurance can be given by TIDA or the City that the Budget Disputes and the Permit Disputes will be resolved through negotiations. If TICD were to file a lawsuit arising out of the disputed matters, no assurance can be given that the remedies that TICD might seek would not have an adverse impact on the Treasure Island Project. However, the City, TIDA, and TICD believe that the validity of the pledges of tax increment under the Facilities Indenture and the Housing Indenture would not be affected by any such claims or recovery. While the Project Agreements afford TICD effectively the right but not the obligation to develop the balance of the Treasure Island Project beyond the Initial Project Areas, TICD and TI Series 1 have confirmed that, as of the date of this Official Statement, they are actively proceeding with development of the Treasure Island Project in accordance with the terms and requirements of the DDA, and, at this time, have no plans to cease such development. See "RISK FACTORS – Real Estate Investment Risk."

Horizontal infrastructure in the Initial Project Areas is substantially complete. See "THE INITIAL PROJECT AREAS – Development Status." **Neither TIDA, the City nor the Underwriter make any**

assurance that development of the remainder of the Treasure Island Project will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur. See “RISK FACTORS - Real Estate Investment Risks” herein.

Transfer Tax Refund Request

On March 16, 2022, TICD filed a tax-refund claim in the amount of $1.78 million from the City for a portion of property transfer taxes that TICD or its affiliates paid to the City in connection with the conveyance of a certain parcel on Treasure Island. The tax-refund claim asserts that the increase in transfer taxes adopted by the San Francisco voters in November 2020 (referred to as Proposition I) does not apply to land transfers under the Project Agreements because the DA protects the Treasure Island Project from such changes in law. The tax-refund claim also asserts that the City must refrain from imposing or collecting the increased transfer taxes under Proposition I for all future land conveyances under the Project Agreements. The City has not formally responded to the tax-refund claim, but the City asserts that the increase in transfer taxes under Proposition I applies to land transfers under the Treasure Island Project and that the DA does not prevent the City from imposing or collecting these increased transfer taxes. Neither TIDA nor the City can give any assurance regarding the outcome of this claim or its impact, if any, on the Treasure Island Project. Transfer tax revenue does not secure the Series 2023AB Bonds.

Reassessment Covenants

Under the DDA, TICD agreed that, if following the issuance of Bonds by the District, TICD were to seek and be granted a reassessment of the property it owns in the District, TICD would make additional payments to the City equal to the amount of property taxes lost as a result of the reassessment, and the City agreed to allocate such additional payments to the District. In addition, to date, each Sub-Block in the Initial Project Areas that has been transferred to a Merchant Builder includes among its development covenants and restrictions a covenant by the Merchant Builder to not initiate or intentionally cause to initiate a reassessment of the value of the applicable property, and it is TICD's intention and practice to require such covenants in future transfers with Merchant Builders. [Other parties that might come to own taxable property in the Initial Project Areas, such as homeowners, are not subject to these covenants.] [The foregoing covenants do not extend to reassessments not sought by the payor that the Assessor could grant unilaterally under Proposition 8.]

See also “RISK FACTORS - Reduction in Tax Base and Assessed Values” herein.

THE INITIAL PROJECT AREAS

TI Series 1 has provided the following information with respect to the Initial Project Areas. No assurance can be given by the District that all information is complete. The District has not independently verified this information and assumes no responsibility for its accuracy or completeness. If planned development of the property is not completed Pledged Facilities Increment and Pledged Housing Increment could be comparatively lower than if development is completed as planned. See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2023AB Bonds.

Overview

The District encompasses portions of the first phase of development of the Treasure Island Project. The District is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E (the “Initial Project Areas”). The Initial Project Areas have a combined land area of approximately 33 acres. Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The maps below show the Initial Project Area boundaries and related Assessor parcel numbers. While the maps below also show other areas on the Islands, only ad valorem property taxes levied on taxable property inside the boundaries of the Initial Project Areas and any future Project Areas can generate Gross Tax Increment, from which the Pledged Facilities Increment securing the Series 2023A Facilities Bonds and the Pledged Housing Increment securing the Series 2023B Housing Bonds will be derived.

The District currently expects that territory will be added to the District in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. It is anticipated that additional territory will be added as additional Project Areas. See "THE TREASURE ISLAND PROJECT – Overview" herein.

The Commencement Year has occurred for Project Areas A, B and E, which total approximately 29 acres. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached. See Table 2 in APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto for information about the areas within the Initial Project Areas that coincide with Improvement Areas of the CFD.

[Remainder of page intentionally left blank.]

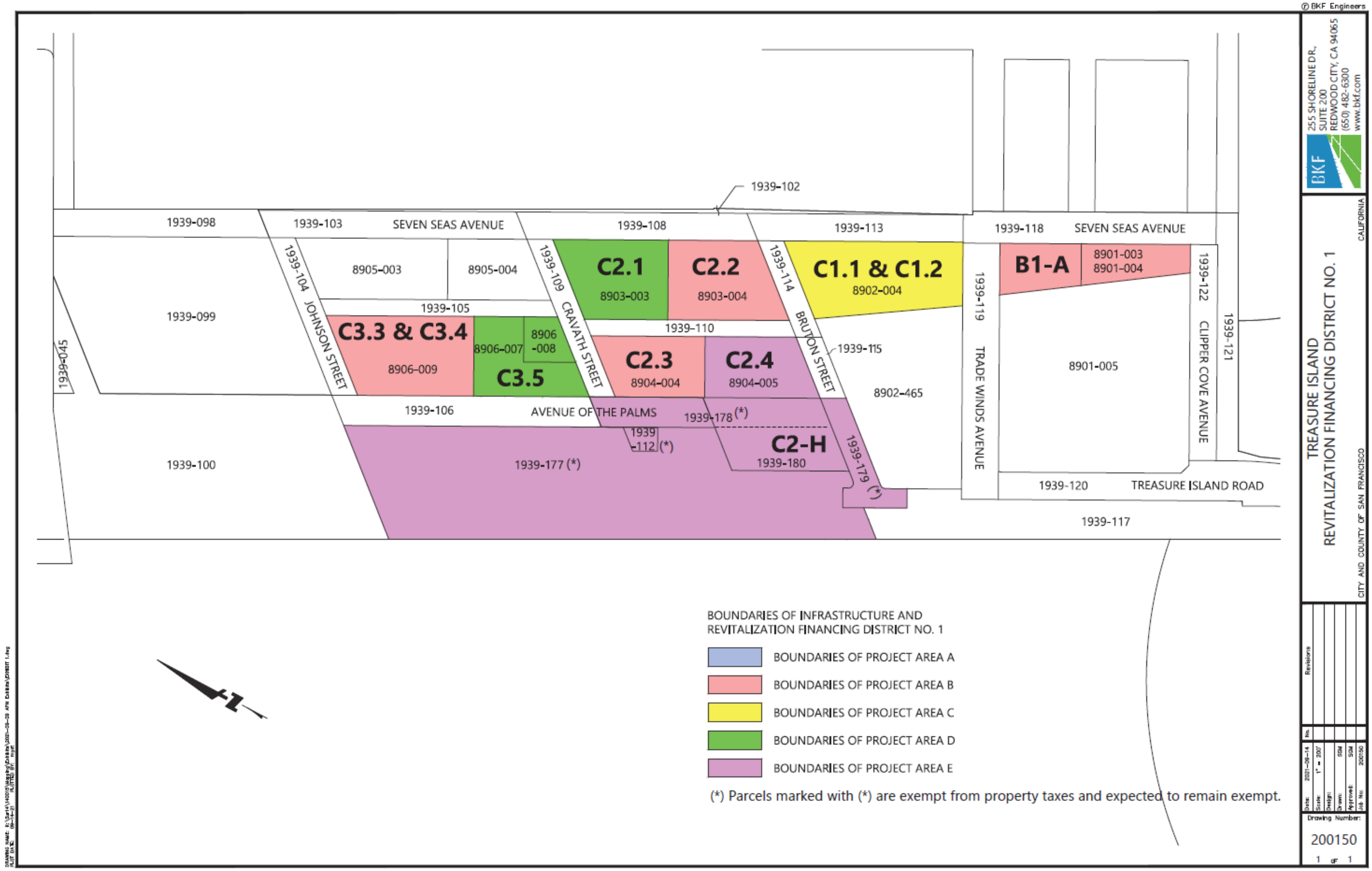
MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE) WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF ___________, 20___, BY ITS RESOLUTION NO. ____________________.

____
(CLERK OF THE BOARD OF SUPERVISORS)

BOUNDARIES OF INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1

- BOUNDARIES OF PROJECT AREA A
- BOUNDARIES OF PROJECT AREA B
- BOUNDARIES OF PROJECT AREA C
- BOUNDARIES OF PROJECT AREA D
- BOUNDARIES OF PROJECT AREA E



TREASURE ISLAND
REVITALIZATION FINANCING DISTRICT NO. 1
CITY AND COUNTY OF SAN FRANCISCO
CALIFORNIA
BKF
255 SHORELINE DR., SUITE 200
REDWOOD CITY, CA 94065
(650) 482-6300
www.bkf.com
© BKF Engineers
Drawing Number:
200150
1 of 1
SEVEN SEAS AVENUE
JOHNSON STREET
CRAVATH STREET
BRUTON STREET
TRADE WINDS AVENUE
CLIPPER COVE AVENUE
AVENUE OF THE PALMS
TREASURE ISLAND ROAD
C3.3 & C3.4
C3.5
C2.1
C2.2
C2.3
C2.4
C2-H
C1.1 & C1.2
B1-A
1939-098
1939-099
1939-100
1939-045
1939-102
1939-103
1939-104
1939-105
1939-106
1939-108
1939-109
1939-110
1939-112 (*)
1939-113
1939-114
1939-115
1939-117
1939-118
1939-119
1939-120
1939-121
1939-122
1939-177 (*)
1939-178 (*)
1939-179 (*)
1939-180
8905-003
8905-004
8906-009
8906-007
8906-008
8903-003
8903-004
8904-004
8904-005
8902-004
8902-465
8901-003
8901-004
8901-005
BOUNDARIES OF INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
BOUNDARIES OF PROJECT AREA A
BOUNDARIES OF PROJECT AREA B
BOUNDARIES OF PROJECT AREA C
BOUNDARIES OF PROJECT AREA D
BOUNDARIES OF PROJECT AREA E
(*) Parcels marked with (*) are exempt from property taxes and expected to remain exempt.

Planned Development

The Initial Project Areas are planned for development of 1,755 residential units and two hotels, as well as some commercial and retail development. See Table 1 herein.

Table 2 below identifies the planned development by Project Area and identifies the development sub-blocks within each.

Table 2
Summary of Planned Development Within the District and Estimated Timing

				Planned Residential Units						
			Planned	Market Rate					Planned	Projected
		Project	No. of				Total	average	Hotel	Start / Complete
Sub-Block	Use	Area[4]	Stories	For sale	Rental	BMR	Units	SF/Unit	Rooms	Construction[1]
Construction Complete/Sales Ongoing										
4Y	Condo (Bristol)	A	6	110		14	124	1,196		
Vertical Construction Commenced										
4Y (Portion)	Townhome/Flats[2]	A	3 to 5	31			31	2,635		2022 / 2023[3]
C3.3/4	Condo (Portico)	B	6	141		7	148	1,005		2022 / 2025
C2.2	Rental (Hawkins)	B	6		169	9	178	795		2022 / 2024
C2.4	Rental (Isle House)	E	22		226	24	250	830		2022 / 2024
Subtotal Vertical Construction Commenced				172	395	40	607			
Site/Building Permit Issued										
B1[5]	Rental	B	5		111	6	117	730		2024 / 2026
Site/Building Permit Not Yet Issued										
3Y	Townhome	A	3	11			11	3,376		2024[6] / 2025
4Y (portion)	Townhome/Flats	A	3 to 4	22			22	2,521		2024 / 2025
C2.3[5]	Condo	B	6	80		5	85	1,242		2024 / 2026
C3.5	Condo	D	20	152		8	160	1,208		[2023] / 2026
1Y	Townhome	A	3	32			32	3,270		2024 / 2026
1Y	Flats	A	4	41			41	2,670		2024 / 2026
1Y	Estate	A	TBD	5			5	TBD		[2025 / 2026]
2Y-H	Hotel	A	TBD	n/a					50	TBD
C1.1&2	Condo	C	Tower	286			286	1,584		TBD
C2.1	Condo	D	31	265			265	1,152		TBD
C2-H	Hotel	E	TBD						300	TBD
Subtotal Site/Building Permit Not Yet Issued				894	0	13	907		350	
Total				**1,176**	**506**	**73**	**1,755**		**350**	

Abbreviations used in this table: Estate = single family estate home sites, TBD = to be determined

[1] Timing estimates provided by TICD and affiliated vertical developers.
[2] Of the 53 total units within the 4Y Townhomes and Flats, construction is currently underway on 31 units and construction of the remaining 22 units has not yet commenced.
[3] Estimated timing relates to the 31 units currently under construction.
[4] The Commencement Year has occurred for Project Area A, B and E. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached.
[5] The project is being reevaluated by the Merchant Builder. See "THE INITIAL PROJECT AREAS – Development Status" herein.
[6] Some grading work has occurred, which does not require a site or building permit.
Source: Fiscal Consultant; Master Developer (for project start and completion timing).

Development Status

As of the date hereof, most of the real property in the Initial Project Areas is owned by TI Series 1 and the vertical developers or TIDA and is in various stages of development. The remaining real property is owned by purchasers of condominium units at the Bristol.

Horizontal Infrastructure

Critical utilities (water, sewer, gas, and electricity) and all additional infrastructure needed to secure temporary certificates of occupancy within the Initial Project Areas have been completed. The remaining public improvement costs not required for a temporary certificate of occupancy are primarily attributable to public parks. Since payment for work typically lags the work performed, a portion of the costs of this completed infrastructure remains to be spent. As of September 1, 2023, the estimated total costs for horizontal infrastructure necessary to allow for temporary certificates of occupancy for property located within the Initial Project Areas was approximately $367 million, of which approximately $14.7 million remains to be expended. TI Series 1 expects these remaining costs will be financed through bond proceeds, cash on hand and remaining capital contributions.

For information about infrastructure development outside the Initial Project Areas, see "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

Completed Vertical Construction

<u>Bristol</u>. The 124-unit Bristol condominium project, located on a portion of Sub-Block 4Y of Project Area A on Yerba Buena Island, commenced construction in 2019 and was completed in June 2022. The Bristol is six stories in height, has an average unit size of 1,196 square feet and includes 110 market rate units and 14 below market rate affordable units. The project is in Project Area A. Condominium sales and closings are underway. TI Series 1 understands that, as of August 1, 2023, 6 below market rate units and 36 market rate units had closed and an additional market rate unit is in contract to be sold with an average per unit sale price of approximately $1.52 million based on aggregate sales figures provided to TI Series 1 by the Bristol Merchant Builder. As of August 1, 2023, [six] below market rate units had closed. Move-ins began the first week of June 2022. The remaining units are currently being marketed for sale.

The Merchant Builder for the Bristol financed costs for the Bristol through the proceeds of a loan from the Pacific Western Bank and CW YBI Capital Management, LLC of up to $99 million (the "Bristol Construction Loan"), home sales and equity contributions. In August 2022, the Bristol's Merchant Builder closed a $79.3 million condo inventory loan (the "Bristol Condo Inventory Loan") provided by [____] and repaid the Bristol Construction Loan. As of August 1, 2023, $74.5 million of the Bristol Condo Inventory Loan was outstanding and the loan was in good standing. [Add due date and other relevant terms of the loan. Maturity, extension options, security (deed of trust?)]

Under Construction

<u>Phase 1 of The Residences –</u> Immediately adjacent to the Bristol, Sub-Block 4Y Townhomes and Flats (permitted portion), includes a portion of the phased residential project known as the Residences. The project is in Project Area A. Construction is underway on five buildings including 31 of the 53 market-rate stacked flats and townhome units planned in this development. The stacked flats have an average unit size of 2,755 square feet and the townhomes

have an average unit size of 2,537 square feet. Completion of the first 31 units of the Residences is estimated to occur from October to December 2023. [Completion of the remainder of the Residences is estimated for _____, 20__.] The units are being developed by Stockbridge and Wilson Meany. The Merchant Builder closed a construction loan in August 2021 provided by [____] in the amount of $55 million, for the construction of the first 31 units of the Residences and some of the site work for the remaining 22 units located in Sub-Block 4Y. In April 2023, the Merchant Builder secured a $5 million loan increase, for a total construction loan in the amount of $60 million. [Add due date and other relevant terms of the loan. Maturity, extension options, security (deed of trust?). In good standing?]

Isle House/Sub-Block C2.4 – Vertical construction of a 22-story high rise apartment development (known as "Isle House") with 250 rental units, including 24 below market rate affordable units, commenced in November 2022. The seven-level podium portion of the building topped out in March 2023, and the twenty-two-level tower component is topped out in July 2023. Dry-in and facade work is expected to be complete by September 2023. Interior work will commence in earnest in October 2023, and was expected to be completed by early in the second quarter of 2024. Temporary certificate of occupancy is anticipated to be issued at the end of the second quarter of 2024, and final completion is currently scheduled for September 2024. The project has an average unit size of 830 square feet and is being developed by Stockbridge and Wilson Meany. The property is in Project Area E. On August 12, 2022, Merchant Builder secured a $122.8 million construction loan. The construction loan is with the Union Labor Life Insurance Company ("ULLICO") and matures on August 12, 2025, subject to two 1-year extensions. The loan is anticipated to be repaid through permanent financing or alternative funding sources upon stabilization. As of September 1, 2023, the loan is in good standing.

Portico/Sub-Block C3.3/C3.4 – Vertical construction of a six-story, 148-unit planned condominium development (known as "Portico"), including seven below market rate affordable units, commenced in October 2022. The project is in Project Area B. Completion of the building is estimated for January 2025. The project has an average unit size of 1,005 square feet and is being developed by a joint venture development team that includes Stockbridge, Wilson Meany and Lennar. Stockbridge/Wilson Meany/Lennar Merchant Builder closed a construction loan on September 23, 2022 in the amount of $94.7 million with Pacific Western Bank for a term of approximately three years (the "C3.4 Loan"). The C3.4 Loan is secured by a deed of trust on Sub-Block C3.4, which will be released upon loan repayment. As of September 1, 2023, the C3.4 Loan was in good standing.

Hawkins/Sub-Block C2.2 – Vertical construction of a six-story apartment development with 178 rental units, including nine below market rate affordable units, commenced in September 2022. The project is in Project Area B. Completion is estimated for November 2024. The project has an average unit size of 795 square feet and is being developed by a subsidiary of Lennar. The Merchant Builder entered into a guaranteed maximum price construction contract with a general contractor in September 2022. The expected development schedule is not dependent on receipt of any additional financing.

Permits Issued

Sub-Block B1 - A five-story apartment development planned for 117 rental units, including six below market rate affordable units, received site permit approval in December 2021. This site permit required significant investment in design costs and permit fees. The project is in Project Area B. The project has an average unit size of 730 square feet and is being developed by Poly USA. This project is on hold as described below.

Additional Planned Developments Not Owned By TI Series 1. TI Series 1 has sold several development parcels to Merchant Builders that have not yet received a site or building permit as of July 1, 2023. These include property in Sub-Blocks 1Y, 3Y, 4Y Townhomes and Flats (remaining portion not yet permitted), C2.3, and C3.5, which are collectively planned for 356 residential units. Of the 356 planned residential units, 343 are market rate for-sale units, and 13 are below market rate affordable units. TI Series 1 understands that none of these sold planned developments have yet established firm construction costs or secured full construction financing. Though no site or building permit has yet been issued, permitted grading and shoring activities for a portion of Sub-Block 3Y have begun.

[The Merchant Builder for Sub-Blocks B1 and C2.3 currently has those project on hold. Due to changing market conditions for real estate development, on a periodic basis, the Merchant Builder is analyzing and reevaluating market factors, including, without limitation, equipment and material costs, supply chain delays, labor availability and costs, construction financing availability and terms, and supply and demand indicators in the local residential real estate market affecting rental rates, all in light of proforma internal underwriting criteria. No assurances can be given when construction of such projects will commence, whether financing will be available or whether the projects will be completed.] [If plans are being reassessed for additional sub-blocks, please indicate and describe.]

Additional Planned Developments Owned by TI Series 1. Planned developments within the District on land owned by TI Series 1 that have not yet received site or building permits as of July 1, 2023 includes property in Sub-Blocks C1.1, C1.2, and C2.1, which are collectively planned for 551 market-rate for-sale residential units.

TIDA owns six parcels within the District that are currently exempt from property taxes. Of the six TIDA parcels, two (Sub-Blocks 2Y-H and C2-H) are planned for separate 50-room and 300-room hotels, respectively. The remaining four parcels consist of land planned for use as public right of way, parks, and open space. Development of the hotel projects has not begun. The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest. Timing for development of the hotels is to be determined and is not expected near-term. While TIDA-owned parcels are not subject to taxation, if the parcel is leased to a private third-party such as a hotel developer, the leasehold interest would be taxable.

The foregoing planned developments are in different stages of planning, financing, development, and construction. No assurance can be given that development of these properties will be completed. See “RISK FACTORS - Real Estate Investment Risks “ herein.

The District and the CFD

The District contains parcels within the CFD, as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within the District planned for a hotel, right of way and open space are not within any of Improvement Area Nos. 1, 2 or 3 of the CFD. The District includes additional parcels not within

Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

TAX INCREMENT REVENUE AND DEBT SERVICE

General

As discussed above, the Pledged Facilities Increment securing the Series 2023A Facilities Bonds Parity Facilities Bonds and the Pledged Housing Increment securing the Series 2023B Housing Bonds and Parity Housing Bonds are designated portions of the basic 1% of assessed value property tax levy in each Project Area after the Commencement Year for the Project Area. The Pledged Facilities Increment will represent 53.285270% of such taxes and the Pledged Housing Increment will represent 11.302936% of such taxes (less certain administrative costs).

The District has retained the Fiscal Consultant to provide historical information and projections of taxable assessed valuation and tax increment revenue from the Initial Project Areas.

Commencement Year and Time Limits for Each Project Area

Tax increment revenues generated in a Project Area begin to be allocated to the District only after the Commencement Year for the Project Area, the Commencement Year being the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the "Trigger Amount") is generated in the Project Area and received by the City. Tax increment can only be collected in each component Project Area for 40 years beginning with its Commencement Year.

The Commencement Year occurred for Project Area A in Fiscal Year 2019-2020 and for both Project Area B and Project Area E in Fiscal Year 2022-23.

Table 3 below summarizes the tax increment allocation status of the Initial Project Areas.

Table 3
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Initial Project Areas Tax Increment Allocation Status

Project Area	Acreage[1]	Trigger Amount for Commencement of Tax Increment Allocation	Commencement Year	Last Year of Tax Increment
A	15.6	$150,000	Fiscal Year 2019-20	Fiscal Year 2058-59
B	4.4	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
C	1.6	300,000	To be determined	To be determined[2]
D	2.1	300,000	To be determined	To be determined[2]
E	9.5	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
Total[3]:	33.1			

(1) Aggregate land area of Assessor's parcels within each Project Area in the District.
(2) Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.
(3) Project Areas A, B and E, for which the Commencement Year has occurred, total approximately 29 acres.
Source: Fiscal Consultant.

Historical Assessed Values

Fiscal Year 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within the District, following the transfer of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately $1.1 million per acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the $61.2 million sale price applicable to a sale by TI Series 1 to an affiliated Merchant Builder. The $1.1 million per acre value was based on an Assessor analysis of value that considered the remaining improvements necessary for development to occur.

Taxable assessed values for the Initial Project Areas from the Fiscal Year 2016-17 Base Year through Fiscal Year 2023-24 are summarized in Table 4 below.

Table 4
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Assessed Values

	Project Areas Active in Fiscal Year 2023-24			Total for Project Areas Active in Fiscal Year 2023-24[3]	Project Areas Not Yet Active			
Fiscal Year	Project Area A	Project Area B	Project Area E		Project Area C	Project Area D	Total for All Project Areas[3]	% Increase
2016-17[1]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4%

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2023-24 are shown in gray.

(1) Fiscal Year 2016-17 is the Base Year.
(2) Includes Fiscal Year 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the Fiscal Year 2021-22 assessment roll.
(3) All figures in this table represent both total and Incremental Assessed Property Value, as the Base Year assessed value is $0.
Source: Fiscal Consultant.

The Fiscal Consultant Report indicates that the increase in assessed value from Fiscal Year 2019-20 to Fiscal Year 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 complete.

The Fiscal Consultant Report indicates that the increase in assessed value from Fiscal Year 2020-21 to Fiscal Year 2021-22 was primarily due to sale of development pads within Project Areas A, B and E by TI Series 1 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.

The Fiscal Consultant Report indicates that increases in assessed value from Fiscal Year 2021-22 to Fiscal Year 2022-23 was driven by construction progress on the Bristol and 4Y Townhomes and Flats and sale of a development pad planned for 160 condominium units and a park (Sub-Block C3.5) by TI Series 1 to a separate vertical developer affiliated with Stockbridge, Wilson Meany, and Lennar. See

APPENDIX F – "FISCAL CONSULTANT REPORT – 4.1 Historic Taxable Values" for additional information regarding such park.

The Fiscal Consultant Report indicates that increases in assessed value from Fiscal Year 2022-23 to Fiscal Year 2023-24 were due to:

- Construction progress on the following developments:
  - Isle House (Block C2.4), which added $40.3 million in assessed value;
  - Portico (Block C3.3/C3.4), which added $33.8 million in assessed value;
  - First phase of The Residences (4Y Townhomes and Flats (permitted portion)), which added $20.6 million in assessed value; and
  - Hawkins (Block C2.2), which added $9.7 million in assessed value.
- Incurrence of indirect costs such as design and limited direct costs on Sub-Blocks B1 and 3Y, which the Assessor took into consideration in adding approximately $3.3 million in assessed value to the roll for these properties.
- Application of the 2% inflationary increase under Proposition 13, which added approximately $7.5 million in assessed value to the roll.

The Fiscal Consultant Report indicates that market rate sales prices of units at the Bristol to date have averaged approximately $1.5 million per unit. Existing Fiscal Year 2023-24 assessed values reflect 2% inflation Proposition 13 of Fiscal Year 2022-23 assessed values and do not incorporate assessed value to be added from either completed or future sales of condominium units. Average market rate sales prices, based on 33 closed sales reported by YBI Phase 1 Investors LLC, are approximately 20% higher than the average existing Fiscal Year 2023-24 assessed values for market rate units in the Bristol on a dollar per square foot basis.

See "RISK FACTORS – Reduction in Tax Base and Assessed Values" herein.

Land Uses

The aggregate assessed valuation in all of the Initial Project Areas and for Project Areas A, B and E for Fiscal Year 2023-24 by land use is set forth on the following Table 5. As shown in Table 5, 32.0% of aggregate Fiscal Year 2023-24 taxable assessed value for Project Areas A, B and E (which are the Project Areas that will collect tax increment in Fiscal Year 2023-24) is attributable to the completed for-sale residential units development site known as the Bristol and approximately 42% is derived from the four projects actively under construction, with the balance derived from vacant land and one project with a site permit previously issued. See "THE INITIAL PROJECT AREAS - Development Status" herein.

Table 5
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Fiscal Year 2023-24 Taxable Assessed Value by Land Use

Land Uses Composition,	All Initial Project Areas Planned Units	All Initial Project Areas No. of Parcels	All Initial Project Areas Fiscal Year 2023-24 Taxable Value	All Initial Project Areas % of Total	Initial Project Areas Collecting Tax Increment in Fiscal Year 2023-24 (Project Areas A, B, E) Planned Units	No. of Parcels	Fiscal Year 2023-24 Taxable Value	% of Total
Residential Development Sites								
Completed For-Sale Units[1]	124	124	$155,570,351	29.9%	124	124	$155,570,351	32.0%
For-Sale Units Development Sites								
Vertical construction underway[2]	201	2	$107,595,642	20.7%	201	2	$107,595,642	22.1%
Site permit not yet issued[3]	885	7	146,263,936	28.1	174	3	112,222,521	23.1
Subtotal	1,086	9	$253,859,578	48.7%	375	5	$219,818,163	45.1%
Rental Units Development Sites								
Vertical construction underway[4]	428	2	$ 97,989,602	18.8%	428	2	$ 97,989,602	20.1%
Site permits issued[5]	117	2	13,486,160	2.6	117	2	13,486,160	2.8
Subtotal	545	4	$111,475,762	21.4%	545	4	$111,475,762	22.9%
Owned by TIDA and non-taxable	0	6	$ 0	0.0%	0	6	$ 0	0.0%
GRAND TOTAL	**1,755**	**143**	**$520,905,691**	**100.0%**	1,044	**139**	**$486,864,276**[6]	**100.0%**

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2023-24 are shown in gray.

---

[1] The 124-unit Bristol condominium building was completed in June 2022.

[2] For-sale units under construction include the 148-unit Portico condominium building, of which seven units are below market rate, and the 53-unit 4Y Townhomes and Flats, which are all market rate. Of the 53 total units within the 4Y Townhomes and Flats, construction is currently underway on 31 units and construction of the remaining 22 units has not yet commenced.

[3] Includes one parcel planned for use as a privately-owned pocket park. with public access, to be developed in conjunction with Block C3.5. The parcel has an Fiscal Year 2023-24 assessed value of $322,524 and is located within Project Area D, for which allocation of tax increment has not yet commenced. See "THE INITIAL PROJECT AREAS – Planned Development," for a description of that parcel.

[4] Rental units under construction include Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units.

(5) Site permits issued for Sub-Block B1, owned by an affiliate or Poly USA, on December 2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced, and the project is being reevaluated by the Merchant Builder. See "THE INITIAL PROJECT AREAS – Development Status" herein.
(6) Reflects $307,547,361 of land assessed value and $179,316,915 of improvement assessed value. See APPENDIX F – "FISCAL CONSULTANT REPORT – Table 20" for additional information regarding land assessed value and improvement assessed value by parcel.
Sources: City and County of San Francisco Office of the Assessor-Recorder, TICD [affiliates], City and County of San Francisco Department of Building Inspection (for permit issuance status).

[Remainder of page intentionally left blank.]

Top Ten Taxpayers

The top ten taxpayers in the Initial Project Areas, by Fiscal Year 2023-24 assessed valuation, both in aggregate, and for Project Areas A, B and E for which collection of tax increment has commenced, are set forth below in Table 6. Four property owners represent the vast majority of assessed value within Project Areas A, B and E. Within Project Areas A, B and E, these four taxpayers account for over 90% of Fiscal Year 2023-24 assessed valuation, with the balance attributable to individual owners of condominium units in the Bristol. See "RISK FACTORS – Concentration of Property Ownership" herein.

[Remainder of page intentionally left blank.]

Table 6
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Top Ten Taxpayers for Fiscal Year 2023-24

	Top Taxpayers Fiscal Year 2023-24	Description[(6)(7)]	Planned No. of Res. Units	No. of Parcels	Project Area	Assessed Value Fiscal Year 2023-24[(10)] All Project Areas	Assessed Value Fiscal Year 2023-24[(10)] Active Project Areas[(12)]	% of Total and Incremental Assessed Value[(11)] All	% of Total and Incremental Assessed Value[(11)] Active Areas[(12)]
1	**Stockbridge and Wilson Meany**[(1)]								
	YBI Phase 1 Investors LLC	Bristol for-sale condos built June 2022 (Sub-Block 4Y (portion))	83[(15)]	83	A	$111,246,976	$111,246,976	21.4%	22.8%
	YBI Phase 4 Investors LLC	Site planned for for-sale condos, townhomes, single-family homes (Sub-Block 1Y)	78	1	A	81,966,873	81,966,873	15.7	16.8
	TI Lot 10 LLC	Rental apartment tower under construction (Sub-Block C2.4)	250	1	E	73,843,791	73,843,791	14.2	15.2
	YBI Phase 3 Investors LLC	For-sale townhomes & flats under construction (Sub-Block 4Y (portion))[(8)]	53	1	A	58,340,437	58,340,437	11.2	12.0
	YBI Phase 2 Investors LLC	Site planned for for-sale townhomes (Sub-Block 3Y)	11	1	A	18,811,248	18,811,248	3.6	3.9
	Subtotal		475	87		$344,209,325	$344,209,325	66.1%	70.7%
2	**Stockbridge, Wilson Meany and Lennar Joint Venture**[(2)]								
	TI Lots 3-4 LLC	For-sale condos under construction (Sub-Block C3.3/3.4)	148	1	B	$ 49,255,205	$ 49,255,205	9.5%	10.1%
	TI Lots 5-6, LLC	Site planned for for-sale condo tower (Sub-Block C3.5) and park	160	2	D	30,795,840	N/A	5.9	N/A
	Subtotal		308	3		$ 80,051,045	$ 49,255,205	15.4%	10.1%
3	**Poly USA**[(3)]								
	B1 Treasure Island 048 Holdings, LLC	Site planned for rental apartments (Sub-Block B1)[(9)]	117	2	B	$ 13,486,160	$ 13,486,160	2.6%	2.8%
	C23 Treasure Island 048 Holdings, LLC	Site planned for for-sale condos (Sub-Block C2.3)	85	1	B	11,444,400	11,444,400	2.2	2.4
	Subtotal		202	3		$ 24,930,560	$ 24,930,560	4.8%	5.1%
4	**Lennar**[(4)]	Rental apartments under construction (Sub-Block C2.2)[(7)]	178	1	B	$ 24,145,811	$ 24,145,811	4.6%	5.0%
5	**TI Series 1**[(5)]	Sites planned for two for-sale condo towers (Sub-Block C1.1/C1.2, C2.1)	551	2	C & D	$ 3,245,575	N/A	0.6%	N/A
6	**Bristol Homeowner 1**	Built private for-sale condo residences in the Bristol	2	2	A	$2,989,598	$2,989,598	0.6%	0.6%
7	**Bristol Homeowner 2**	Built private for-sale condo residences in the Bristol	2	2	A	$2,311,928	$2,311,928	0.4%	0.5%
8	**Bristol Homeowner 3**	Built private for-sale condo residence in the Bristol	1	1	A	$1,887,226	$1,887,226	0.4%	0.4%
9	**Bristol Homeowner 4**	Built private for-sale condo residence in the Bristol	1	1	A	$1,840,554	$1,840,554	0.4%	0.4%
10	**Bristol Homeowner 5**	Built private for-sale condo residence in the Bristol	1	1	A	$1,762,303	$1,762,303	0.3%	0.4%
11	**Bristol Homeowner 6**	Built private for-sale condo residence in the Bristol	1	1	A	N/A[(13)]	$1,707,697	N/A[(13)]	0.4%
TOTAL TOP TAXPAYERS			**1,722**	**104**		**$487,373,925**	**$455,040,207**	**93.6%**	**93.5%**

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2023-24 are shown in gray.

---

(1) Includes separate legal entities affiliated with Wilson Meany and the Stockbridge TI Fund LP, as listed. Stockbridge and Wilson Meany have an ownership interest in TICD, who is the parent company of the owner shown in number 5 on the list of top taxpayers. In addition, Stockbridge and Wilson Meany have an interest in two properties listed under

the ownership of Stockbridge, Wilson Meany, and Lennar, number 2 on the list of top taxpayers, being developed as a joint venture.
(2) TI Lots 3-4 LLC and TI Lots 5-6 LLC are being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 4 on the list of top taxpayers).
(3) Includes separate entities affiliated with developer Poly (USA) Real Estate Development Corp., as listed. Poly USA has an ownership interest in TI Series 1 (No. 5 top taxpayer).
(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, Wilson Meany, and Lennar, number 2 on the list of top taxpayers, being developed as a joint venture. Lennar also has an ownership interest in TICD, number 5 on the list of top taxpayers.
(5) TI Series 1 is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Poly USA, and (4) Lennar, each have an ownership interest in TICD.
(6) Includes units that are complete, under construction, and planned.
(7) "Built" refers to units complete with an occupancy permit, "planned" refers to planned units, "under construction" refers to units under construction.
(8) 31 of the 53 total units are under construction.
(9) A site permit has been issued for construction, but construction has not yet commenced.
(10) All assessed value consists of secured property (land and improvements).
(11) Percentages calculated based upon Fiscal Year 2023-24 assessed value and incremental assessed value of $520,905,691 and $486,864,276 for active areas (base year assessed value is zero).
(12) Includes Project Areas A, B, and E that will collect tax increment in Fiscal Year 2023-24.
(13) Bristol homeowner 6 is part of the list of the top ten taxpayers for active project areas, but is not on a member of the top taxpayers list when all project areas are included.
(14) Bristol Homeowner 6 is a top ten taxpayer when considering active Project Areas only.
(15) Represents completed 124 units less 41 units sold to homeowners as reflected on the Fiscal Year 2023-24 roll, including 35 market rate and six below market rate units.
Source: Fiscal Consultant.

With additional sales to individual condo buyers within the Bristol and in any other taxable units completed in the future within the District, the number of taxpayers will increase.

[Based on the records included within the Assessment Appeals Board database, no assessment appeals have been filed within the District since its formation. The deadline to file an appeal of Fiscal Year 2023-24 assessed values has passed.][To be confirmed before posting.] Under the DDA, TICD agreed that, if following the issuance of Bonds by the District, TICD were to seek and be granted a reassessment of the property it owns in the District, TICD would make additional payments to the City equal to the amount of property taxes lost as a result of the reassessment, and the City agreed to allocate such additional payments to the District. In addition, to date, each Sub-Block in the Initial Project Areas that has been transferred to a Merchant Builder includes among its development covenants and restrictions a covenant by the Merchant Builder to not initiate or intentionally cause to initiate a reassessment of the value of the applicable property, and it is TICD's intention and practice to require such covenants in future transfers with Merchant Builders. [Other parties that might come to own taxable property in the Initial Project Areas, such as homeowners, are not subject to these covenants.] [The foregoing covenants do not extend to reassessments not sought by the payor that the Assessor could grant unilaterally under Proposition 8.]

See "RISK FACTORS – Reduction in Tax Base and Assessed Values" herein.

Allocations of Tax Increment to District

Table 7 below indicates assessed values and allocations of tax increment to the District. As shown, actual amounts allocated to the District have ranged from 98.9% of the calculated levy in Fiscal Year 2020-21, to 110.9% in Fiscal Year 2021-22, and averaged 105.9% of the calculated levy over the initial four years of tax increment allocation.

Table 7
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Allocations of Tax Increment to District

		Actual 2019-20[1]	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated 2023-24
Assessed Value Increment, Active Project Areas[2]		$70,090,194	$102,085,597	$201,114,923	$372,320,895	$486,864,276
Active Project Areas		A	A	A	A, B, E	A, B, E
Calculated 1% Tax Increment	1% levy	$ 700,902	$ 1,020,856	$ 2,011,149	$ 3,723,209	$ 4,868,643
Property Tax Administrative Costs[3]		Applied in Fiscal Year 2021-22		$ 5,113	$ 9,387	$ 13,775
Calculated District Tax Increment[4] (Net Available Increment + Conditional City Increment)						
Pledged Facilities Increment	53.285270%	$ 373,477	$ 543,966	$ 1,067,428	$ 1,976,178	$ 2,582,905
Pledged Housing Increment	11.302936%	79,222	115,387	226,424	419,189	547,889
Total	64.588206%	**$ 452,700**	**$ 659,353**	**$ 1,293,852**	**$ 2,395,367**	**$ 3,130,794**
Actual Amount Allocated by Controller[4]						
Pledged Facilities Increment		$ 373,477	$ 537,879	$ 1,183,713	$ 2,101,219	TBD
Pledged Housing Increment		79,223	114,095	$251,091	$445,713	TBD
Total		**$ 452,700**	$ **651,974**	**$ 1,434,803**	**$ 2,546,932**	**TBD**
Collections as % of Computed Levy[5][6]		**100%**	**98.9%**	**110.9%**	**106.3%**	**TBD**
Average, Fiscal Year 2019-20 to Fiscal Year 2022-23	**105.9%**					

[1] Fiscal Year 2019-20 was the initial year of tax increment collection for the District.
[2] The Base Year assessed value is zero.
[3] Administrative costs for division of taxes include Controller property tax administrative costs and a approximately 10% of Accounting Operations and Suppliers Division (AOSD) costs. Property tax administrative costs for the initial two years of tax increment were applied in Fiscal Year 2021-22.
[4] Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service. Fiscal Year 2022-23 revenues include approximately $151,000 in revenue from prior tax years and exclude approximately $5,000 in interest revenue. The administrative cost of division of taxes on line 3 is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.
[5] Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.
[6] According to the Controller, due to the implementation of a new property tax software system, property tax allocations in fiscal year 2020-21 occurred on a jurisdictional basis rather than on a tax rate area basis. Allocation on a jurisdictional basis results in all affected taxing entities and related tax increment financing districts sharing the impact of unpaid portions of non-Teetered property tax levies, such as unsecured taxes, rather than limiting the impact to the tax rate area in which delinquencies occurred, as in the other fiscal years represented in Table 7.
Source: Controller, Fiscal Consultant.

Revenue Projections

Projected tax increment revenues are shown below in Table 8, based on Fiscal Year 2023-24 assessed values in Project Areas A, B and E and held constant over the term of the projection, assuming no change in the assessed values. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto for a description of the assumptions underlying projected assessed values.

[Remainder of page intentionally left blank.]

Table 8
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projection of Tax Increment (Based on Reported Fiscal Year 2023-24 Assessed Value)

	Gross Tax Increment	**Net Available Facilities Increment**					**Net Available Housing Increment**				
Fiscal Year	= 1% x Incremental Assessed Value for areas Collecting TI	Total	Prop Tax Admin. Cost[1]	After Prop Tax Admin.	Conditional City Facilities Increment	**Pledged Facilities Increment**	Total	Prop Tax Admin. Cost[1]	After Prop Tax Admin.	Conditional City Housing Increment	**Pledged Housing Increment**
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
23-24	$4,868,643	$2,272,939,	($11,365)	$2,261,574	$321,330	$2,582,905	$482,139	($2,411)	$479,728	$68,161	$547,889

(1) Administrative costs deductible from Gross Tax Increment are estimated at 0.5% of Net Available Increment. This 0.5% factor is based on actual expenses for Fiscal Year 2022-23 of $9,387, plus an additional $2,000 fixed charge expected in future years, as a percentage of Net Available Increment in Fiscal Year 2022-23. Actual administrative costs may vary from year to year and are payable prior to debt service on Parity Facilities Bonds and Parity Housing Bonds. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto for additional information regarding administrative costs.

[Remainder of page intentionally left blank.]

Debt Service and Coverage

Table 9 provides the debt service schedule for the Series 2023A Facilities Bonds and outstanding Parity Facilities Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as Fiscal Year 2023-24 Pledged Facilities Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Facilities Debt that could be issued or incurred. See "SECURITY AND SOURCES OF PAYMENT" herein.

Table 9
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2023A Facilities Bonds and Parity Facilities Bonds

	Series 2023A Facilities Bonds					
Year Ending[1]	Principal	Interest	Debt Service on Outstanding Parity Facilities Bonds	Total	Fiscal Year 2023-24 Pledged Facilities Increment[2]	Debt Service Coverage[3]
2024	$	$		$	$2,583,000	%
2025					2,583,000	
2026					2,583,000	
2027					2,583,000	
2028					2,583,000	
2029					2,583,000	
2030					2,583,000	
2031					2,583,000	
2032					2,583,000	
2033					2,583,000	
2034					2,583,000	
2035					2,583,000	
2036					2,583,000	
2037					2,583,000	
2038					2,583,000	
2039					2,583,000	
2040					2,583,000	
2041					2,583,000	
2042					2,583,000	
2043					2,583,000	
2044					2,583,000	
2045					2,583,000	
2046					2,583,000	
2047					2,583,000	
2048					2,583,000	
2049					2,583,000	
2050					2,583,000	
2051					2,583,000	
2052					2,583,000	
2053					2,583,000	
Total	**$**	**$**				

(1) Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.
(2) Projected; rounded. Assumes no assessed value changes. Based on Fiscal Consultant Report projection. See "Revenue Projections" and Table 8 above. No assurance is given that assessed values will not decline. See "RISK FACTORS" herein.
(3) Reflects Fiscal Year 2023-24 Pledged Facilities Increment divided by Annual Facilities Debt Service.

Table 10 provides the debt service schedule for the Series 2023B Housing Bonds and outstanding Parity Housing Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as the Fiscal Year 2023-24 Pledged Housing Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Housing Debt that could be issued or incurred. See "SECURITY AND SOURCES OF PAYMENT" herein.

Table 10
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2023A Housing Bonds and Parity Housing Bonds

Year Ending[1]	Series 2023A Housing Bonds Principal	Series 2023A Housing Bonds Interest	Debt Service on Outstanding Parity Housing Bonds	Total	Fiscal Year 2023-24 Pledged Housing Increment[2]	Debt Service Coverage[3]
2024	$	$		$	$548,000	%
2025					548,000	
2026					548,000	
2027					548,000	
2028					548,000	
2029					548,000	
2030					548,000	
2031					548,000	
2032					548,000	
2033					548,000	
2034					548,000	
2035					548,000	
2036					548,000	
2037					548,000	
2038					548,000	
2039					548,000	
2040					548,000	
2041					548,000	
2042					548,000	
2043					548,000	
2044					548,000	
2045					548,000	
2046					548,000	
2047					548,000	
2048					548,000	
2049					548,000	
2050					548,000	
2051					548,000	
2052					548,000	
2053					548,000	
Total	**$**	**$**				

(1) Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.
(2) Projected; rounded. Assumes no assessed value change. Based on Fiscal Consultant Report projection. See "Revenue Projections" and Table 8 above. No assurance is given that assessed values will not decline. See "RISK FACTORS" herein.
(3) Reflects Fiscal Year 2023-24 Pledged Housing Increment divided by Annual Housing Debt Service.

The following table presents the semi-annual debt service schedules for the Series 2023AB Bonds, assuming no redemptions other than mandatory sinking fund redemptions.

Table 11
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Semi-Annual Debt Service Schedules

Payment	Series 2023A Facilities Bonds			Series 2023B Housing Bonds			
Date	Principal	Interest	Total	Principal	Interest	Total	Grand Total
3/1/2024	$	$	$	$	$	$	$
9/1/2024							
3/1/2025							
9/1/2025							
3/1/2026							
9/1/2026							
3/1/2027							
9/1/2027							
3/1/2028							
9/1/2028							
3/1/2029							
9/1/2029							
3/1/2030							
9/1/2030							
3/1/2031							
9/1/2031							
3/1/2032							
9/1/2032							
3/1/2033							
9/1/2033							
3/1/2034							
9/1/2034							
3/1/2035							
9/1/2035							
3/1/2036							
9/1/2036							
3/1/2037							
9/1/2037							
3/1/2038							

Payment Date	Series 2023A Facilities Bonds			Series 2023B Housing Bonds			
	Principal	Interest	Total	Principal	Interest	Total	Grand Total
9/1/2038							
3/1/2039							
9/1/2039							
3/1/2040							
9/1/2040							
3/1/2041							
9/1/2041							
3/1/2042							
9/1/2042							
3/1/2043							
9/1/2043							
3/1/2044							
9/1/2044							
3/1/2045							
9/1/2045							
3/1/2046							
9/1/2046							
3/1/2047							
9/1/2047							
3/1/2048							
9/1/2048							
3/1/2049							
9/1/2049							
3/1/2050							
9/1/2050							
3/1/2051							
9/1/2051							
3/1/2052							
9/1/2052							
3/1/2053							
9/1/2053							
Total	**$**	**$**	**$**	**$**	**$**	**$**	**$**

LIMITATIONS ON TAX INCREMENT REVENUES

The Series 2023A Facilities Bonds and the Series 2023B Housing Bonds are secured by pledges of Pledged Facilities Increment and Pledged Housing Increment, respectively, as described in this Official Statement. The District does not have any independent power to levy and collect property taxes; accordingly, the amount of Pledged Facilities Increment and Pledged Housing Increment available to the District for payment of the principal of and interest on the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds, respectively, is affected by several factors, including but not limited to those discussed below. See also "RISK FACTORS" herein.

Property Tax Collection Procedure

Classifications. In California, property that is subject to ad valorem taxes is classified as "secured" or "unsecured." The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against the unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax that becomes a lien on secured property has priority over all other liens arising pursuant to State law on the secured property, regardless of the time of creation of the other liens.

Generally, ad valorem taxes are collected by a county (the "Taxing Authority") for the benefit of the various entities (cities, school districts and special districts) that share in the ad valorem tax (each, a taxing entity) and redevelopment agencies eligible to receive tax increment revenues.

Collections. Secured property and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The Taxing Authority has four (4) ways of collecting unsecured personal property taxes in the case of delinquency: (i) initiating a civil action against the taxpayer; (ii) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes that are delinquent.

Delinquencies. The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property become delinquent if not paid by August 31 and are subject to penalty; unsecured taxes added to the roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

Penalty. A ten percent (10%) penalty is added to delinquent taxes that have been levied with respect to property on the secured roll. In addition, on or about June 30 of the fiscal year, property on the secured roll on which taxes are delinquent is declared to be in default by operation of law and declaration of the tax collector. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of one and one-half percent (1.5%) per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector. A ten percent (10%) penalty also applies to the delinquent taxes on property on the unsecured roll, and further, an additional penalty of one and one-half percent (1.5%) per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction occurring subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Areas, tax increment available to pay debt service on the Series 2023AB Bonds may increase.

Property Tax Administrative Costs. State law allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. All costs incurred by a county in connection with the division of taxes pursuant to the Law for an infrastructure and revitalization financing district shall be paid by that district.

Teeter Plan

The City has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Generally, under the Teeter Plan, which applies to the property tax revenues, including tax increments generated in the Project Areas, each participating local agency, including cities, levying property taxes in its county may receive the amount of uncollected taxes credited to its fund in the same manner as if the amount credited had been collected. In return, the county would receive and retain delinquent payments, penalties and interest, as collected, that would have been due to the local agency. However, although a local agency could receive the total levy for its property taxes without regard to actual collections, funded from a reserve established and held by the county for this purpose, the basic legal liability for property tax deficiencies at all times remains with the local agency.

The Teeter Plan remains in effect in the City unless and until the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the City (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the City, in which event, the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the City. There can be no assurance that the Teeter Plan will remain in effect throughout the life of the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds. In the event the Teeter Plan within the Project Areas were discontinued, the amount of the levy of property tax revenue that can be allocated to the District would depend upon the actual collections of taxes within the Project Areas. Substantial delinquencies in the payment of property taxes could then impair the timely receipt by the District of Net Available Facilities Increment and the Conditional City Facilities Increment and the payment of debt service on the Series 2023A Facilities Bonds or of Net Available Housing Increment and the Conditional City Housing Increment and the payment of debt service on the Series 2023B Housing Bonds.

Taxation of Unitary Property

In California, certain properties are known as unitary property or operating nonunitary property. Such properties are properties of an assessee that are operated as a unit (consisting mostly of operational property owned by utility companies). Property tax revenue derived from assessed value attributable to unitary and operating nonunitary property that is assessed by the State Board of Equalization is to be allocated county-wide as follows: (i) each jurisdiction, including redevelopment project areas, will receive a percentage up to one hundred two percent (102%) of its prior year unitary and operating nonunitary revenue; (ii) if the amount of property tax revenue available for allocation is insufficient to make the allocation required by clause (i), above, the amount of revenue to be allocated to each jurisdiction will be prorated; and (iii) if county-wide revenues generated for unitary and operating nonunitary property are greater than one hundred two percent (102%) of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue based on such jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year.

No tax revenue derived from unitary property or operating nonunitary property is included in the projections of Pledged Facilities Increment and Pledged Housing Increment.

Tax Limitations – Article 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 (2% for Fiscal Year 2023-24) are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

The District cannot predict whether there will be any future challenges or changes to California's present system of property tax assessment or the effect of any such challenge or change on the District's receipt of Pledged Facilities Increment and Pledged Housing Increment.

Article 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 2023AB 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.

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 2023AB 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 2023AB 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 2023AB Bonds, or could otherwise affect the market price and liquidity of the Series 2023AB 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 Tax Base and Assessed Values

The amounts of Pledged Facilities Increment available to pay principal and interest on the Series 2023A Facilities Bonds and the amount of Pledged Housing Increment available to pay principal and interest on the Series 2023B Housing Bonds are based primarily on Gross Tax Increment (less certain administrative costs). The amount of Gross Tax Increment of a Project Area is allocated only after the respective Commencement Year and for 40 consecutive years thereafter. A reduction of assessed value in the Project Areas caused by economic factors beyond the City's or the District's control, such as sale at a reduced price by one or more major property owners in the Project Areas, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other possibilities, earthquake or other natural disaster, could cause a reduction in the Gross Tax Increment from which Pledged Facilities Increment and Pledged Housing Increment 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 2023AB 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 2023AB 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" herein.

In addition, successful assessed value appeals or Proposition 8 temporary reductions in value could also result in such assessed value declines. Under Proposition 8, assessors in California have authority to use criteria to apply reductions in valuation to classes of properties affected by any factors affecting value, including but not limited to negative economic conditions.

COVID-19's impact on San Francisco real property values first arose on the 2021 assessment roll, resulting in an almost 4-times increase in the total count of Proposition 8 reductions granted compared to the 2020 assessment roll (up from 2,059 to 8,212) and more than 8-times increase in the value of the reductions (up from $272 million to $2.18 billion). The total count and value of Proposition 8 reductions for the 2023 assessment roll were 5,326 and $1.7 billion, respectively.

The two most significant factors driving these changes for the 2021 and 2022 assessment rolls were reductions in value for hotel and condominium properties. In response to COVID-19, the Assessor's Office performed proactive reviews of commercial properties, which resulted in temporary reductions of $1.01 billion for 26 hotel properties on the 2021 assessment roll and $839 million for 15 hotel properties on the 2022 assessment roll. For the 2023 assessment roll, the Assessor's Office did not grant temporary reductions to these hotel properties. Condominiums accounted for the largest share of new reductions since the onset of the pandemic at over 70% of the total value of temporary reductions excluding hotels on the 2021 and 2022 assessment rolls and more than half of the total count for these years. For the 2023 assessment roll, condominiums accounted for a slightly lower percentage of total value of temporary reductions at 63% while remaining stable as a percentage of total count.

No assurance is given that Proposition 8 reductions will not be granted in the future if applicable criteria apply. Reductions could be based on factors that prompted past reductions or could include other or additional factors. See "THE CITY" herein.

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 2023AB 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 2023A Facilities Bonds and the Series 2023B Housing Bonds, respectively.

Projections of Pledged Facilities Increment and Pledged Housing Increment; Plan Limits

To project Pledged Facilities Increment and Pledged Housing Increment, the Fiscal Consultant Report has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Initial Project Areas (including assuming that the Initial Contributing Project Areas will be limited to the Initial Project Areas) and continuation of the Teeter Plan. In addition, present land assessed values were established through the sale of land among related parties that may or may not reflect market value. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto. The District believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized.

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 2023AB Bonds.

Projected Pledged Facilities Increment and Pledged Housing Increment rely on assessed values that include assessed values of the Bristol, but also values derived from construction in progress, horizontal development and from land sales between parties affiliated to TICD. The Fiscal Consultant Report projects that 32% of tax increment revenues in Fiscal Year 2023-24 will be derived from the Bristol, approximately 42% will be derived from four projects actively under construction and the balance derived from vacant land and one project with a site permit. . See "THE INITIAL PROJECT AREAS – Development Status" herein. Assessed values attributable to construction in progress or land values may be subject to more volatility than assessed values of completed buildings. Despite the construction investment made in a property, a recession or other economic factors could lead to later assessed values lower than the assessed values based on construction in progress.

The Infrastructure Financing Plan contains a limit on the total number of dollars of taxes that may be allocated to the District pursuant to the Infrastructure Financing Plan in the Initial Project Areas. The cumulative limit on receipt of Net Available Increment related to the Initial Project Areas is $1.53 billion, and the cumulative limit on receipt of Conditional City Increment related to the Initial Project Areas is $216 million, resulting in a combined $1.746 billion limit for the Initial Project Areas. Such Plan Limits limit the total dollars available as Pledged Facilities Increment and Pledged Housing Increment as sources of payment for the Series 2023AB Bonds. While the District has made certain covenants under the Facilities Indenture and Housing Indenture, respectively, to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment and Pledged Housing Increment, respectively, available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on (1) the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt and (2) the Outstanding Housing Bonds and any outstanding Parity Housing Debt, respectively, there can be no assurance that such management efforts will avoid imposing the Plan Limit's restrictions on amounts available for debt service. See "SECURITY AND SOURCES OF PAYMENT – Security for the Series 2023A Facilities Bonds and Parity Facilities Debt – Plan Limit Covenant" and "SECURITY AND SOURCES OF PAYMENT – Security for the Series 2023B Housing Bonds and Parity Housing Debt – Plan Limit Covenant" herein. See also APPENDIX F – "FISCAL CONSULTANT REPORT – 2.3 Cumulative Limit on Allocation of Tax Increment Revenue" attached hereto.

Real Estate Investment Risks

Generally. The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the District (including impacts on market value caused by less-favorable mortgage interest rates and other terms), the supply of or demand for competitive properties in such area, and the market value of properties and/or sites in the event of sale or foreclosure, (ii) changes in real estate tax rates, interest 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. While future developments in the economy cannot be predicted with certainty, recent media reports indicate that inflation, interest rate actions by the Federal Reserve and other factors could contribute to a recession, and a recent survey of economists indicated that a recession may be increasingly likely in the coming months. A recession could lead to adverse changes in local market conditions that negatively impact the pace of development and the value of property in the District. See "THE CITY - Continuing Impact of COVID-19 Pandemic and Other Factors on San Francisco Economy" herein.

The occurrence of one or more of the events discussed under "RISK FACTORS" herein could adversely affect the actual and estimated assessed values of property in the Project Areas, the ability or willingness of property owners in the Project Areas to pay their property taxes when due or prompt property owners to petition for reduced assessed valuation, in each case causing a reduction, or a delay or interruption in the receipt of, Gross Tax Increment from the Project Areas, and correspondingly the Pledged Facilities Increment and the Pledged Housing Increment. Such factors could also induce or exacerbate the risks described in "RISK FACTORS – Levy and Collection of Taxes," and "– Bankruptcy and Foreclosure" herein.

Concentration of Property Ownership. The Initial Project Areas have a significant concentration of ownership. For Fiscal Year 2023-24, over 90% of incremental assessed value in Project Areas A, B and E for which collection of tax increment has commenced, are derived from property owned by four taxpayers, all related to TICD. See "THE INITIAL PROJECT AREAS" for information regarding property ownership and the status of development in the Initial Project Areas. Failure of any significant owner of property in the Project Areas to pay the annual property taxes when due could result in the rapid, total depletion of the 2022 Facilities Reserve Account and the 2022 Housing Reserve Account prior to replenishment from the resale of the property upon a foreclosure or otherwise or prior to delinquency redemption after a foreclosure sale, if any. In that event, there could be a default in payments of the principal of and interest on the Series 2023AB Bonds. The City has adopted the Teeter Plan and provides one hundred percent (100%) of tax revenues to the District regardless of delinquencies. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein. However, 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. As of the July 2023 tax roll, nearly all of the property subject to property tax in the District are owned by TI Series 1 or the Merchant Builders, except for 41 units at the Bristol closed and transferred to homeowners. As of [_____], 2023, an additional [___] units at the Bristol have been transferred to homeowners.

Failure to Develop Properties. As of the date hereof, construction of only one building in the Initial Project Areas has been completed. Based on Fiscal Year 2023-24 assessed values, approximately 32% of Gross Tax Increment is derived from a completed building, approximately 42% from the four projects actively under construction and the rest from vacant land and one project with a site permit. See "THE INITIAL PROJECT AREAS – Development Status" herein. Further development of property in the Project Areas may not occur as currently proposed or at all. Development plans and expectations have been modified in the past for numerous reasons, including the COVID-19 pandemic, supply chain issues, inflationary increases in costs, and various delays caused by the foregoing. Previously projected revenues for the Treasure Island Project have been pushed out and reduced such that the projected values of, and expected returns on, developer interests are projected to be lower today than they were projected to be a few years ago. See "THE TREASURE ISLAND PROJECT - KSWM Litigation" herein.

Unimproved or partially improved land is inherently less valuable than land with a completed building on it, especially if there are restrictions on development, and provides less security to the Owners. Any delays in developing unimproved property, or the decision not to construct improvements on such property, may affect the willingness and ability of the owners of property within the Project Areas to pay property taxes when due. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Land development is subject to comprehensive federal, State and local regulations. 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, market conditions and other factors that may impair the ability to obtain long-term financing or refinancing, the income tax treatment of real property ownership, the national economy, or natural disasters that impact ferry or automobile access to the Project Areas.

The Project Agreements afford TICD effectively the right but not the obligation to develop the balance of the Treasure Island Project beyond the Initial Project Areas. Infrastructure in the Initial Project Areas is largely complete, and TICD has provided security for the completion of the public infrastructure in the Initial Project Areas. Also, TICD and TI Series 1 have confirmed that, as of the date of this Official Statement, they are actively proceeding with development of the Treasure Island Project in accordance with the terms and requirements of the DDA, and, at this time, have no plans to cease such development. However, neither TIDA, the City nor the Underwriter make any assurance that development of the Treasure Island Project will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur.

Continued financing will be needed to complete the development of the property within the Project Areas and to refinance maturing construction loans, including from private sources and from issuance of future bonds for the CFD or by the District. Issuance of future bonds for the CFD or by the District will depend upon future property values, interest rates and market access and other factors; any delays may affect timing and pace of planned development. Except for the completed Bristol development, firm construction costs for some of the planned vertical development within the Initial Project Areas have not been established. Design development of certain buildings is ongoing. Projected costs may increase. No assurance can be given that the required funding will be secured or construction loans will be refinanced 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.

See "TAX INCREMENT REVENUE AND DEBT SERVICE – Assessed Value Projections" herein and APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto. No assurance is given that the development that is currently planned in the Initial Project Areas will be completed, or that it will be completed on the currently-expected timeline. If planned development of the property is not completed Gross Tax Increment could be comparatively lower than if development is completed as planned.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. On February 11, 2020 the World Health Organization ("WHO") announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 has since spread across the globe. The WHO declared the COVID-19 outbreak to be a pandemic. The spread of COVID-19 has had and continues to have significant adverse health and financial impacts throughout the world, including the City.

While COVID-19 case rates have significantly declined, vaccination rates have increased, certain emergency orders have been lifted, and the national and local economy has been improving, the economic effects of the COVID-19 pandemic are uncertain in many respects. The ultimate impact of COVID-19 on the operations and finances of the City, the District, TICD or the Merchant Builders and the real estate market and development within the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the operations and finances of the City, the District, TICD, TI Series 1 or the Merchant Builders. Adverse impacts to the development within the District as a whole could include, without limitation, one or more of the following: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction; (iv) extreme fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) permissive remote work policies reducing demand for commercial office spaces; (vii) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession, (viii) reduced demand for development projects; (ix) delinquencies in payment of property taxes and (x) the failure of government measures to stabilize the financial sector and introduce fiscal stimulus sufficient to counteract economic impacts of the public health emergency.

The Series 2023A Facilities Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Facilities Indenture. The Series 2023B Housing Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Housing Indenture. Information in this section about the potential impact of COVID-19 or other public health emergencies on the City's finances does not suggest that the City has an obligation to pay debt service on the Series 2023AB Bonds. See "SECURITY AND SOURCES OF PAYMENT – Limited Obligation" herein.

None of the District, the City, the Underwriter, TICD, TI Series 1 nor the Merchant Builders can predict the ultimate effects of the COVID-19 outbreak or 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 2023A Facilities Bonds and the Series 2023B Housing Bonds, respectively.

Levy and Collection of Taxes

The District has no independent power to levy or collect property taxes. The implementation of any constitutional or legislative property tax decrease could reduce the Pledged Facilities Increment and Pledged Housing Increment, and accordingly, could have an adverse impact on the security for and the ability of the District to repay the Series 2023AB 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 2023AB 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 2023AB Bonds. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Exempt Property

The total assessed value in the Project Areas can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes, such as non-profit housing).

If a substantial portion of land within the Project Areas became exempt from property taxes, the Pledged Facilities Increment and Pledged Housing Increment might not be sufficient to support payment of principal of and interest on the Series 2023A Facilities Bonds and the Series 2023B Housing Bonds, respectively, when due, the 2022 Facilities Reserve Account for the Series 2023A Facilities Bonds and the 2022 Housing Reserve Account for the Series 2023B Housing Bonds may become depleted, and a default could occur with respect to the payment of such principal and interest. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Natural Disasters

Real estate values can be adversely affected by a variety of natural events and conditions, including earthquakes, tsunamis, sea level rise and floods. The District expects that one or more of these conditions may occur from time to time, and such conditions may result in delays in development or damage to property improvements. Any damage resulting from a natural disaster may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of real estate within the Project Areas could depreciate substantially and owners of property may be less willing or able to pay property taxes.

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 San Francisco faces. The CAPSS Study prepared by the Applied Technology Council looked at the impact to all of San Francisco's buildings and recommended a 30-year plan for action. As a result of this plan, San Francisco had mandated the retrofit of nearly 5,000 soft-story buildings housing over 111,000 residents by September 2021. As of March 21, 2023, 90% of the buildings have been brought into compliance. Currently, the City is implementing a façade ordinance requiring owners of 5-story or higher buildings to submit inspection reports every 10 years. The first set of inspections focus on pre-1910 buildings. Inspection reports for more recent buildings will be phased in over the next four years. Future tasks will address the seismic vulnerability of older nonductile concrete and concrete tilt-up buildings, which are at high risk of severe damage or collapse in an earthquake. This retrofit program is currently in development.

Tall Buildings Safety Strategy Report and Executive Directive. The City commissioned a first in the nation "Tall Buildings Study" by the Applied Technology Council to consider the impact of earthquakes on buildings taller than 240 feet. The Treasure Island development program has only 4 parcels zoned [Do these include any of the active projects?] at higher than 240 feet. The final report following the study, released in January 2019, evaluates best practices for geotechnical engineering, seismic risks, standards for post-earthquake structural evaluations, barriers to re-occupancy, and costs and benefits of higher performance goals for new construction. The study estimates that for a tall building designed to current seismic standards, it might take two to six months to mobilize for and repair damage from a major earthquake, depending on the building location, geologic conditions, and the structural and foundation systems. The report identifies and summarizes sixteen recommendations for reducing seismic risk prior to earthquakes for new and existing buildings, reducing seismic risk following earthquakes, and improving the City's understanding of its tall building seismic risk. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

On January 24, 2019, Mayor London N. Breed issued an executive directive instructing City departments to work with community stakeholders, develop regulations to address geotechnical and engineering issues, clarify emergency response and safety inspection roles, and establish a Disaster Recovery Task Force for citywide recovery planning, including a comprehensive recovery plan for the financial district and surrounding neighborhoods by the end of the year. All of these tasks are currently underway. In November 2019, an exercise was conducted to test post-earthquake building safety inspection protocol and logistics. San Francisco was the first jurisdiction to test this statewide program. The City's Disaster Recovery Taskforce had its kick-off meeting in February 2020 to evaluate plans for development of a Disaster Recovery Framework and Downtown Resilience Plan, following several months of groundwork by a consultant team. In consultation with the Structural Engineers Association of Northern California ("SEAONC"), Administrative Bulletin AB-111 – "Guidelines for Preparation of Geotechnical and Earthquake Ground Motion Reports for Foundation Design and Construction of Tall Buildings" was adopted on June 15, 2020, which presented requirements and guidelines for developing geotechnical site investigations and preparing geotechnical reports for the foundation design and construction of tall buildings in the City.

Climate Change; Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The *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. Runways at SFO could largely be under water.

Portions of the San Francisco Bay Area, including the Project Areas, are built on fill that was placed over saturated silty clay known as "Bay Mud." This Bay Mud is soft and compressible, and the consolidation of the Bay Mud under the weight of the existing fill is ongoing. A report issued in March 2018 by researchers at UC Berkeley and the University of Arizona suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claims that the risk of subsidence is more significant for certain parts of the City built on fill.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the City's control. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2023AB Bonds. While the effects of climate change may be mitigated by the City's past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources.

In September 2017, the San Francisco City Attorney filed a lawsuit on behalf of the People of the State of California in San Francisco Superior Court against the five largest investor-owned oil companies seeking to have the companies pay into an abatement fund to help fund infrastructure for climate change adaptation. In July 2018, the United States District Court for the Northern District of California denied the People's motion for remand to State court and then dismissed the lawsuit, which the City had joined as a plaintiff. The plaintiffs appealed these decisions to the United States Court of Appeals for the Ninth Circuit, which in May 2020 vacated the District Court's order that found the case arose under federal law, remanding the case back to the District Court to determine if there were any other grounds for federal jurisdiction. In June 2021, the U.S. Supreme Court declined to review the Ninth Circuit's decision. In October 2022, the District Court ordered the case remanded to State court and stayed the remand pending any appeals. The defendants have appealed the District Court's decision to the Ninth Circuit, which has scheduled oral argument on the issue in November 2023. While the City believes that the claims in this lawsuit are meritorious, it can give no assurance regarding whether the lawsuit will be successful and obtain the requested relief from the courts, or contributions to the abatement fund from the defendant oil companies.

Treasure Island and Yerba Buena Island may be particularly susceptible to the impacts of sea level rise or other impacts of climate change or flooding because of their location and topography. An assessment and strategy report related to sea-level rise was issued in connection with the current permit issued by the San Francisco Bay Conservation and Development Commission ("BCDC") for the Treasure Island Project. The BCDC permit, issued in 2016, requires an update on sea level rise every five years. The first such update was prepared for TIDG by an outside consultant and issued in October 2021. The update looked at changes in sea-level-rise policy and projections since the commencement of the Treasure Island Project and evaluated if the adopted sea-level-rise policy projections and adaptation measures remain applicable or need revision. The update also looked at (i) the amount of sea level rise that has occurred since the start of the project and (ii) whether the amount of sea level rise would draw into consideration any documented impacts to public access areas in the form of flooding and settlement. The update concluded that the 2016 assessment and strategy report remains consistent with the most recent sea-level rise projections. The update did not call for a change to the adopted approach to sea-level rise adaptation.

The City is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City, the local economy or, in particular, the assessed values of taxable property in the Project Areas and the ability of a property owner in the Project Areas to pay property taxes levied.

Other Natural Disasters and Other Events

In addition to earthquake and sea-level rise (discussed above), other natural or man-made disasters or events, such as flood, wildfire, tsunamis, toxic dumping, international conflicts, civil unrest or acts of terrorism, could also adversely impact persons and property within the City generally and/or specifically in the Project Areas, damage City and District infrastructure and adversely impact the City's ability to provide municipal services.

In September 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, 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, and future wildfires may impact, the quality of life in the Bay Area and the City and may have short-term and future impacts on commercial and tourist activity in the City, as well as the desirability of the City and the Bay Area as places to live, potentially negatively affecting real estate trends and values.

The California Geological Survey ("CGS"), in concert with the California Emergency Management Agency and the Tsunami Research Center at the University of Southern California, produced new statewide tsunami hazard zone maps in July 2021. CGS has identified much of the District and all of Treasure Island as being located in the San Francisco tsunami hazard zone.

Hazardous Substances

A serious risk in terms of the potential reduction in the value of a parcel within the Project Areas would be the discovery of a hazardous substance that was not discovered prior to the transfer of the parcels forming the Project Areas. See “THE TREASURE ISLAND PROJECT” and “THE INITIAL PROJECT AREAS – Overview” herein. In general, the owners and operators of a parcel within the Project Areas may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but other California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Project Areas be affected by a hazardous substance, would be to reduce the marketability and value of such parcel by the costs of remedying the condition. Any prospective purchaser would become obligated to remedy the condition.

Further it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the current existence on the parcel of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of a parcel within the Project Areas 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 2023AB 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 2023AB 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 2023AB Bonds.

Treasure Island Related Complaint

[Under review.][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 Initial Project Areas. 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 2023AB 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 2023A Facilities Bonds or the Series 2023B Housing Bonds, as the case may be, under certain circumstances. However, in the event of a default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of such accelerated Series 2023AB Bonds.

Limitations on Remedies

Remedies available to the owners of Series 2023A Facilities Bonds and Series 2023B Housing Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2023AB Bonds. Bond Counsel has limited its opinions as to the enforceability of the Series 2023AB 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 2023A Facilities Bonds and Series 2023B Housing Bonds, and the obligations incurred by the District, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the applicable limitations on remedies against public agencies in the State. See "RISK FACTORS – Bankruptcy and Foreclosure" herein.

Limited Secondary Market

As stated herein, investment in the Series 2023AB 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 2023AB Bonds. The Series 2023AB 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 2023AB Bonds or, if a secondary market exists, that the Series 2023AB 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.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate relating to the Series 2023A Facilities Bonds (the "2023A Disclosure Certificate"), the District has covenanted for the benefit of owners of the Series 2023A Facilities Bonds to provide certain financial information and operating data relating to the District (the "2023A 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 2023B Housing Bonds (the "2023B Disclosure Certificate," and together with the 2023A Disclosure Certificate, the "Disclosure Certificates"), the District has covenanted for the benefit of owners of the Series 2023B Housing Bonds to provide certain financial information and operating data relating to the District (the "2023B Annual Report" and together with the 2023A Annual Report, the "Annual Reports") on an annual basis, and to provide notices of the occurrences of certain enumerated events. The Annual Reports and the notices of enumerated events will be filed with the MSRB on EMMA. Each Annual Report is to be filed not later than nine months after the end of the City's fiscal year (which date shall be June 30 of each year), commencing with the report for the 2023-24 Fiscal Year (which is due not later than March 31, 2024). The specific nature of information to be contained in the 2023A Annual Report or the notice of events is summarized in APPENDIX E-1 – "FORM OF SERIES 2023A CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The specific nature of information to be contained in the 2023B Annual Report or the notice of events is summarized in APPENDIX E-2 – "FORM OF SERIES

2023B CONTINUING DISCLOSURE CERTIFICATE" attached hereto. 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.

For fiscal year 2021-22, although the City's Annual Comprehensive Financial Report was posted on EMMA, it was not linked to all of the CUSIP numbers for the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2022A and 2022B. The City has taken action to link such Annual Comprehensive Financial Report to the applicable CUSIP numbers.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, 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 2023AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2023AB Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Series 2023AB 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 2023AB Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Series 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2023AB Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2023AB Bonds who purchase the Series 2023AB Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2023AB Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2023AB 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 2023AB Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2023AB Bond (said term being the shorter of the Series 2023AB 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 2023AB Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2023AB 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 2023AB Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2023AB 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 2023AB Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Series 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds, or as to the consequences of owning or receiving interest on the Series 2023AB Bonds, as of any future date. Prospective purchasers of the Series 2023AB 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 2023AB Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023AB 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 2023AB Bonds, the ownership, sale or disposition of the Series 2023AB Bonds, or the amount, accrual or receipt of interest on the Series 2023AB Bonds.

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

UNDERWRITING

The District has sold the Series 2023AB Bonds to the California Statewide Communities Development Authority ("CSCDA"). Stifel, Nicolaus & Co. Incorporated (the "Underwriter") simultaneously purchased the Series 2023A Facilities Bonds from CSCDA at a purchase price of $__________, representing the principal amount of the Series 2023A Facilities Bonds less an Underwriter's discount of $__________ and plus [net] original issue premium of [net] and the Series 2023B Housing Bonds at a purchase price of [net] , representing the principal amount of the Series 2023B Housing Bonds less an Underwriter's discount of [net] and plus [net] original issue premium of $__________. The Underwriter intends to offer the Series 2023AB 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 2023AB Bonds to the public. The Underwriter may offer and sell the Series 2023AB Bonds to certain dealers (including dealers depositing Series 2023AB 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 2023A Facilities Bonds and the Series 2023B Housing Bonds, in substantially the respective forms set forth in Appendix F-1 and Appendix F-2 attached hereto, will be made available to purchasers of the Series 2023AB Bonds at the time of original delivery. Bond Counsel has not undertaken on behalf of the Owners or the Beneficial Owners of the Series 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB Bonds shall deposit the Series 2023AB 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 2023AB Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2023AB 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 2023AB Bond is Qualified Purchaser, however any actual transfer of a Series 2023AB 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 2023AB Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2023AB Bond for its own account for investment purposes and not with a view to distributing such Series 2023AB Bond. Each purchaser of any

Series 2023AB 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 2023A Facilities Bonds are payable solely from Pledged Facilities Increment and from certain funds and accounts established and maintained pursuant to the Facilities Indenture or that the Series 2023B Housing Bonds are payable solely from Pledged Housing Increment and from certain funds and accounts established and maintained pursuant to the Housing Indenture;

2. That it is a Qualified Purchaser and that it is purchasing the Series 2023AB 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 2023AB 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 2023AB Bonds makes an assignment of its beneficial ownership interest in the Series 2023AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein.

NO LITIGATION REGARDING SERIES 2023AB 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 2023AB Bonds will be furnished to the Underwriter and its affiliates at the time of the original delivery of the Series 2023AB 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 2023AB 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. In January 2020, the City's former Director of Public Works, Mohammad Nuru, was criminally charged with public corruption, including honest services wire fraud and lying to Federal Bureau of Investigation ("FBI") agents. In February 2020, then-City Attorney Dennis Herrera and Controller Ben Rosenfield announced the initiation of a joint investigation stemming from the federal criminal charges against Mr. Nuru. The City Attorney's Office focused on holding public officials and City vendors accountable. The Controller undertook a public integrity review of contracts, purchase orders, and grants to the City.

Mr. Nuru resigned from employment with the City in February 2020. In January 2022, Mr. Nuru pled guilty to taking bribes from contractors, developers, and entities he regulated, including bribes from Walter Wong, a San Francisco construction company executive and permit expediting consultant, who ran or controlled multiple entities doing business with the City. In August 2022, the district court judge sentenced Mr. Nuru to 84 months in prison.

Mr. Wong was criminally charged in June 2020 with conspiring with City officials and laundering money. As part of the criminal investigation into Mr. Nuru and Mr. Wong, the SFPUC received a federal, criminal, grand jury subpoena in June 2020 to produce documents, communications, contracts and records, including the complete personnel file of the SFPUC's former General Manager, Harlan L. Kelly, Jr.

In November 2020, Mr. Kelly was charged in a criminal complaint with one count of honest services wire fraud. The complaint alleged that Mr. Kelly also engaged in a long-running bribery scheme and corrupt partnership with Mr. Wong. The complaint further alleged 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. According to the criminal complaint against Mr. Kelly, Mr. Wong bribed Mr. Kelly with thousands of dollars in airfare, meals, jewelry, and travel expenses, as well as by making improvements to Mr. Kelly's home.

Mr. Wong pled guilty in July 2020 and continues to cooperate with the ongoing federal criminal investigation. Mr. Wong has not been sentenced.

Mr. Wong settled civilly with the City in May 2021. As part of his civil settlement, he and his companies agreed to pay the City more than $300,000 in ethics fines and more than $1 million in restitution. The total restitution amount to the City includes $73,000 that he received through the SFPUC when Mr. Kelly was General Manager.

Mr. Kelly resigned from employment with the City, effective November 30, 2020. Michael Carlin, former-Deputy General Manager of the SFPUC, then served as the Acting General Manager of the SFPUC through October 31, 2021. Mr. Herrera began serving as General Manager of the SFPUC on November 1, 2021.

Since Mr. Nuru's arrest in January 2020, the Controller's Office, in consultation with the City Attorney, has issued 11 public integrity reviews. Ten of the 11 reports focus primarily on City departments other than the SFPUC. The Controller's Office's December 9, 2021 Public Integrity Audit looked specifically at SFPUC's Social Impact Partnership Program and made seven recommendations to strengthen internal controls and oversight. The SFPUC concurred with all seven of those recommendations, and as of September 2023, five of the seven recommendations had been implemented and two were in progress.

In October 2021, a criminal grand jury returned an indictment against Mr. Kelly and Victor Makras, a San Francisco real estate broker and property developer. Mr. Makras formerly served on several City boards and commissions, including the Port Commission, Police Commission, Public Utilities Commission, and Retirement Board. In addition to the original charges against Mr. Kelly of conspiracy with Mr. Wong, the indictment added charges of bank fraud and bank fraud conspiracy related to a $1.3 million loan Mr. Kelly obtained from Quicken Loans.

Mr. Makras' case was severed from Mr. Kelly's, and in August 2022, a jury convicted Mr. Makras of bank fraud for his role in making false statements to the bank in support of the loan to Mr. Kelly. In December 2022, Mr. Makras was sentenced to three years of probation and fined $15,200.

On July 14, 2023, Mr. Kelly was convicted of one count of conspiracy to commit honest services wire fraud, one count of honest services wire fraud, and four counts related to charges stemming from a bank fraud scheme. The jury found Mr. Kelly not guilty of two honest services wire fraud counts. Mr. Kelly has not been sentenced.

On August 29, 2023, the San Francisco District Attorney charged Lanita Henriquez, who served as the director of the San Francisco Community Challenge Grant Program under the Office of the San Francisco City Administrator, and Rudolph Dwayne Jones, a former City official who occasionally served as a prime contractor and a subcontractor to the SFPUC, with counts of misappropriation of public monies, bribery, and financial conflict of interest in a government contract. It is alleged that Ms. Henriquez and Mr. Jones misappropriated public money between 2016 and 2020, that Mr. Jones wrote Ms. Henriquez multiple checks in 2017 and 2018 totaling $25,000, while Ms. Henriquez directed government grant contracts exceeding $1.4 million to entities controlled by Mr. Jones, in which entities Ms. Henriquez also had a financial stake, between 2016 and 2020.

The San Francisco District Attorney has not alleged any impropriety in connection with the sole grant program administered by Ms. Henriquez. At the direction of the City Administrator, City departments have undertaken a review of contracts between the City and contracts retaining Mr. Jones and/or RDJ Enterprises, LLC, an entity affiliated with Mr. Jones (collectively, "RDJ") in order to terminate or cancel any subcontract, service order, or other contractual arrangement with RDJ.

The FBI investigation is ongoing, and the City can give no assurance when the FBI will complete its investigation. The San Francisco District Attorney's Office Public Integrity Task Force has also independently investigated certain of the matters described here, and the City can give no assurance when this task force will complete its investigation.

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 2023AB 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 2023AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2023AB Bonds in the secondary market. See "RISK FACTORS – Limited Secondary Market" herein.

MUNICIPAL ADVISOR

The District has retained CSG Advisors Incorporated, as Municipal Advisor in connection with the issuance of the Series 2023AB 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 2023AB 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 2023AB Bonds.

Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Series 2023AB Bonds.

FISCAL CONSULTANT REPORT

In connection with the issuance of the Series 2023AB Bonds, the District has engaged Keyser Marston Associates, Inc., Berkeley, California, to prepare a Fiscal Consultant Report. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached herein.

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 2023AB 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

136768638.5

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY AND COUNTY OF SAN FRANCISCO

The information contained in this Appendix A is provided for informational purposes only. No representation is made that any of the information contained in this Appendix A is material to the holders from time to time of the Series 2023AB Bonds, and the City has not undertaken in its Continuing Disclosure Certificate to update this information. The Series 2023A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2023B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds are a debt of the City and County of San Francisco (the "City"), the State of California (the "State") or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2023A Facilities Bonds nor the Series 2023B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2023A Facilities Bonds or the Series 2023B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

General

The City was established in 1850 and is the only legal subdivision of the State of California with the governmental powers of both a city and a county. The City's legislative power is exercised through a Board of Supervisors, while its executive power is vested upon a Mayor and other appointed and elected officials. Key public services provided by the City include public safety and protection, public transportation, water and sewer, parks and recreation, public health, social services and land-use and planning regulation. The heads of most of these departments are appointed by the Mayor and advised by commissions and boards appointed by City elected officials.

Elected officials include the Mayor, Members of the Board of Supervisors, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Superior Court Judges, and Treasurer. Since November 2000, the eleven-member Board of Supervisors has been elected through district elections. The eleven district elections are staggered for five and six seats at a time and held in even-numbered years. Board members serve four-year terms and vacancies are filled by Mayoral appointment.

COVID 19 Pandemic

The economic and demographic data contained in this appendix are the latest available, but include data as of dates and for periods before the economic impact of the COVID 19 pandemic and measures instituted to slow it. Accordingly, the data for such dates and periods are not indicative of the current financial condition or future prospects of the District, the City, and the region or of expected Pledged Facilities Increment or Pledged Housing Increment. See "RISK FACTORS – Public Health Emergencies" in the forepart of this Official Statement.

Population

The populations of the City and County of San Francisco for the last 10 years are shown in the following table.

POPULATION
City and County of San Francisco
2014 through 2023[1]

Fiscal Year	Population
2014	852,948
2015	863,450
2016	871,613
2017	878,697
2018	885,716
2019	886,885
2020	873,965
2021	853,414
2022	837,036
2023	831,703

(1) For 2014-2019 and 2021-2023, population statistics are as of January 1. For 2020, population statistics are as of April 1.
Source: California Department of Finance.

[Remainder of Page Intentionally Left Blank.]

Employment

The following table summarizes employment in the City and County of San Francisco from 2018 through 2022. Trade, transportation and utilities, professional and business services, education/health services and leisure/hospitality are the largest employment sectors in the City.

EMPLOYMENT BY INDUSTRY
City and County of San Francisco
2018 through 2022

Industry	Employment[1]				
	2018	2019	2020	2021	2022
All Farm	200	400	200	300	300
Mining, Logging and Construction	23,200	24,100	23,200	22,100	23200
Manufacturing	13,200	13,800	13,400	11,700	13,400
Trade, Transportation & Utilities	82,600	84,300	73,200	70,100	72,700
Information	46,100	52,500	54,600	58,200	64,300
Financial Activities	59,900	62,000	60,300	61,000	64,200
Professional and Business Services	195,400	203,100	200,900	200,600	219,100
Education and Health Services	90,300	94,100	91,500	93,900	95,800
Leisure and Hospitality	98,500	101,800	59,100	57,000	75,900
Other Services	27,700	28,000	21,800	22,800	25,700
Government	98,200	98,800	98,200	101,300	105,900
Total Civilian Labor Force	735,100	762,900	696,500	699,000	760,400

[1] Employment is reported by place of work: it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not sum to totals due to rounding.
Source: California State Employment Development Department, Labor Market Information Division.

[Remainder of Page Intentionally Left Blank.]

The following tables summarize the civilian labor force, employment and unemployment in the City and County of San Francisco from 2013 to 2022.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City and County of San Francisco
Annual Averages, 2013 through 2022
(not seasonally adjusted)

Year	Civilian Labor Force	Employed Labor Force[(1)]	Unemployed Labor Force[(2)]	Unemployment Rate[(3)]
2013	514,200	485,800	28,400	5.5
2014	527,300	504,000	23,300	4.4
2015	541,400	521,600	19,800	3.7
2016	555,300	537,000	18,300	3.3
2017	563,000	546,400	16,600	2.9
2018	568,700	555,100	13,600	2.4
2019	580900	568,000	12,900	2.2
2020	560,100	515,600	44,500	7.9
2021	548,600	520,800	27,800	5.1
2022	572,600	558,000	14,600	2.5

(1) Includes persons involved in labor-management trade disputes.
(2) Includes all persons without jobs who are actively seeking work.
(3) Calculated using unrounded data.
Source: California State Employment Development Department, Labor Market Information Division.

Major Private Employers

The following table shows the largest private employers located in the City and County of San Francisco as of January 2023.

LARGEST PRIVATE EMPLOYERS
City and County of San Francisco

Employer	Number of Employees	Rank
Salesforce Inc.	11,953	1
United Airlines	10,000	2
Sutter Health	6,134	3
Wells Fargo & Co.	5,886	4
Kaiser Permanente	4,676	5
Allied Universal	3,827	6
Uber Technologies Inc.	3,413	7
First Republic Bank	3,296	8
Accenture	2,353	9
Cisco Systems Inc.	1,863	10
Total	53,401	

Source: San Francisco Business Times, "Largest Employers in San Francisco" (published January 6, 2023).
Note: Since the publication date of the rankings above, JPMorgan Chase & Co. acquired the substantial majority of

assets and assumed the deposits and certain other liabilities of First Republic Bank from the Federal Deposit Insurance Corporation.

Construction Activity

The level of construction activity in the City and County of San Francisco as measured by total building permits for residential units is shown in the following tables.

BUILDING PERMITS
City and County of San Francisco
2018 through 2022[(1)]

	2018	2019	2020	2021	2022
Valuation ($000)					
Residential	$2,231,737	$1,730,003	$1,555,933	$1,948,973	$2,735,548
Non-Residential	2,293,555	1,461,943	1,253,946	1,013,680	1,594,894
TOTAL	$4,525,292	$3,191,946	$2,809,881	$2,962,653	$4,330,442
Dwelling Units					
Single Family	95	135	65	135	272
Multiple family	5,098	3,208	2,127	2,816	6,174
TOTAL	5,184	3,343	2,192	2,951	6,446

Source: Construction Industry Research Board/CIRB.
(1) Totals may not add due to rounding.

Taxable Sales

Taxable sales in the City and County of San Francisco from 2018 through 2022 are shown in the following table.

TAXABLE SALES
2018 through 2022
($ in Thousands)

	2018	2019	2020	2021	2022
Clothing and Clothing Accessories Stores	$2,046,414	$2,029,312	$1,163,031	$1,587,968	$1,746,756
General Merchandise	790,845	755,350	560,059	667,930	691,405
Food and Beverage Stores	856,217	861,757	746,455	722,410	768,428
Food Services and Drinking Places	4,844,464	5,046,263	2,081,728	2,953,373	4,266,095
Home Furnishings & Appliances	1,018,006	1,034,213	768,022	919,239	940,945
Building Material and Garden Equipment and Supplies Dealers	681,369	718,692	642,104	685,895	691,182
Motor Vehicle and Parts Dealers	674,008	601,929	593,476	625,719	575,323
Gasoline Stations	583,480	548,509	304,977	432,768	612,261
Other Retail Stores	2,535,667	2,671,219	2,690,590	2,508,494	2,633,438
Total Retail and Food Services	$14,030,469	$14,267,242	$9,550,442	$11,103,794	$12,925,834
All Other Outlets	6,312,251	6,689,891	4,839,280	5,503,320	6,685,572
Total All Outlets[(1)]	$20,342,721	$20,957,132	$14,389,723	$16,607,114	$19,611,406

(1) Columns may not sum to totals due to rounding.
Source: California State Board of Equalization; and California Department of Tax and Fee Administration.

Assessed Valuation of Taxable Property

Assessed valuations of taxable property in the City and County of San Francisco for fiscal years 2008-09 through 2023-24 are shown in the following table:

ASSESSED VALUATION OF TAXABLE PROPERTY
Fiscal Years 2008-09 through 2023-24
($ in Thousands)

Fiscal Year	Net Assessed[1] Valuation (NAV)	% Change from Prior Year	Total Tax Rate per $100[2]	Total Tax Levy[3]	Total Tax Collected[3]	% Collected June 30
2008-09	$141,274,628	8.7%	1.163	$1,702,533	$1,661,717	97.6%
2009-10	150,233,436	6.3%	1.159	1,808,505	1,764,100	97.5%
2010-11	157,865,981	5.1%	1.164	1,888,048	1,849,460	98.0%
2011-12	158,649,888	0.5%	1.172	1,918,680	1,883,666	98.2%
2012-13	165,043,120	4.0%	1.169	1,997,645	1,970,662	98.6%
2013-14	172,489,208	4.5%	1.188	2,138,245	2,113,284	98.8%
2014-15	181,809,981	5.4%	1.174	2,139,050	2,113,968	98.8%
2015-16	194,392,572	6.9%	1.183	2,290,280	2,268,876	99.1%
2016-17	211,532,524	8.8%	1.179	2,492,789	2,471,486	99.1%
2017-18	234,074,597	10.7%	1.172	2,732,615	2,709,048	99.1%
2018-19	259,329,479	10.8%	1.163	2,999,794	2,977,664	99.3%
2019-20	281,073,307	8.4%	1.180	3,509,022	3,475,682	99.0%
2020-21	299,686,811	6.6%	1.198	3,823,246	3,785,038	99.0%
2021-22	307,712,666	2.7%	1.182	3,864,100	3,832,546	99.2%
2022-23	331,431,694	7.7%	1.180	4,067,270	4,032,813	99.2%
2023-24	343,913,585	3.8%	N/A	N/A	N/A	N/A

(1) Net Assessed Valuation (NAV) is Total Assessed Value for Secured and Unsecured Rolls, less Non-reimbursable Exemptions and Homeowner Exemptions.
(2) Annual tax rate for unsecured property is the same rate as the previous year's secured tax rate.
(3) The Total Tax Levy and Total Tax Collected through fiscal year 2022-23 is based on year-end current year secured and unsecured levies as adjusted through roll corrections, excluding supplemental assessments, as included in the statistical report received from the Office of the Treasurer and Tax Collector, City and County of San Francisco.

Source: Office of the Controller, City and County of San Francisco.

Income

The following tables provide a summary of per capita personal income for the City and County of San Francisco, the State of California and the United States, and personal income and annual percent change for the City and County of San Francisco, for 2012 through 2021.

PER CAPITA PERSONAL INCOME
2012 through 2021

Year	San Francisco	California	United States
2012	$87,665	$48,121	$44,548
2013	88,675	48,502	44,798
2014	97,887	51,266	46,887
2015	105,711	54,546	48,725
2016	112,804	56,560	49,613
2017	119,208	58,804	51,550
2018	128,812	61,508	53,786
2019	130,464	64,919	56,250
2020	141,134	70,647	59,765
2021	160,749	76,614	64,143

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transportation

The City is reliant on a complex multimodal infrastructure consisting of roads, bridges, highways, rail, tunnels, airports, and bike and pedestrian paths. The development, maintenance, and operation of these different modes of transportation are overseen by various agencies, including the California Department of Transportation ("Caltrans") and San Francisco Municipal Transportation Agency ("SFMTA"). The Metropolitan Transportation Commission plays a role in the planning and funding of the City's transportation. These and other organizations collectively manage several interstate highways and state routes, two subway networks, two commuter rail agencies, trans-bay bridges, transbay ferry service, local bus service, international airports, and an extensive network of roads, tunnels, and bike paths.

SFMTA is a department of the City responsible for the management of all ground transportation in the City. The SFMTA has oversight over the Municipal Railway (Muni) public transit, as well as bicycling, paratransit, parking, traffic, walking, and taxis. The SFMTA is governed by a Board of Directors who are appointed by the Mayor and confirmed by the San Francisco Board of Supervisors. The SFMTA Board provides policy oversight, including budgetary approval, and changes of fares, fees, and fines, ensuring representation of the public interest. The San Francisco Municipal Railway, known as Muni, is the primary public transit system of the City and operates a combined light rail and subway system, the Muni Metro, as well as large bus and trolley coach networks. Additionally, it runs a historic streetcar line, which runs on Market Street from Castro Street to Fisherman's Wharf. It also operates the famous cable cars, which have been designated as a National Historic Landmark and are a major tourist attraction.

Bay Area Rapid Transit ("BART"), a regional Rapid Transit system, connects San Francisco with the East Bay through the underwater Transbay Tube. The line runs under Market Street to Civic Center where it turns south to the Mission District, the southern part of the city, and through northern San Mateo County, to the San Francisco International Airport, and Millbrae. Another commuter rail system, Caltrain, runs from San Francisco along the San Francisco Peninsula to San Jose and Gilroy. Amtrak California

Thruway Motorcoach runs a shuttle bus from three locations in San Francisco to its station across the bay in Emeryville. Additionally, BART offers connections to San Francisco from Amtrak's station in Richmond.

San Francisco Bay Ferry operates from the Ferry Building and Pier 39 to points in Oakland, Alameda-Bay Farm Island, South San Francisco, and north to Vallejo in Solano County. The Golden Gate Ferry is the other ferry operator with service between San Francisco and Marin County. SolTrans runs supplemental bus service between the Ferry Building and Vallejo. To accommodate the large amount of San Francisco citizens who commute to the Silicon Valley daily, companies like Google and Apple provide private bus transportation for their employees, from San Francisco locations to their corporate campuses on the peninsula. See also "THE TREASURE ISLAND PROJECT – Transportation" in the forepart of the Official Statement.

See "RISK FACTORS – Public Health Emergencies" in the forepart of this Official Statement.

Public Education

San Francisco Unified School District ("SFUSD") established in 1851, is the only public school district within the City and is among the largest school district in California. SFUSD administers both the school district and the San Francisco County Office of Education, making it a "single district county."

The University of California, San Francisco ("UCSF") is the sole campus of the University of California system entirely dedicated to graduate education in health and biomedical sciences and operates the UCSF Medical Center which is a major local employer A 43-acre Mission Bay campus was opened in 2003, complementing its original facility in Parnassus Heights and contains research space and facilities to foster biotechnology and life sciences entrepreneurship. UCSF operates approximately 20 facilities across the City.

The University of California, Hastings College of the Law, founded in Civic Center in 1878, is the oldest law school in California. San Francisco's two University of California institutions have formed an official affiliation in the UCSF/UC Hastings Consortium on Law, Science & Health Policy.

San Francisco State University is part of the California State University system and is located near Lake Merced. The school awards undergraduate, master's and doctoral degrees in over 100 disciplines.

The City College of San Francisco, with its main facility in the Ingleside district, is one of the largest two-year community colleges in the country and offers an extensive continuing education program.

See "RISK FACTORS – Public Health Emergencies" in the forepart of this Official Statement.

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 2023A CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$_________
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2023A
(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. [__]-23, adopted by the Board of Supervisors as the legislative body of the District on [_____], 2023 (the "2023 Bond Resolution," and together with the Original Resolution of Issuance, as supplemented, the "Resolution"), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean _______________, 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 2023-24 Fiscal Year (which is due not later than March 31, 2024), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the "City") prepared in accordance with generally accepted accounting principles applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

> The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Facilities Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Facilities Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Facilities Reserve Account and the then-current Reserve Requirement for the 2022 Related Facilities Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Facilities Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 9 in the Official Statement, reflecting Pledged Facilities Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Facilities Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or
18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

[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: ____________, 2023

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:

________________, 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 2023A (Facilities Increment)
Date of Issuance:	____________, 2023

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 ____________, 2023. The District anticipates that the Annual Report will be filed by _____________.

Dated: _____, 20__

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

By: ______[to be signed only if filed]______
Title: ________________________________

stop

APPENDIX E-2

FORM OF SERIES 2023B CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

$_______
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2023B
(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. [__]-23, adopted by the Board of Supervisors as the legislative body of the District on [_____], 2023 (the "2023 Bond Resolution," and together with the Original Resolution of Issuance, as supplemented , the "Resolution"), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as so supplemented, the "Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean ___________, 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 2023-24 Fiscal Year (which is due not later than March 31, 2024), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the "City") prepared in accordance with generally accepted accounting principles applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

> The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledge Housing Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Housing Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Housing Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Housing Reserve Account and the then-current Reserve Requirement for the 2022 Related Housing Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Housing Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 10 in the Official Statement, reflecting Pledged Housing Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Housing Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or
18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

[Remainder of page intentionally left blank.]

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ____________, 2023

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:

______________, 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 2023B (Housing Increment)
Date of Issuance:	____________, 2023

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 ____________, 2023. The District anticipates that the Annual Report will be filed by _____________.

Dated: _____, 20__

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

By: [to be signed only if filed]
Title: ________________________________

stop

APPENDIX F-1

FORM OF SERIES 2023A FACILITIES BOND COUNSEL OPINION

_____, 2023

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

OPINION: $________ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "District") in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [_____], 2023 (Resolution No. [_____]), and (iii) an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December, 1 2023 (as supplemented, the "Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled "City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto," Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Facilities Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F-2

FORM OF SERIES 2023B HOUSING BOND COUNSEL OPINION

_____, 2023

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

OPINION: $_______ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "District") in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Law"), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [______] 2023 (Resolution No. [______]), and (iii) an Indenture of Trust, dated as of September 1, 2022, as supplemented by a First Supplemental Indenture, dated as of December 1, 2023 (as supplemented, the "Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled "City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto," Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Housing Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX G

BOOK-ENTRY SYSTEM

The information in this section concerning DTC; and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2023AB Bonds. The Series 2023AB 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 2023AB 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 2023AB Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023AB 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 2023AB 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 2023AB Bonds, except in the event that use of the book-entry system for the Series 2023AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023AB 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 2023AB 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 2023AB Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023AB 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 2023AB Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023AB Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023AB Bond documents. For example, Beneficial Owners of Series 2023AB Bonds may wish to ascertain that the nominee holding the Series 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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 2023AB 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.

October 27, 2023

Table of Contents

List of Tables

1.0 INTRODUCTION

Keyser Marston Associates, Inc. ("KMA") has been retained as fiscal consultant to the City and County of San Francisco ("City") to prepare a review of assessed values and a projection of revenues available for payment of debt service on bonds proposed to be issued by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) ("IRFD No. 1"), including the proposed:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) ("2023A Bonds"); and

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) ("2023B Bonds").

Together the 2023A Bonds and 2023B Bonds are referred to as the "Bonds."

Treasure Island and Yerba Buena Islands are located in the San Francisco Bay and are connected by a causeway. The islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station ("Naval Station Treasure Island" or "NSTI"). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority ("TIDA") to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California. TIDA's board members are appointed by the Mayor of San Francisco. The United States of America, acting through the Department of the Navy (the "Navy"), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement ("Navy MOA") that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within IRFD No. 1.

In 2003, TIDA selected Treasure Island Community Development LLC ("TICD"), a California limited liability company to serve as master developer for the "Treasure Island Project." The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed-use neighborhood of up to 8,000 homes, hotels, restaurants, retail, arts and entertainment, parks, and open space. In 2011, TIDA entered into a Disposition and Development Agreement (Treasure Island / Yerba Buena Island) with TICD ("DDA"), which provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Map 1. Vicinity Map of Treasure and Yerba Buena Islands

Note: IRFD No. 1 boundaries are a portion of the circled area. See Map 2 for additional information.

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

The Infrastructure Financing Plan adopted in connection with formation of IRFD No. 1 governs the financial assistance to be provided by IRFD No. 1.

IRFD No. 1 receives an allocation of property tax revenues that are generated from growth in the taxable assessed values of properties within its boundaries above the base year assessed value of zero. The existing boundaries of IRFD No. 1 include private development parcels within the initial sub-phases of the Treasure Island Project, as further described below. The boundaries of IRFD No. 1 could be expanded in the future through annexation of territory ("Annexation Territory"), such that the ultimate boundaries of the IRFD would encompass all of the private development parcels within the Treasure Island Project, except certain parcels planned for affordable housing and expected to be exempt from property taxes, as contemplated by the DDA Financing Plan.

The DDA Financing Plan provides that TICD may request issuance of debt by IRFD No. 1 from time to time. Pursuant to a request by TICD under the DDA Financing Plan, IRFD No. 1 is proposing to issue its 2023A Bonds to finance facilities costs and its 2023B Bonds to finance affordable housing costs of the Treasure Island Project. The Bonds will be secured on a parity with bonds previously issued by IRFD No. 1, including its:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) ("2022A Bonds"); and

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) ("2022B Bonds").

The proposed 2023A Bonds are secured on a parity with the 2022A Bonds and the proposed 2023B Bonds are secured on a parity with the 2022B Bonds. Additional parity debt may be incurred under the respective indentures for the Bonds.

This Fiscal Consultant Report provides a projection of tax increment revenues available for payment of debt service on the Bonds and parity bonds. Projections reflect reported fiscal year ("FY") 2023-24 assessed values. This report also provides information regarding the IRFD No.1 historic assessed values, distribution of assessed values by land use types, top property taxpayers, assessment appeals, a history of tax increment revenues allocated to IRFD No. 1, and a summary of planned future development.

1.1 Infrastructure Finance and Revitalization Districts

Establishment of Infrastructure and Revitalization Financing Districts (IRFDs) is authorized by Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53369) ("IRFD Law"). IRFDs are authorized to receive an allocation of property taxes calculated based on growth in assessed values over a base year assessed value established at the time of IRFD adoption ("tax increment"). IRFDs may receive the percentage share of tax increment that is attributable to taxing agencies that agree to participate in financing the IRFD, as specified in an adopted Infrastructure Financing Plan ("IFP").

1.2 IRFD No. 1

IRFD No. 1 was formed and the IFP for IRFD No. 1 was approved by adoption of Ordinance 21-17 of the Board of Supervisors of the City ("Board of Supervisors"), which was signed by the Mayor on February 9, 2017. The Board of Supervisors had previously approved the IFP by adoption of Resolution No. 512-16, which was signed by the Mayor on December 16, 2016.

In a judicial validation action brought by TIDA and the City under California Code of Civil Procedure 860 et seq (Case No. CGC-17-557496), the Superior Court issued a judgment on May 9, 2018, that the IRFD had been properly formed, the IFP and future amendments of the IFP consistent with the IRFD Law were valid, the City's allocation of tax increment to IRFD No. 1

under the IFP was legal, valid, and binding, and the bonds to be issued by IRFD No. 1 were valid.

The IFP for IRFD No. 1 and the boundaries of IRFD No. 1 were amended by Ordinance 29-22 of the Board of Supervisors, as legislative body of the IRFD, which was signed by the Mayor on February 25, 2022. Under Ordinance 29-22, territory was added to the IRFD, certain project area boundaries were modified to conform to assessor's parcels, and the percentage allocation of tax increment was adjusted to conform to existing law.

Tax increment funds allocated by the City to IRFD No. 1 are available to fund the facilities and affordable housing costs specified in the IFP for IRFD No. 1, to pay debt service on bonds issued to finance these costs and fund the administrative expenses of the IRFD.

IRFD No. 1 encompasses portions of the first phase of development of the Treasure Island Project. IRFD No. 1 is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E. As of FY 2023-24, only Project Area A, Project Area B and Project Area E are allocated tax increment. Project Area C and Project Area D will not receive tax increment unless the thresholds for commencement of tax increment described in Section 2.1 are exceeded. The five project areas have a combined land area of approximately 33 acres.

Project Area A encompasses development parcels of the Treasure Island Project that are located on Yerba Buena Island.

Project Areas B, C, D, and E encompass a portion of the development parcels of the Treasure Island Project that are located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

Map 2 shows the IRFD No. 1 Project Area boundaries. Only Project Area A, Project Area B and Project Area E are allocated tax increment as of FY 2023-24.

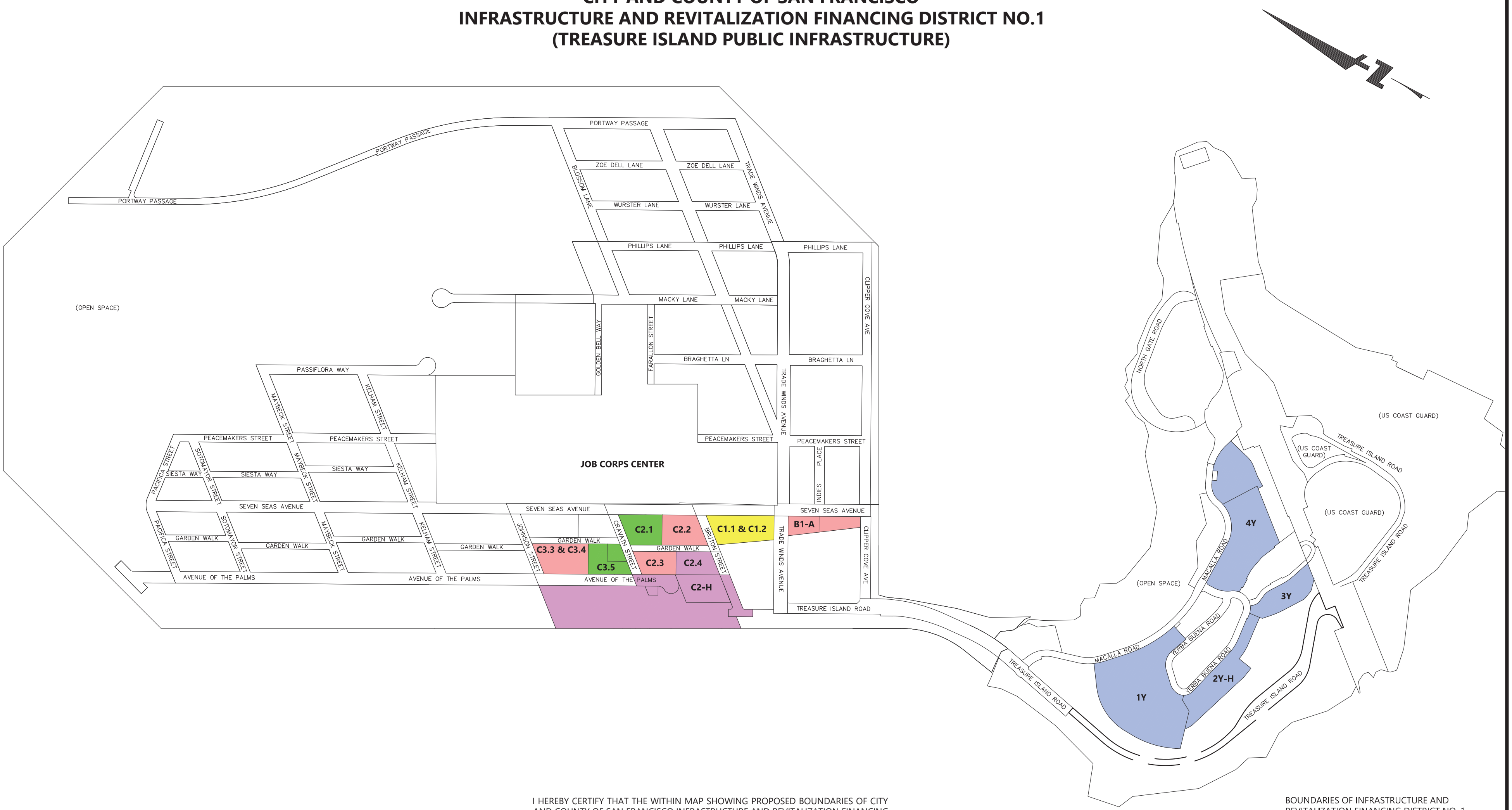
As described above, territory could be added to IRFD No. 1 in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. Additional territory could be added as additional IRFD No. 1 project areas.

IRFD No. 1 contains parcels within the City and County of San Francisco Community Facilities District 2016-1 (Treasure Island) ("the CFD"), as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within IRFD No. 1 planned for a hotel, right of way and open space are not within either Improvement Area No. 1, 2 or 3 of the CFD.

MAP 2. BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE)



I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE) WAS APPROVED BY THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO, AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF ___________, 20___, BY ITS RESOLUTION NO. ____________________.

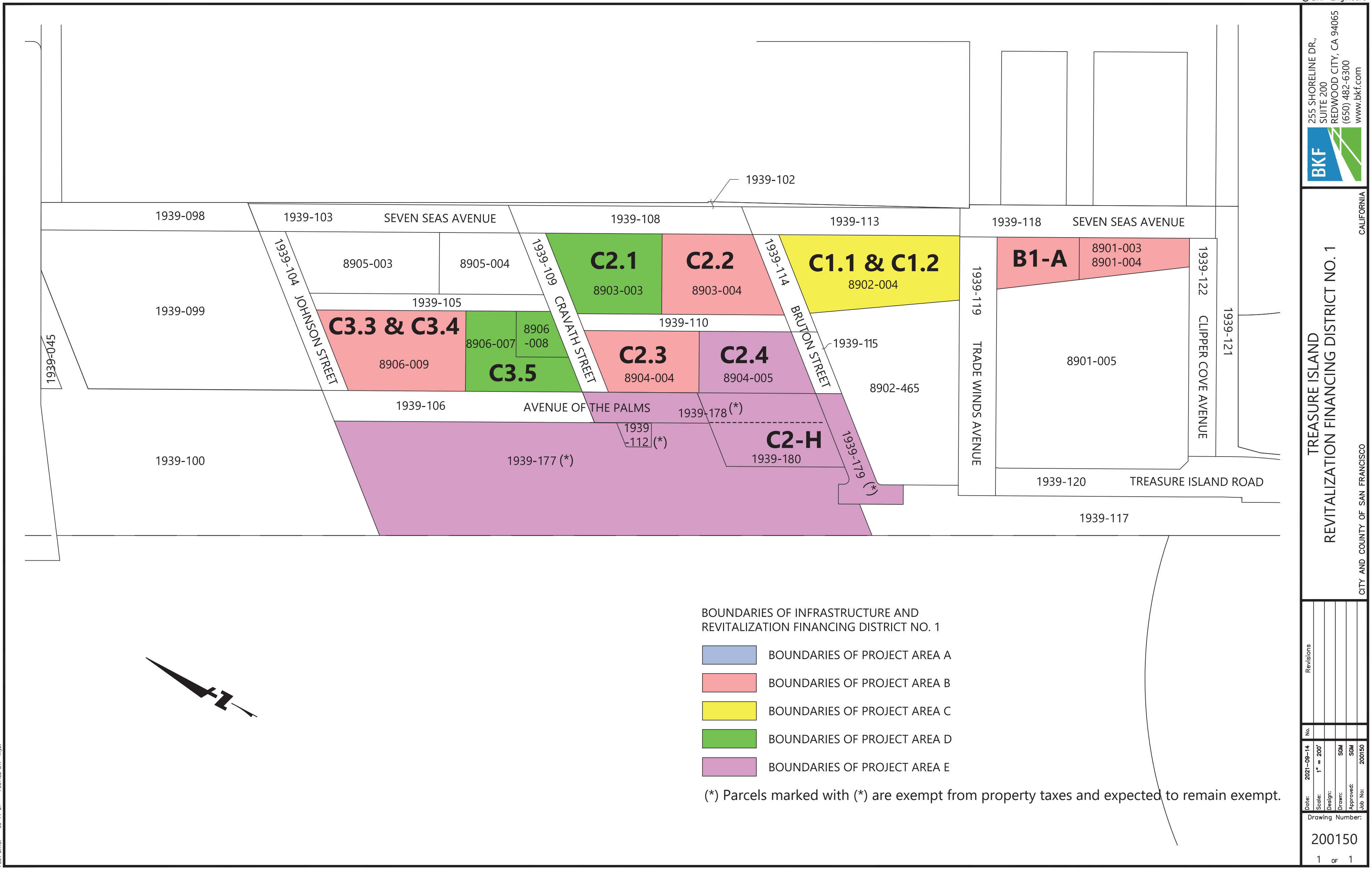
____

(CLERK OF THE BOARD OF SUPERVISORS)

BOUNDARIES OF INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1

- BOUNDARIES OF PROJECT AREA A
- BOUNDARIES OF PROJECT AREA B
- BOUNDARIES OF PROJECT AREA C
- BOUNDARIES OF PROJECT AREA D
- BOUNDARIES OF PROJECT AREA E

MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)
DETAIL FOR PROJECT AREAS LOCATED ON TREASURE ISLAND (B, C, D, E)



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 TI Fund, LP ("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 ("TI Series 1"), Treasure Island Series 2, LLC ("TI Series 2"), and Treasure Island Series 3, LLC ("TI Series 3"), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders for construction of residential and commercial development. Of the development pads sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA.

The Treasure Island Project is divided into four major phases. Major Phase 1 has been approved by TIDA and includes plans for approximately 3,329 market rate residential homes, 790 below market rate units, 551,000 square feet of commercial space, and 500 hotel rooms. Major Phase 1 includes eleven sub-phases. IRFD No. 1 currently encompasses development parcels within five of the eleven sub-phases of Major Phase 1 including 1YA, 1YB, 1B, 1C, and 1E, shown on Map 3.

Portions of the Treasure Island Project that are within the boundaries of IRFD No. 1 are planned for development of 1,755 residential units and two hotels. Of the total number of residential units, 1,682 are market rate units and 73 are below market rate affordable units. The infrastructure and utilities necessary for the planned and under construction developments within the existing boundaries of IRFD No. 1 to receive temporary certificates of occupancy has been completed. The Bristol, which includes 124 for-sale residential units, was completed in June 2022. Out of 110 total market rate units in the Bristol, sale of 37 units had closed escrow as of October 1, 2023. Vertical construction is currently underway for 148 condominium units, 31 townhomes and flats, and 428 rental apartments. In total, 607 residential units are under construction as of August 2023, of which 567 are market rate and 40 are below market rate affordable units.

Table 1 provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within IRFD No. 1. 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.

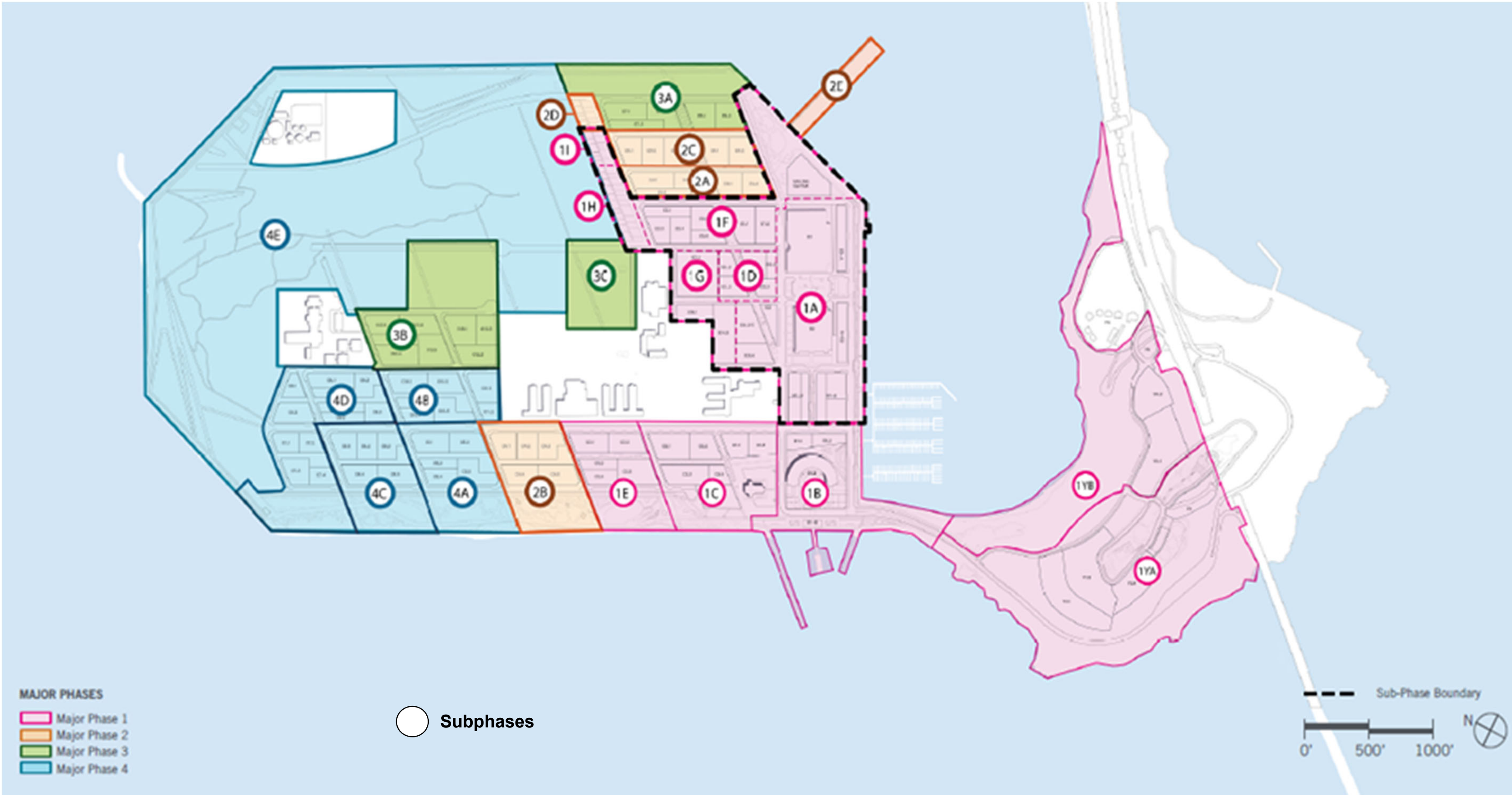
Table 1. Treasure Island Project and Portions Within Major Phase 1 and IRFD No. 1			
	Treasure Island Project	Portion within **Major Phase 1**	Portion within **IRFD No. 1**
Description		First of four major phases of the Treasure Island Project	Portions of five out of eleven subphases of Major Phase 1
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	2,173	790	73
Total Units	8,000	4,119	1,755*
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	100,000	100,000	0
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

*Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in FY 2022-23.

Table 2. Planned Development by IRFD No. 1 Project Area						
					Planned Development	
Location	**Applicable Major Phase 1 Subphases**	**Project Area** (1)	**CFD Improvement Area** (2)	**Development Blocks**	**Residential Units**	**Hotel Rooms**
Yerba Buena Island	1YA, 1YB	**A**	No. 1	1Y, 2Y-H, 3Y, 4Y	266	50
Treasure Island	1B, 1C, 1E	**B**	No. 2	B1, C2.2, C2.3, C3.3/C3.4	528	
		C (1)	No. 3	C1.1/C1.2	286	
		D (1)	No. 3	C2.1, C3.5	425	
		E	No. 2(2)	C2.4, C2-H	250	300
				Total:	**1,755**	**350**

(1) Only Project Areas A, B, and E receive tax increment as of FY 2023-24. Project Areas C and D will not receive tax increment until thresholds for commencement described in Section 2.1 are met.
(2) IRFD No. 1 includes additional parcels not within Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

Map 3. Treasure Island Project, Major Phases and Subphases



2.0 TAX INCREMENT ALLOCATION TO IRFD NO. 1

As described above, the IRFD Law provides for the allocation of incremental property taxes to IRFDs by non-education taxing entities pursuant to an IFP. The IRFD Law requires the IFP to include a financing section that contains, among other things:

- A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue.

- A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.

- A date on which the district shall cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 40 years from the date on which the ordinance forming the district is adopted pursuant to California Government Code Section 53369.23, or a later date, if specified by the ordinance, on which the allocation of tax increment will begin.

The IFP for IRFD No. 1 provides for the allocation by the City of certain tax increment to IRFD No. 1, as described below.

2.1 Thresholds for Commencement of Tax Increment Allocation to IRFD No. 1

Each IRFD No. 1 project area has its own limitations under the IRFD Law. The base year for each project area within IRFD No. 1 is FY 2016-17, established at adoption of the IFP, but the tax increment revenues will be allocated to each project area commencing in its own unique commencement year (the “Commencement Year”).

The Commencement Year for each project area is the first fiscal year that follows the fiscal year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the project area and received by the City. Tax increment allocation to the project area ends 40 years thereafter (or such longer period, if permitted by the IRFD Law and approved by the Board of Supervisors). The Trigger Amounts for the five current project areas are identified in Table 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 were exceeded in FY 2021-22 and tax increment collection commenced in FY 2022-23.

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

Table 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	15.6	$150,000	FY 2019-20	FY 2058-59
B	4.4	$150,000	FY 2022-23	FY 2061-62
C	1.6	$300,000	To Be Determined	To Be Determined (2)
D	2.1	$300,000		
E	9.5	$150,000	FY 2022-23	FY 2061-62
Total – All Project Areas: Total - Project Areas A, B, E for which TI is commenced	33.1 29.4			

(1) Aggregate land area of Assessor's parcels within IRFD No. 1.

(2) Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.

Tax increment in each component project area ends 40 years following the Commencement Year, which is FY 2058-59 for Project Area A, FY 2061-62 for Project Areas B and E, and a future fiscal year that remains to be determined for Project Areas C and D.

Tax increment funds derived from all component project areas of IRFD No. 1 are aggregated and pledged for payment of the Bonds; although, as previously noted, tax increment allocation has not yet commenced in Project Area C and Project Area D.

2.2 Tax Increment Allocation to IRFD No. 1

Tax increment allocable to IRFD No. 1 is calculated based on growth in assessed value, within those project areas for which tax increment collection has commenced, over a FY 2016-17 base year assessed value established at the time the IFP for IRFD No. 1 was adopted. The base year assessed value is $0 for each of the current IRFD No. 1 project areas. The $0 base year assessed value was a result of ownership by TIDA, a non-profit public benefit agency exempt from property taxes, as of the January 1, 2016 lien date for the base year assessment roll. The $0 base year assessed value is fixed and is not subject to change. In accordance with the IFP for IRFD No. 1, the base year assessed value for any Annexation Territory is also FY 2016-17, which would allow Annexation Territory to have a $0 base year assessed value due to public ownership as of the FY 2016-17 assessment roll.

Allocation of tax increment to IRFD No. 1 is determined based on a percentage share of the basic 1% of assessed value property tax levy under Article 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 56.588206% of the 1% tax increment within those project areas for which collection of tax increment to IRFD No. 1 has commenced ("Net Available Increment"). Pursuant to the IFP, Net Available Increment is divided into two components:

- **"Net Available Facilities Increment"** calculated as 82.5% of Net Available Increment (equal to 46.685270% of gross tax increment) and available for facilities costs.

- **"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

(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 2023A and 2023B Bonds and parity bonds under the indenture:

- **"Conditional City Facilities Increment,"** calculated as 82.5% of Conditional City Increment (equal to 6.6% of gross tax increment), is available if necessary for debt service related to facilities costs.

- **"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

"Pledged Facilities Increment" is equal to the sum of (1) Net Available Facilities Increment and (2) Conditional City Facilities Increment (together representing 53.285270% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Facilities Increment is pledged for payment of debt service on the 2023A Bonds and parity bonds.

"Pledged Housing Increment" is equal to the sum of (1) Net Available Housing Increment and (2) Conditional City Housing Increment (together representing 11.302936% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Housing Increment is pledged for payment of debt service on the 2023B Bonds and parity bonds.

Table 4 provides a summary.

Table 4. Percentage Allocation of 1% Property Tax Increment to IRFD No. 1			
	Combined Total	**Pledged Facilities Increment** (82.5% share)	**Pledged Housing Increment** (17.5% share)
Allocated to IRFD No. 1			
(1) **Net Available Increment**	56.588206%	46.685270%	9.902936%
(2) **Conditional City Increment** [released to City if not required for debt service (1)]	8.000000%	6.600000%	1.400000%
Pledged Increment [= (1) + (2), less cost of allocating taxes (2)]	64.588206%	**53.285270%**	**11.302936%**
Not Allocated to IRFD No. 1			
Other 1% Taxing Agencies (**not** available to IRFD No. 1)	35.411794%		
Total Tax Increment	100.000000%		

(1) Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date but is subject to release to the City thereafter to the extent not required for debt service.
(2) The cost of allocating taxes to IRFD No. 1, described in Section 3.1, is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in Table 4.

2.3 Cumulative Limit on Allocation of Tax Increment Revenue

The IFP for IRFD No. 1 establishes a cumulative limit on receipt of Net Available Increment from Project Area A, Project Area B, Project Area C, Project Area D and Project Area E of $1.53 billion and a cumulative limit on receipt of Conditional City Increment of $216 million, resulting in a combined $1.746 billion limit for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E, as shown in Table 5 [1]. Through August 2023, approximately $4,469,000 in Net Available Increment and $632,000 of Conditional City Increment were allocated, representing 0.29% of the respective cumulative limits.

Table 5. Cumulative Limits on Receipt of Tax Increment – Project Areas A to E		
	Cumulative Limit on Receipt of Revenue for IRFD No. 1, Project Areas A to E	**Cumulative Amount Allocated through August 2023, Project Areas A to E (1)**
Net Available Increment	$1,530,000,000	$4,469,096
Conditional City Increment	$216,000,000	$631,814
Total	$1,746,000,000	$5,100,909

(1) Based on the records of the City Office of the Controller.

Based upon the growth assumptions incorporated into the Table 15 and Table 16 revenue projections, incorporating the 2% maximum annual inflation increase under Proposition 13, approximately $119.2 million of Net Available Increment and $16.9 million of Conditional City Increment would be allocable to IRFD No. 1 from the five existing project areas through the

[1] Property taxes collected by the City prior to commencement of tax increment allocation to IRFD No. 1 in a particular project area does not constitute Net Available Increment or Conditional City Increment and is not included in the amount collected toward the cumulative limits summarized in Table 5.

2053 final maturity for the Bonds, representing 7.8% of the cumulative tax increment limits under the IFP. For the cumulative tax increment limits for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E to be reached prior to the final debt service payment in 2053, the FY 2023-24 assessed values for IRFD No. 1 identified in Table 6 would need to grow at a compound annual growth rate more than approximately 15.9% 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 53% of the respective cumulative tax increment limits through the 2053 final maturity of the Bonds.

As described above, additional territory could be annexed into IRFD No. 1 over time following transfers of additional property by the Navy to TIDA and from TIDA to TICD. Annexation is not simultaneous with property transfers but is generally expected to precede vertical construction. As of August 2023, additional parcels outside the existing boundaries of IRFD No. 1 had transferred to a TICD affiliate for which annexation into IRFD No. 1 had not yet occurred. It is expected that any such annexations will result in the allocation of additional tax increment revenue by the City to IRFD No. 1 and corresponding increases to the tax increment revenue limits, or establishment of additional separate limits for the annexation areas, such that the analysis of the cumulative tax increment revenue limit set forth in the previous paragraph will change.

2.4 Maximum Principal Amount of Bonds Issued by IRFD No. 1

The IFP establishes a limit on the maximum principal amount of bonds and other debt that may be issued by IRFD No. 1 of (i) $780 million for Project Areas A, B, C, D and E, plus (ii) the amount approved by the Board Supervisors and the qualified electors of the Annexation Territory in connection with each annexation of Annexation Territory to the IRFD. The total principal amount of previously issued bonds is $29,390,000, including the 2022A Bonds and 2022B Bonds described in Section 3.2, leaving $750.6 million remaining within the limit on the maximum principal amount of bonds to be issued for Project Areas A, B, C, D, and E.

As further described in Section 3.4, the IRFD has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA’s promise to pay the Navy the purchase price of $55 million, plus interest, for the property constituting the project site of the Treasure Island Project. According to the Subordinate Pledge Agreement, the IRFD’s pledge to pay the purchase price is subordinate to any bonds issued by the IRFD. The Subordinate Pledge Agreement is assumed not to utilize any of the $780 million limitation on indebtedness under the IFP because it pledges Net Available Increment only as a secondary source of payment to provide additional security for the Navy, and no payments are currently anticipated to be required.

3.0 IRFD NO. 1 OBLIGATIONS

The following section describes obligations payable from IRFD No. 1 Net Available Increment.

Obligations of IRFD No. 1, other than the statutorily permitted property tax administrative cost described in Section 3.1, are paid on a subordinate basis to the Bonds and are not deducted for purposes of the Table 13 to 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") reported that expenses for division of taxes to IRFD No. 1 are $9,387 in FY 2022-23 and that an additional $2,000 fixed charge is expected to be added in future years, resulting in an adjusted expense amount of $11,387. This adjusted $11,387 expense equates to approximately 0.5% of FY 2022-23 Net Available Increment. Property tax-related administrative costs are assumed to equal 0.5% of Net Available Increment in future years, proportionately allocated to Net Available Facilities Increment and Net Available Housing Increment. The estimated administrative expense at 0.5% of Net Available Increment equates to an FY 2023-24 cost of approximately $14,000.

The administrative expenses incurred in connection with the division of taxes to IRFD No. 1 are deducted when calculating Pledged Facilities Increment and Pledged Housing Increment. IRFD No. 1 also incurs additional administrative expenses that are payable on a subordinate basis to the Bonds, which are not deducted in determining Pledged Facilities Increment and Pledged Housing Increment. In FY 2022-23, these subordinate administrative expenses totaled approximately $136,000.

3.2 IRFD No. 1 2022 Bonds

The IRFD No. 1 previously issued its 2022A Bonds and 2022B Bonds. The proposed Series 2023A Bonds are secured on a parity with the Series 2022A Bonds and the proposed Series 2023B Bonds are secured on a parity with the Series 2022B Bonds. Additional parity debt may be incurred under the respective indentures.

3.3 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 13 to 16 tax increment revenue projections.

3.4 Subordinate Pledge Agreement Securing Payments to Navy

As described above, the Navy and TIDA are parties to the Navy MOA that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. In consideration for such transfer, TIDA agreed to pay the Navy $55 million of "Initial Consideration" in equal $5.5 million annual installments over a ten-year period, plus additional consideration based on net cash flow generated by development of the private portions of the property. The schedule for making annual installment payments has been extended beyond the original ten years based on terms of the Navy MOA that provide for tolling of payment obligations in the event of delays in meeting specified cleanup and property transfer milestones by the Navy.

Under the DDA Financing Plan, TICD agreed to pay the $55 million Initial Consideration in installments, as required under the Navy MOA, and had paid $27.5 million as of July 2023, leaving a remaining balance of $27.5 million. The remaining $27.5 million in payments due to the United States Navy, plus interest, due in connection with the transfer of Treasure and Yerba Buena Islands to TIDA, are secured by a subordinate pledge of Net Available Increment. Payments from Net Available Increment are required only to the extent required payments to the Navy are not made by TICD, as required under the 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 13 to 16 revenue projections.

The Subordinate Pledge Agreement affirms that it does not place a limit on incurrence of debt secured by a pledge of Net Available Increment and does not include any specific remedies for the Navy in the event of a default other than those that are generally available "in law or at equity."

4.0 ASSESSED VALUES

The assessed values for IRFD No. 1 are prepared annually by the San Francisco Office of the Assessor-Recorder ("Assessor") and reflect a lien date on the January 1st which precedes the beginning of the applicable fiscal year. Each property assessment is assigned a unique Assessor Parcel Number ("APN") that corresponds to assessment maps prepared by the Assessor. Each APN is assigned to a Tax Rate Area ("TRA") which are geographic sub-areas with a common distribution of taxes. Each component project area of IRFD No. 1 corresponds to a TRA, as follows:

Project Area	Tax Rate Area
A	001-028
B	001-029
C	001-030
D	001-031
E	001-032

The TRAs are newly established as of FY 2023-24, replacing codes previously used by the Assessor on an interim basis pending establishment of new TRAs by the California State Board of Equalization.

The Controller is responsible for aggregation of assessed values assigned by the Assessor to properties within the boundaries of each component project area of IRFD No. 1. This results in the reported total current year assessed value and becomes the basis for determining the tax increment allocated to IRFD No. 1. For project areas for which tax increment allocation is not yet commenced, the Controller also annually reviews property tax revenues to determine if thresholds for commencement of tax increment allocation have been exceeded.

4.1 Historic Taxable Values

Aggregated taxable assessed values for IRFD No. 1 from the FY 2016-17 base year through FY 2023-24 are summarized in Table 6. Further detail, 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								
	Project Areas Active in FY 2023-24			Total for Project Areas Active in FY 2023-24 (3)	Project Areas Not Yet Active		Total All Project Areas (3)	
Fiscal Year	Area A	Area B	Area E		Area C	Area D		%Increase
2016-17 (1)	-	-	-	-	-	-	-	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 (2)	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	$314,688,909	$98,331,576	$73,843,791	$486,864,276	$1,933,965	$32,107,450	$520,905,691	28.4%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2023-24 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

FY 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within IRFD No. 1 and was added following the sale of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately $1.1 million per acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the $61.2 million sale price applicable to a sale by TI Series 1 to an affiliated vertical builder. The $1.1 million per acre value was based on an Assessor analysis of value that considered the remaining improvements necessary for development to occur.

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 complete.

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 TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company, which resulted in increases in the assessed values for the applicable parcels to the amount of the sale price.

The increase in assessed value from FY 2021-22 to FY 2022-23 was driven by construction progress on the Bristol and 4Y Townhomes and Flats and sale of a development pad planned for 160 condominium units and a park[2] (Block C3.5) by TI Series 1 to a separate vertical developer affiliated with Stockbridge, Wilson Meany, and Lennar.

---

[2] Parcel 8906-008 is planned for a privately-owned pocket park with public access. The parcel has an FY 2023-24 assessed value of $322,524. Completion of the park would occur in conjunction with development of Block C3.5, such that, even if the park were to become exempt from property taxes, there would be a net addition to taxable assessed value through development of the block. The parcel is located within Project Area D, for which allocation of tax increment has not yet commenced.

The increase in assessed value from FY 2022-23 to FY 2023-24 was due to:

- Construction progress on the following residential developments:
    - Isle House (Block C2.4), which added $40.3 million in assessed value;
    - Portico (Block C3.3/C3.4), which added $33.8 million in assessed value;
    - 4Y Townhomes and Flats, which added $20.6 million in assessed value; and
    - Hawkins (Block C2.2), which added $9.7 million in assessed value.
- Development progress on Blocks B1 and 3Y consisting of incurrence of indirect costs, such as design, and limited direct costs, which the Assessor took into consideration in adding approximately $3.3 million in assessed value to the roll for these properties.
- Application of the 2% inflationary increase under Proposition 13 (described in Section 4.3), which added approximately $7.5 million in assessed value to the roll.

4.2 Current Year Assessed Values for IRFD No. 1

Table 7 provides additional detail regarding the FY 2023-24 taxable assessed values for IRFD No. 1. Of the $520,905,691 in aggregate FY 2023-24 taxable assessed value for IRFD No. 1, including Project Areas A, B, C, D and E, $341,588,776 is land assessed value and $179,316,915 is improvement assessed value. These amounts are net of exemptions that apply to publicly owned TIDA properties. The below market rate affordable units within IRFD No. 1 are not expected to qualify for a welfare exemption from property taxes because they are not owned by a qualifying organization, are not receiving government financing, and affordability restrictions for some units are at income levels that exceed the maximum level eligible to qualify for a welfare exemption.

For Project Areas A, B, and E, for which collection of tax increment has commenced as of FY 2023-24, aggregate FY 2023-24 taxable assessed value is $486,864,276, of which $307,547,361 is land assessed value and $179,316,915 is improvement assessed value.

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

Unsecured property typically includes the value of tenant improvements, trade fixtures, and personal property. Unsecured property also includes possessory interests constituting a right to the possession and use of property for a period less than perpetuity. As of FY 2023-24, there is no unsecured property assessed value within IRFD No. 1.

Table 7. FY 2023-24 Taxable Assessed Values, IRFD No. 1							
	Project Areas Active in FY 2023-24			Total for Project Areas Active in FY 2023-24	Project Areas Not Yet Active		Total All Project Areas
	Area A	Area B	Area E		Area C	Area D	
Assessed Value							
Secured Land AV	$173,645,008	$90,015,376	$43,886,977	$307,547,361	$1,933,965	$32,107,450	$341,588,776
Secured Improvement AV	141,043,901	8,316,200	29,956,814	179,316,915	-	-	179,316,915
Unsecured Roll	-	-	-	-	-	-	-
Total Assessed Value	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691
Base Year AV	-	-	-	-	-	-	-
Incremental AV	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691
Parcel count	128	5	6	139	1	3	143
TI Commencement							
Calculated IRFD TI (1)	$2,032,519	$635,106	$476,944	$3,144,569	$12,491	$207,376	N/A (2)
TI Commencement Threshold	$150,000	$150,000	$150,000		$300,000	$300,000	
Threshold Reached	FY 18-19	FY 21-22	FY 21-22		No	No	

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2023-24 are shown in grey.

(1) Calculated as 1% X incremental assessed value X 64.588206%, including Conditional City Increment.

(2) Tax Increment Allocation is only applicable to active project areas.

Source: Assessor. AV= Assessed Value.

Table 19, at the end of this report, provides a breakout between land and improvement assessed values by project area for FY 2018-19 through FY 2023-24. Table 20, at the end of this report, identifies the FY 2023-24 reported assessed values by parcel.

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 2023-24, 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 2023-24 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	
2014-15	0.454%
2015-16	1.998%
2016-17	1.525%
2017-18	2.00%
2018-19	2.00%
2019-20	2.00%
2020-21	2.00%
2021-22	1.036%
2022-23	2.00%
2023-24	2.00%

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 2023-24, IRFD No. 1 does not include any personal property assessed value.

4.4 Values by Property Use

A distribution of FY 2023-24 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 2023-24. Identification of land uses is based on information provided by the City and TICD affiliates regarding property uses. FY 2023-24 taxable assessed value for IRFD No. 1 is comprised of residential units, residential units under construction, and land for residential development.

Table 9. FY 2023-24 Taxable Assessed Value by Land Use								
	All IRFD No. 1 Project Areas				Project Areas Collecting Tax Increment in FY 2023-24 (Project Areas A, B, E)			
Land Uses Composition, FY 2023-24	**Planned Units**	**No. of Parcels**	**2023-24 Taxable Value**	**% of Total**	**Planned Units**	**No. of Parcels**	**2023-24 Taxable Value**	**% of Total**
Completed For-Sale Units (1)	124	124	$155,570,351	29.9%	124	124	$155,570,351	32.0%
For-Sale Units Development Sites								
Vertical construction underway (2)	201	2	$107,595,642	20.7%	201	2	$107,595,642	22.1%
Site permit not yet issued (3)	885	7	$146,263,936	28.1%	174	3	$112,222,521	23.1%
Subtotal	1,086	9	*$253,859,578*	*48.7%*	375	5	*$219,818,163*	*45.1%*
Rental Units Development Sites								
Vertical construction underway (4)	428	2	$97,989,602	18.8%	428	2	$97,989,602	20.1%
Site permit issued (5)	117	2	$13,486,160	2.6%	117	2	$13,486,160	2.8%
Subtotal	545	4	*$111,475,762*	*21.4%*	545	4	*$111,475,762*	*22.9%*
Owned by TIDA and non-taxable		*6*	*$0*	*0.0%*		*6*	*$0*	*0.0%*
Total	**1,755**	**143**	**$520,905,691**	**100.0%**	**1,044**	**139**	**$486,864,276**	**100%**

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2023-24 are shown in grey.

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

(1) The 124-unit Bristol condominium building was completed in June 2022.

(2) For-sale units under construction include the 148-unit Portico condominium building, of which seven units are below market rate, and the 53-unit 4Y townhomes and flats, which are all market rate. Of the 53 total units within the 4Y townhomes and flats, construction is currently underway on 31 units and construction of the remaining 22 units has not yet commenced.

(3) Includes one parcel (8906 008) planned for use as a privately-owned pocket park with public access, to be developed in conjunction with Block C3.5. The parcel has an FY 2023-24 assessed value of $322,524 and is located within Project Area D, for which allocation of tax increment has not yet commenced.

(4) Rental units under construction include Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units.

(5) Site permits issued for Block B1, owned by Poly USA, on 12/2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced.

4.5 Top Ten Taxpayers

The top ten taxpayers for IRFD No. 1 are summarized in Table 10 for all project areas and separately for those project areas that will collect tax increment in FY 2023-24.

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 top 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[3].

Inclusive of all IRFD No. 1 project areas, the ten largest taxpayers for FY 2023-24 represent 93.6% of total and incremental assessed value.

Including IRFD No. 1 Project Areas A, B and E for which collection of tax increment has commenced, the ten largest taxpayers for FY 2023-24 represent 93.5% of total and incremental assessed value.

Taxable assessed value for the five top taxpayers as of the FY 2023-24 assessment roll is comprised of property owned by TI Series 1, a wholly-owned subsidiary of master developer TICD, and affiliates of four separate vertical builders that each have an ownership interest in TICD.

Other than the five taxpayers affiliated with TICD, all other taxpayers included on the list of top taxpayers are owners of newly constructed condominium units within the Bristol.

[3] 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 Ten Taxpayers for IRFD No. 1, FY 2023-24										
		Planned Development (6) (7)					Assessed Value FY 2023-24(10)		% Total and Incr. AV (11)	
Top Taxpayers FY 2023-24	**Block**	No. Units	Type	Status	**No. of Parcel**	**Proj. Area**	**All Project Areas**	**Active Areas (12)**	**All**	**Active (12)**
1. Stockbridge and Wilson Meany (1)										
YBI Phase 1 Investors, LLC	4Y (por)	83	for-sale	Built	83	A	$111,246,976	$111,246,976	21.4%	22.8%
YBI Phase 4 Investors, LLC	1Y	78	for-sale	Plan	1	A	$81,966,873	$81,966,873	15.7%	16.8%
TI Lot 10, LLC	C2.4	250	rental	Const.	1	E	$73,843,791	$73,843,791	14.2%	15.2%
YBI Phase 3 Investors, LLC	4Y (por)	53	for-sale	Const(8)	1	A	$58,340,437	$58,340,437	11.2%	12.0%
YBI Phase 2 Investors, LLC	3Y	11	for-sale	Plan	1	A	$18,811,248	$18,811,248	3.6%	3.9%
Subtotal		475			87		$344,209,325	$344,209,325	66.1%	70.7%
2. Stockbridge, Wilson Meany, and Lennar Joint Venture (2)										
TI Lots 3-4, LLC	C3.3/.4	148	for-sale	Const.	1	B	$49,255,205	$49,255,205	9.5%	10.1%
TI Lots 5-6, LLC	C3.5	160	for-sale	Plan	2	D	$30,795,840	N/A	5.9%	N/A
Subtotal		308			3		$80,051,045	$49,255,205	15.4%	10.1%
3. Poly USA (3)										
B1 Treasure Island 048 Holdings, LLC	B1	117	rental	Plan(9)	2	B	$13,486,160	$13,486,160	2.6%	2.8%
C23 Treasure Island 048 Holdings, LLC	C2.3	85	for-sale	Plan	1	B	$11,444,400	$11,444,400	2.2%	2.4%
Subtotal		202			3		$24,930,560	$24,930,560	4.8%	5.1%
4. Lennar (4)	C2.2	178	rental	Const.	1	B	$24,145,811	$24,145,811	4.6%	5.0%
5. TI Series 1 (5)	C1.1/2, C2.1	551	for-sale	Plan	2	C&D	$3,245,575	N/A	0.6%	N/A
6. Bristol Homeowner 1		2	for-sale	Built	2	A	$2,989,598	$2,989,598	0.6%	0.6%
7. Bristol Homeowner 2		2	for-sale	Built	2	A	$2,311,928	$2,311,928	0.4%	0.5%
8. Bristol Homeowner 3		1	for-sale	Built	1	A	$1,887,226	$1,887,226	0.4%	0.4%
9. Bristol Homeowner 4		1	for-sale	Built	1	A	$1,840,554	$1,840,554	0.4%	0.4%
10. Bristol Homeowner 5		1	for-sale	Built	1	A	$1,762,303	$1,762,303	0.3%	0.4%
11. Bristol Homeowner 6 *[top ten taxpayer for active areas only]*		1	for-sale	Built	1	A	N/A(13)	$1,707,697	N/A(13)	0.4%
Total Top Taxpayers		1,722			104		$487,373,925	$455,040,207	93.6%	93.5%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2023-24 are shown in grey.

(1) Includes separate legal entities affiliated with Wilson Meany and the Stockbridge TI Fund, LP, as listed. Stockbridge and Wilson Meany have an ownership interest in TI Series 1, No. 5 on the list of top taxpayers. In addition, Stockbridge and Wilson Meany have an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar, No. 2 on the list of top taxpayers, being developed as a joint venture.

(2) TI Lots 3-4 LLC and TI Lots 5-6 LLC are being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 4 on the list of top taxpayers).

(3) Includes separate entities affiliated with developer Poly (USA) Real Estate Development Corp., as listed. Poly USA has an ownership interest in TI Series 1 (No. 5 top taxpayer).

(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, Wilson Meany, and Lennar, number 2 on the list of top taxpayers, being developed as a joint venture. Lennar also has an ownership interest in TI Series 1, number 5 on the list of top taxpayers.

(5) Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Poly USA, and (4) Lennar, each have an ownership interest in TICD.

(6) Includes units that are complete, under construction, and planned.

(7) "Built" refers to units complete with an occupancy permit, "Plan" refers to planned units, "Const." refers to units under construction.

(8) 31 of the 53 total units are under construction.

(9) A site permit has been issued for construction, but construction has not yet commenced.

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

(11) Percentages calculated based upon FY 2023-24 assessed value and incremental assessed value of $520,905,691 and $486,864,276 for active areas (base year AV is zero).

(12) Includes Project Areas A, B, and E that will collect tax increment in FY 2023-24.

(13) Bristol homeowner 6 is part of the list of the top ten taxpayers for active project areas, but is not on a member of the top taxpayers list when all project areas are included.

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

1. **Stockbridge TI Fund, LP ("Stockbridge") and Wilson Meany, LP** ("**Wilson Meany**") and their affiliated legal entities listed in Table 10, are vertical developers for four parcels within IRFD No. 1 on which 392 units are under construction or planned, and owner of 83 completed units being marketed for sale, comprised of:

   - The Bristol condominium project (YBI Phase 1 Investors LLC parcels), which was completed in June 2022 and includes a total of 124 units. The FY 23-24 roll reflects 83 units that remained in developer ownership based on Assessor records as of July 2023 and were being marketed for-sale.

   - Isle House (TI Lot 10 LLC parcel) is a rental development with a seven-level podium component and 22-story high-rise tower component, currently under construction. Vertical construction commenced in November 2022 and completion is anticipated in September 2024.

   - The 4Y Townhomes and Flats (YBI Phase 3 Investors LLC parcel) includes 53 total units, of which 31 units are under construction and were expected to be completed by the end of 2023 and 22 units have not yet received building permit approval. As of June 2023, one of the market rate units was under contract to be sold at a price of $4.475 million.

   - Development sites planned for 89 units, including a mix of condominiums, townhomes, flats, and single family home-sites (YBI Phase 2 Investors LLC and YBI Phase 4 Investors LLC). The units have received land use approvals but permits for construction are not yet issued.

   Stockbridge and Wilson Meany also have an ownership interest in the number two top taxpayer, which is comprised of two joint venture developments with Lennar (number four on the list of top taxpayers). If the properties that are part of the joint venture were instead included under the list of properties under Stockbridge and Wilson Meany ownership, Stockbridge and Wilson Meany would have represented a combined 81.4% of assessed value, rather than the 66.1% listed in Table 10, without the joint venture properties.

   Stockbridge and Willson Meany are members of TICD, master developer of the Treasure Island Project.

2. **Stockbridge, Wilson Meany, and Lennar Joint Venture** consists of two joint venture developments between the number one top taxpayer (Stockbridge and Wilson Meany) and the number four top taxpayer (Lennar). The legal entities affiliated with the joint

ventures are listed in Table 10. The Stockbridge, Wilson Meany, and Lennar Joint Venture is the vertical developer of three parcels within IRFD No. 1 planned for development of a combined 308 residential units. Of the planned residential units:

- 148 units are condominium units within a six-story building (TI Lots 3-4 LLC parcels). Vertical construction commenced in October 2022 and completion is expected by early 2025.

- 160 are planned future condominium units (TI Lots 5-6 LLC) in a 20-story tower. The units have received land use approvals but permits for construction are not yet issued.

3. **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 202 residential units. Of the planned residential units:

    - 117 rental units are within a five-story building with retail shell spaces on the ground floor for which a site permit for construction was issued in December 2021 (B1 Treasure Island 048 Holdings LLC parcels). The developer anticipates that construction will commence in 2024.

    - 85 condominium units are within a six-story building that has received land use approvals but which has not yet received a site permit (C23 Treasure Island 048 Holdings, LLC parcels).

    Poly USA is a member of TICD, master developer of the Treasure Island Project.

4. **Lennar Homes of California, Inc.** ("Lennar") is a subsidiary of homebuilder Lennar Corporation which is publicly listed on the New York Stock Exchange. Lennar and its wholly owned subsidiary TI Lot 8, LLC is the vertical developer for 178 rental units in a six-story building currently under construction. Vertical construction commenced in September 2022 and completion is expected by November 2024.

    Lennar also has an ownership interest in the number two top taxpayer, which is comprised of two joint venture developments with Stockbridge and Wilson Meany (number one on the list of top taxpayers). Lennar would move up to number two on the list of top taxpayers and represent a combined 20% of IRFD No. 1 assessed value if the joint venture properties were included under the Lennar ownership, instead of separately as number two on the list of top taxpayers.

    Lennar is a member of TICD, master developer of the Treasure Island Project.

5. **Treasure Island Series 1, LLC** ("TI Series 1") is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. TI Series 1 retains two parcels planned for sale to vertical developers for development of two separate condominium towers with a combined 551 units. TICD, parent company of TI Series 1, is a joint venture comprised of various affiliates of Lennar, Stockbridge, Kenwood Investments, Wilson Meany, and Poly USA. Affiliates of the vertical builders comprising the top four taxpayers are all members of TICD.

The four top taxpayers each have an ownership interest in TI Series 1 parent company TICD. TI Series 1 is not a taxpayer within the three project areas that will collect tax increment in FY 2023-24.

The remaining taxpayers consist of homeowners within the recently completed Bristol condominium project.

In addition to the listed taxpayers, 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. The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest[4]. Timing for development of the hotels is to be determined and is not expected near-term. As described above, TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California, which is dedicated to the economic development of former Naval Station Treasure Island.

[4] A possessory interest is defined as a possession, a right to the possession, or a claim to a right of the possession of publicly owned real property that is independent, durable, and exclusive of rights held by others, and that provides a private benefit to the possessor.

5.0 ASSESSMENT APPEALS

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[5]. 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.

Review of Assessment Appeal Filings

KMA obtained a copy of the database maintained by the Assessment Appeals Board on appeals filings, including records of appeal filings from July 1, 2018 through June 7, 2023, and encompassing appeals for FY 2018-19 through FY 2022-23. Based on the records included within the Assessment Appeals Board database, **no assessment appeals have been filed within IRFD No. 1 through FY 2022-23**. The September 15th, 2023 deadline to file an appeal of FY 2023-24 assessed values has passed but data on appeal filings is not expected to be available until November 2023.

An affiliate of TICD has filed appeals for properties within the Treasure Island Project outside of IRFD No. 1. Appeals relate to the assessed value of unimproved land established upon transfer of the property to private ownership. Appeal filings encompass five parcels with an aggregate Assessor roll value of $60,621,597 and a property owner opinion of value of $1,070,000. Since none of the appeals relate to IRFD No. 1 assessed values, no adjustment to IRFD No 1 assessed value is reflected for purposes of the Table 13 to 16 revenue projections.

[5] A temporary extension of this two-year deadline was granted for certain appeals filed prior to March 4, 2020, as a result of the coronavirus pandemic, but such extension would not apply to appeals of current year assessed values.

DDA Financing Plan and CC&R Provisions Regarding Assessment Appeals

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, through its subsidiary TI Series 1, 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 and private homeowners that own the remaining taxable parcels in IRFD No. 1.

While the DDA Financing Plan provision does not apply to vertical builders, TICD affiliates have stated that all properties that have been sold to vertical builders within IRFD No. 1 are subject to a covenant not to initiate or intentionally cause to initiate a reassessment of the value of the applicable property, and that it is their intent to require such covenants as part of future property sales to vertical builders. KMA reviewed the Declaration of Development Covenants Conditions and Restrictions recorded on the Block C3.3/C3.4 property (Portico project) and confirmed inclusion of such a covenant but has not independently verified that all properties owned by TICD affiliates include comparable covenants.

Potential Proactive Review of Declines in Market Value Under Proposition 8

The Assessor may proactively review and reduce assessed values in the event of a decline in market values, without an assessment appeal by the property owner, pursuant to Proposition 8. The Assessor has conducted proactive reviews for declines in market value for purposes of recent assessment roll years and may do so again if real estate market values warrant. In the event of a proactive reduction in assessed value by the Assessor, values are subject to restoration over time as market values increase, as with Proposition 8 appeal reductions.

6.0 NEW DEVELOPMENT

IRFD No. 1 is comprised of land that is actively under development, contemplated for development, and one recently completed new building. The following section summarizes the planned future and in-progress construction within IRFD No. 1. Buildout of portions of the Treasure Island Project within the existing boundaries of IRFD No. 1 is anticipated to encompass a total of 1,755 residential units and two hotels, as shown in Table 11.

Table 11. Summary of Planned Development Within IRFD No. 1

Block	Use	Estimated completion(1)	IRFD Area(4)	Planned No. of Stories	Planned Residential Units: Market Rate For-sale	Market Rate Rental	BMR	Total Units	average SF/Unit(1)	Planned Hotel Rooms
Construction Complete / Sales On-going										
4Y (portion)	Condo (Bristol)	complete	A	6	110		14	124	1,196	
Under Construction										
4Y (portion)	Townhomes/Flats (2)	late 2023(3)	A	3 to 5	31			31	2,635	
C3.3/4	Condo (Portico)	2025	B	6	141		7	148	1,005	
C2.2	Rental (Hawkins)	Nov. 2024	B	6		169	9	178	795	
C2.4	Rental (Isle House)	Sept. 2024	E	22		226	24	250	830	
Subtotal Under Construction					172	395	40	607		
Projects with Site Permit										
B1	Rental		B	5		111	6	117	730	
Site or Building Permit is Not Yet Issued										
3Y	Townhome		A	3	11			11	3,376	
4Y (portion)	Townhomes/Flats (2)		A	3 to 4	22			22	2,521	
C2.3	Condo		B	6	80		5	85	1,242	
C3.5	Condo		D	20	152		8	160	1,208	
1Y	Townhome		A	3	32			32	3,270	
1Y	Flats		A	4	41			41	2,670	
1Y	Estate homesites		A	TBD	5			5	TBD	
2Y-H	Hotel		A	TBD	n/a			n/a		50
C1.1&2	Condo		C	Tower	286			286	1,584	
C2.1	Condo		D	31	265			265	1,152	
C2-H	Hotel		E	TBD						300
Subtotal Site Permit Not Yet Issued					894	0	13	907		350
Total					**1,176**	**506**	**73**	**1,755**		**350**

Abbreviations used in this table: TBD = to be determined.

(1) Timing estimates and average unit sizes were provided by TICD and affiliated vertical developers.

(2) Of the 53 total units within the 4Y townhomes and flats, construction is currently underway on 31 units and construction of the remaining 22 units has not yet commenced.

(3) Estimated timing relates to the 31 units currently under construction.

(4) Project Areas C and D have not commenced collection of Tax Increment and may not reach the Trigger Amount for commencement of tax increment collection until construction of planned development in these Project Areas is underway.

TICD affiliates provided an illustrative estimate of the aggregate assessed value upon full buildout of the planned development listed in Table 11 of approximately $2.27 billion, of which $520.9 million is enrolled as of FY 2023-24, resulting in a potential future net increase in assessed value upon full buildout of approximately $1.75 billion. Figures include Project Areas C and D, which are not currently collecting tax increment, but are expected to commence collection of tax increment with construction of planned development in these areas. This illustrative estimate of future assessed values is <u>not included for purposes of the Table 13 to 16 revenue projections</u>.

Following is a further description of the planned development:

(1) Completed Condominium Units (The Bristol) - The 124-unit Bristol condominium project (Block 4Y) includes 110 market rate units and 14 below market rate affordable units completed in June 2022. The FY 2023-24 roll reflects 41 units having transferred to homebuyers, including 35 market rate and six below market rate units, and 83 units that remain in developer ownership. The developer reports that as of October 1, 2023, a total of 37 market rate sales had closed, representing two additional units beyond the 35 completed market rate sales represented in the FY 2023-24 roll data. Sales and closings of the remaining units are underway. Market rate sales prices to date have averaged approximately $1.5 million per unit. Existing FY 2023-24 assessed values reflect Proposition 13 2% inflation over the FY 2022-23 assessed values and do not incorporate assessed value to be added from either completed or future sales of condominium units. Average market rate sales prices, based on closed sales reported by the developer, are approximately 20% higher than the average existing FY 2023-24 assessed values for market rate units in the Bristol on a dollar per square foot basis, as shown below.

Aggregate Assessed Value, Market Rate Units	$151,061,499
Aggregate Square Footage, Market Rate Units	132,302 SF
Average FY 2023-24 Assessed Value Per Square Foot, Market Rate Units	$1,142 / SF
Average Sales Price Per Square Foot, Closed Market Rate Sales	$1,372 / SF
Percent in Excess of Average FY 2023-24 AV Per Square Foot	**20%**

Assessed value to be added from sale of the units is not included for purposes of the Table 13 to 16 revenue projections. The Bristol is in Project Area A.

(2) Under Construction

- **Block 4Y Townhomes and Flats** – Vertical construction is underway on the 31-unit first phase of the 53 market rate stacked flats and townhome units planned for Block 4Y. Completion of the 31 units, comprised of five separate buildings, is estimated by the developer to occur in October through December 2023. The units are being developed by Stockbridge and Wilson Meany. The applicable parcel (APN 8954-004) has an existing FY 2023-24 assessed value of $58.3 million. This existing assessed value was established through sale of the subject property to the vertical builder and construction progress through January 1, 2023. Assessed values added by in-progress construction through January 1, 2023 were determined based on expenditures reported by the developer to the Assessor for the purposes of establishing assessed values. Assessed value to be added by construction after the January 1, 2023 lien date for the FY 2023-24 assessment roll and sale of new units upon completion is not included for purposes of the Table 13 to 16 revenue projections. The 4Y Townhomes and Flats are in Project Area A.

- **Block C3.3/C3.4 (“Portico”)** – A six-story 148-unit condominium development with seven below market rate affordable units, received site permit approval in January 2022 and commenced construction in October 2022. The project is being developed by a joint venture development team that includes Stockbridge, Wilson Meany, and Lennar. The developer reported that structural work on the foundation and podium level was expected to be completed in September 2023 and wood framing was estimated to complete in December 2023. Completion of the project is estimated in January 2025. Portico is in Project Area B.

- **Block C2.2 (“Hawkins”)** – A six-story apartment development with 178 rental units, including nine below market rate inclusionary units, received site permit approval in July 2022 and commenced construction in September 2022. The project is being developed by Lennar. The developer reports that the concrete podium for the building is complete and wood framing for levels two through six is underway. Completion is estimated in November 2024. Hawkins is in Project Area B.

- **Block C2.4 (“Isle House”)** – An apartment development with 250 rental units, including 24 below market rate affordable units, received a site permit in November 2021 and commenced construction in July 2022. The project is being developed by Stockbridge and Wilson Meany. The project includes a seven-level podium component and a 22-story high-rise tower component. The developer reports that the podium component topped out in March 2023 and the tower structure topped out in July 2023. Completion is estimated in September 2024. Isle House is in Project Area E.

(3) **Development Project with Site Permit (Block B1) -** Block B1 is a five-story apartment development with 117 rental units, including six below market rate affordable units. The project is being developed by Poly USA. The project received site permit approval in December 2021. The developer has indicated an anticipated construction commencement of September 2024, but this timing is subject to change as the developer continues to evaluate market conditions and other factors affecting development of the project. Block B1 is in Project Area B.

(4) **Development Projects for Which a Site Permit is Not Yet Issued -** Planned development within IRFD No. 1 that has not yet received a site or building permit as of July 1, 2023

includes 907 residential units and 350 hotel rooms planned for Blocks 1Y, 3Y, 4Y (22-unit portion not yet permitted), 2Y-H, C1.1, C1.2, C2.1, C2.3, C2-H, and C3.5. Of the 907 planned residential units, 894 are market rate for-sale units and 13 are below market rate affordable units.

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 13 to 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 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 2023-24 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 $598 of unitary revenue for FY 2022-23. Unitary revenues are not included in the Table 13 to 16 revenue projections.

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

A summary of historic allocations of tax increment for the initial years of tax increment collection is presented in Table 12. As shown, actual amounts allocated to IRFD No. 1 have ranged from 98.9% of the calculated levy in FY 2020-21, to 110.9% in FY 2021-22, and averaged 105.9% of the calculated levy over the initial four years of tax increment allocation.

Table 12. Historic Allocations of Tax Increment to IRFD No. 1

		Actual 2019-20 (1)	Actual 2020-21	Actual 2021-22	Actual 2022-23	Estimated 2023-24
1. Assessed Value Increment, Active Project Areas (2)		$70,090,194	$102,085,597	$201,114,923	$372,320,895	$486,864,276
Active Project Areas		A	A	A	A, B, E	A, B, E
2. Calculated 1% Tax Increment	1% levy	$700,902	$1,020,856	$2,011,149	$3,723,209	$4,868,643
3. Property Tax Admin Cost (3)		applied in FY2021-22		$5,113	$9,387	$13,775
4. Calculated IRFD Tax Increment (4)						
Pledged Facilities Increment	53.285270%	$373,477	$543,966	$1,067,428	$1,976,178	$2,582,905
Pledged Housing Increment	11.302936%	$79,222	$115,387	$226,424	$419,189	$547,889
Total	64.588206%	**$452,700**	**$659,353**	**$1,293,852**	**$2,395,367**	**$3,130,794**
5. Actual Amounts Allocated by Controller (4)						
Pledged Facilities Increment		$373,477	$537,879	$1,183,713	$2,101,219	TBD
Pledged Housing Increment		$79,223	$114,095	$251,091	$445,713	TBD
Total		**$452,700**	**$651,974**	**$1,434,803**	**$2,546,932**	**TBD**
6. Collections as % of Computed Levy (5) (6)		**100%**	**98.9%**	**110.9%**	**106.3%**	**TBD**
Average 19-20 to 22-23	**105.9%**					

Source: San Francisco Office of the Controller, KMA.

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

(2) The base year assessed value is zero.

(3) Administrative costs for division of taxes include Controller property tax administrative costs and approximately 10% of Accounting Operations and Suppliers Division (AOSD) costs. Property tax administrative costs for the initial two years of tax increment were applied in FY 2021-22.

(4) Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service. FY 2022-23 revenues include approximately $151,000 in revenue from prior tax years and exclude approximately $5,000 in interest revenue. The administrative cost of division of taxes on line 3 is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.

(5) Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.

(6) According to the Controller, due to the implementation of a new property tax software system, property tax allocations in FY 2020-21 occurred on a jurisdictional basis rather than on a tax rate area basis. Allocation on a jurisdictional basis results in all affected taxing entities and related tax increment financing districts sharing the impact of unpaid portions of non-Teetered property tax levies, such as unsecured taxes, rather than limiting the impact to the TRA in which delinquencies occurred, as in the other fiscal years represented in Table 12.

Table 12 identifies Pledged Facilities Increment and Pledged Housing Increment, inclusive of Conditional City Facilities Increment and Conditional City Housing Increment required to be allocated to IRFD No. 1 and held for payment of debt service until after each annual principal payment date, but thereafter available for release to the City to the extent not required for debt service.

8.0 REVENUE PROJECTION

The projection of tax increment is summarized in Tables 13 through 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) “No Growth Projection” (Tables 13 and 14) that holds reported FY 2023-24 assessed values constant over the term of the projection. Table 13 presents the projection of Pledged Facilities Increment and Table 14 presents the projection of Pledged Housing Increment.

(2) “2% Growth Projection” (Table 15 and 16) reflecting application of the 2% maximum allowable inflationary increase under Proposition 13 to the FY 2023-24 reported assessed values in each future year. Table 15 presents the projection of Pledged Facilities Increment and Table 16 presents the projection of Pledged Housing Increment.

The projections extend through the time limits for collection of tax increment in Areas A, B and E. Time limits for Project Areas C and D remain to be determined.

Table 13. Projection of Pledged Facilities Increment, No Growth Projection						
	A.	B.	C.	D.	E.	F.
	Gross Tax Increment	**Net Available Facilities Increment**				
Fiscal Year	= 1% x Table 17 Incremental Assessed Value for areas Collecting TI	Total	Prop Tax Admin Cost (1)	After Prop Tax Admin	Conditional City Facilities Increment	**Pledged Facilities Increment**
	1% x AV	46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.
2023-24	$4,868,643	$2,272,939	($11,365)	$2,261,574	$321,330	$2,582,905
2024-25	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2025-26	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2026-27	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2027-28	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2028-29	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2029-30	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2030-31	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2031-32	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2032-33	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2033-34	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2034-35	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2035-36	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2036-37	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2037-38	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2038-39	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2039-40	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2040-41	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2041-42	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2042-43	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2043-44	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2044-45	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2045-46	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2046-47	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2047-48	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2048-49	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2049-50	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2050-51	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2051-52	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2052-53	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2053-54	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2054-55	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2055-56	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2056-57	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2057-58	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2058-59	4,868,643	2,272,939	(11,365)	2,261,574	321,330	2,582,905
2059-60	1,721,754	803,805	(4,019)	799,786	113,636	913,422
2060-61	1,721,754	803,805	(4,019)	799,786	113,636	913,422
2061-62	1,721,754	803,805	(4,019)	799,786	113,636	913,422

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 14. Projection of Pledged Housing Increment, No Growth Projection						
	A.	B.	C.	D.	E.	F.
	Gross Tax Increment = 1% x Table 17 Incremental Assessed Value for areas Collecting TI	**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost (1)	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
	1% x AV	9.90294%	0.50%	=B.+C.	1.40000%	=D.+E.
2023-24	$4,868,643	$482,139	($2,411)	$479,728	$68,161	$547,889
2024-25	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2025-26	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2026-27	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2027-28	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2028-29	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2029-30	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2030-31	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2031-32	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2032-33	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2033-34	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2034-35	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2035-36	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2036-37	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2037-38	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2038-39	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2039-40	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2040-41	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2041-42	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2042-43	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2043-44	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2044-45	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2045-46	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2046-47	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2047-48	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2048-49	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2049-50	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2050-51	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2051-52	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2052-53	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2053-54	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2054-55	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2055-56	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2056-57	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2057-58	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2058-59	4,868,643	482,139	(2,411)	479,728	68,161	547,889
2059-60	1,721,754	170,504	(853)	169,652	24,105	193,756
2060-61	1,721,754	170,504	(853)	169,652	24,105	193,756
2061-62	1,721,754	170,504	(853)	169,652	24,105	193,756

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 15. Projection of Pledged Facilities Increment, 2% Growth Projection						
	A.	B.	C.	D.	E.	F.
	Gross Tax Increment = 1% x Table 18 Incremental Assessed Value for areas Collecting TI	**Net Available Facilities Increment**			Conditional City Facilities Increment	**Pledged Facilities Increment**
Fiscal Year		Total	Prop Tax Admin Cost (1)	After Prop Tax Admin		
	1% x AV	46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.
2023-24	$4,868,643	$2,272,939	($11,365)	$2,261,574	$321,330	$2,582,905
2024-25	4,966,016	2,318,398	(11,592)	2,306,806	327,757	2,634,563
2025-26	5,065,336	2,364,766	(11,824)	2,352,942	334,312	2,687,254
2026-27	5,166,643	2,412,061	(12,060)	2,400,001	340,998	2,740,999
2027-28	5,269,975	2,460,302	(12,302)	2,448,001	347,818	2,795,819
2028-29	5,375,375	2,509,508	(12,548)	2,496,961	354,775	2,851,736
2029-30	5,482,883	2,559,699	(12,798)	2,546,900	361,870	2,908,770
2030-31	5,592,540	2,610,892	(13,054)	2,597,838	369,108	2,966,946
2031-32	5,704,391	2,663,110	(13,316)	2,649,795	376,490	3,026,285
2032-33	5,818,479	2,716,373	(13,582)	2,702,791	384,020	3,086,810
2033-34	5,934,848	2,770,700	(13,853)	2,756,846	391,700	3,148,546
2034-35	6,053,545	2,826,114	(14,131)	2,811,983	399,534	3,211,517
2035-36	6,174,616	2,882,636	(14,413)	2,868,223	407,525	3,275,748
2036-37	6,298,109	2,940,289	(14,701)	2,925,588	415,675	3,341,263
2037-38	6,424,071	2,999,095	(14,995)	2,984,099	423,989	3,408,088
2038-39	6,552,552	3,059,077	(15,295)	3,043,781	432,468	3,476,250
2039-40	6,683,603	3,120,258	(15,601)	3,104,657	441,118	3,545,775
2040-41	6,817,275	3,182,663	(15,913)	3,166,750	449,940	3,616,690
2041-42	6,953,621	3,246,317	(16,232)	3,230,085	458,939	3,689,024
2042-43	7,092,693	3,311,243	(16,556)	3,294,687	468,118	3,762,804
2043-44	7,711,647	3,600,203	(18,001)	3,582,202	508,969	4,091,171
2044-45	7,865,880	3,672,207	(18,361)	3,653,846	519,148	4,172,994
2045-46	8,023,197	3,745,651	(18,728)	3,726,923	529,531	4,256,454
2046-47	8,183,661	3,820,564	(19,103)	3,801,462	540,122	4,341,583
2047-48	8,347,335	3,896,976	(19,485)	3,877,491	550,924	4,428,415
2048-49	8,514,281	3,974,915	(19,875)	3,955,041	561,943	4,516,983
2049-50	8,684,567	4,054,413	(20,272)	4,034,141	573,181	4,607,323
2050-51	8,858,258	4,135,502	(20,678)	4,114,824	584,645	4,699,469
2051-52	9,035,423	4,218,212	(21,091)	4,197,121	596,338	4,793,459
2052-53	9,216,132	4,302,576	(21,513)	4,281,063	608,265	4,889,328
2053-54	9,400,454	4,388,628	(21,943)	4,366,684	620,430	4,987,114
2054-55	9,588,464	4,476,400	(22,382)	4,454,018	632,839	5,086,857
2055-56	9,780,233	4,565,928	(22,830)	4,543,098	645,495	5,188,594
2056-57	9,975,837	4,657,247	(23,286)	4,633,960	658,405	5,292,366
2057-58	10,175,354	4,750,392	(23,752)	4,726,640	671,573	5,398,213
2058-59	10,378,861	4,845,399	(24,227)	4,821,172	685,005	5,506,177
2059-60	4,167,139	1,945,440	(9,727)	1,935,713	275,031	2,210,744
2060-61	4,250,482	1,984,349	(9,922)	1,974,427	280,532	2,254,959
2061-62	4,335,492	2,024,036	(10,120)	2,013,916	286,142	2,300,058

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 16. Projection of Pledged Housing Increment, 2% Growth Projection						
	A.	B.	C.	D.	E.	F.
	Gross Tax Increment = 1% x Table 18 Incremental Assessed Value for areas Collecting TI	**Net Available Housing Increment**				
Fiscal Year		Total	Prop Tax Admin Cost (1)	After Prop Tax Admin	Conditional City Housing Increment	**Pledged Housing Increment**
	1% x AV	9.90294%	0.50%	=B.+C.	1.40000%	=D.+E.
2023-24	$4,868,643	$482,139	($2,411)	$479,728	$68,161	$547,889
2024-25	4,966,016	491,781	(2,459)	489,322	69,524	558,847
2025-26	5,065,336	501,617	(2,508)	499,109	70,915	570,024
2026-27	5,166,643	511,649	(2,558)	509,091	72,333	581,424
2027-28	5,269,975	521,882	(2,609)	519,273	73,780	593,053
2028-29	5,375,375	532,320	(2,662)	529,658	75,255	604,914
2029-30	5,482,883	542,966	(2,715)	540,252	76,760	617,012
2030-31	5,592,540	553,826	(2,769)	551,057	78,296	629,352
2031-32	5,704,391	564,902	(2,825)	562,078	79,861	641,939
2032-33	5,818,479	576,200	(2,881)	573,319	81,459	654,778
2033-34	5,934,848	587,724	(2,939)	584,786	83,088	667,873
2034-35	6,053,545	599,479	(2,997)	596,481	84,750	681,231
2035-36	6,174,616	611,468	(3,057)	608,411	86,445	694,856
2036-37	6,298,109	623,698	(3,118)	620,579	88,174	708,753
2037-38	6,424,071	636,172	(3,181)	632,991	89,937	722,928
2038-39	6,552,552	648,895	(3,244)	645,651	91,736	737,386
2039-40	6,683,603	661,873	(3,309)	658,564	93,570	752,134
2040-41	6,817,275	675,110	(3,376)	671,735	95,442	767,177
2041-42	6,953,621	688,613	(3,443)	685,170	97,351	782,520
2042-43	7,092,693	702,385	(3,512)	698,873	99,298	798,171
2043-44	7,711,647	763,679	(3,818)	759,861	107,963	867,824
2044-45	7,865,880	778,953	(3,895)	775,058	110,122	885,181
2045-46	8,023,197	794,532	(3,973)	790,559	112,325	902,884
2046-47	8,183,661	810,423	(4,052)	806,371	114,571	920,942
2047-48	8,347,335	826,631	(4,133)	822,498	116,863	939,361
2048-49	8,514,281	843,164	(4,216)	838,948	119,200	958,148
2049-50	8,684,567	860,027	(4,300)	855,727	121,584	977,311
2050-51	8,858,258	877,228	(4,386)	872,842	124,016	996,857
2051-52	9,035,423	894,772	(4,474)	890,298	126,496	1,016,794
2052-53	9,216,132	912,668	(4,563)	908,104	129,026	1,037,130
2053-54	9,400,454	930,921	(4,655)	926,266	131,606	1,057,873
2054-55	9,588,464	949,539	(4,748)	944,792	134,238	1,079,030
2055-56	9,780,233	968,530	(4,843)	963,688	136,923	1,100,611
2056-57	9,975,837	987,901	(4,940)	982,961	139,662	1,122,623
2057-58	10,175,354	1,007,659	(5,038)	1,002,621	142,455	1,145,075
2058-59	10,378,861	1,027,812	(5,139)	1,022,673	145,304	1,167,977
2059-60	4,167,139	412,669	(2,063)	410,606	58,340	468,946
2060-61	4,250,482	420,923	(2,105)	418,818	59,507	478,325
2061-62	4,335,492	429,341	(2,147)	427,194	60,697	487,891

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 17. Projection of Assessed Values, No Growth Projection							
Fiscal Year	Projection of Assessed Values by Project Area					Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = $0)	
	Area A	Area B	Area C	Area D	Area E	AV Total	Areas
2023-24(1)	$314,688,909	$98,331,576	$1,933,965	$32,107,450	$73,843,791	$486,864,276	A, B, E
2024-25	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2025-26	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2026-27	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2027-28	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2028-29	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2029-30	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2030-31	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2031-32	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2032-33	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2033-34	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2034-35	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2035-36	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2036-37	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2037-38	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2038-39	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2039-40	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2040-41	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2041-42	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2042-43	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2043-44	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2044-45	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2045-46	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2046-47	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2047-48	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2048-49	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2049-50	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2050-51	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2051-52	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2052-53	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2053-54	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2054-55	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2055-56	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2056-57	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2057-58	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2058-59	314,688,909	98,331,576	1,933,965	32,107,450	73,843,791	486,864,276	A, B, E
2059-60		98,331,576	1,933,965	32,107,450	73,843,791	172,175,367	B, E
2060-61		98,331,576	1,933,965	32,107,450	73,843,791	172,175,367	B, E
2061-62		98,331,576	1,933,965	32,107,450	73,843,791	172,175,367	B, E

(1) Assessor reported values for FY 2023-24.

(2) Reported FY 2023-24 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, 2% Growth Projection

Fiscal Year	Projection of Assessed Values by Project Area: Area A	Area B	Area C	Area D	Area E	Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = $0): AV Total	Areas
2023-24(1)	$314,688,909	$98,331,576	$1,933,965	$32,107,450	$73,843,791	$486,864,276	A, B, E
2024-25	320,982,687	100,298,208	1,972,644	32,749,599	75,320,667	496,601,562	A, B, E
2025-26	327,402,341	102,304,172	2,012,097	33,404,591	76,827,080	506,533,593	A, B, E
2026-27	333,950,388	104,350,255	2,052,339	34,072,683	78,363,622	516,664,265	A, B, E
2027-28	340,629,395	106,437,260	2,093,386	34,754,136	79,930,894	526,997,550	A, B, E
2028-29	347,441,983	108,566,005	2,135,254	35,449,219	81,529,512	537,537,501	A, B, E
2029-30	354,390,823	110,737,326	2,177,959	36,158,204	83,160,102	548,288,251	A, B, E
2030-31	361,478,640	112,952,072	2,221,518	36,881,368	84,823,304	559,254,016	A, B, E
2031-32	368,708,212	115,211,113	2,265,948	37,618,995	86,519,770	570,439,096	A, B, E
2032-33	376,082,377	117,515,336	2,311,267	38,371,375	88,250,166	581,847,878	A, B, E
2033-34	383,604,024	119,865,642	2,357,493	39,138,802	90,015,169	593,484,836	A, B, E
2034-35	391,276,105	122,262,955	2,404,642	39,921,578	91,815,473	605,354,532	A, B, E
2035-36	399,101,627	124,708,214	2,452,735	40,720,010	93,651,782	617,461,623	A, B, E
2036-37	407,083,659	127,202,379	2,501,790	41,534,410	95,524,818	629,810,856	A, B, E
2037-38	415,225,332	129,746,426	2,551,826	42,365,098	97,435,314	642,407,073	A, B, E
2038-39	423,529,839	132,341,355	2,602,862	43,212,400	99,384,020	655,255,214	A, B, E
2039-40	432,000,436	134,988,182	2,654,920	44,076,648	101,371,701	668,360,318	A, B, E
2040-41	440,640,445	137,687,946	2,708,018	44,958,181	103,399,135	681,727,525	A, B, E
2041-42	449,453,253	140,441,704	2,762,178	45,857,345	105,467,117	695,362,075	A, B, E
2042-43	458,442,319	143,250,539	2,817,422	46,774,492	107,576,460	709,269,317	A, B, E
2043-44	467,611,165	146,115,549	2,873,770	47,709,982	109,727,989	771,164,685	A, B, D, E
2044-45	476,963,388	149,037,860	2,931,246	48,664,181	111,922,549	786,587,979	A, B, D, E
2045-46	486,502,656	152,018,617	2,989,871	49,637,465	114,161,000	802,319,738	A, B, D, E
2046-47	496,232,709	155,058,990	3,049,668	50,630,214	116,444,220	818,366,133	A, B, D, E
2047-48	506,157,363	158,160,170	3,110,661	51,642,819	118,773,104	834,733,456	A, B, D, E
2048-49	516,280,510	161,323,373	3,172,875	52,675,675	121,148,566	851,428,125	A, B, D, E
2049-50	526,606,121	164,549,840	3,236,332	53,729,188	123,571,537	868,456,687	A, B, D, E
2050-51	537,138,243	167,840,837	3,301,059	54,803,772	126,042,968	885,825,821	A, B, D, E
2051-52	547,881,008	171,197,654	3,367,080	55,899,848	128,563,828	903,542,337	A, B, D, E
2052-53	558,838,628	174,621,607	3,434,421	57,017,845	131,135,104	921,613,184	A, B, D, E
2053-54	570,015,401	178,114,039	3,503,110	58,158,201	133,757,806	940,045,448	A, B, D, E
2054-55	581,415,709	181,676,320	3,573,172	59,321,366	136,432,962	958,846,357	A, B, D, E
2055-56	593,044,023	185,309,846	3,644,636	60,507,793	139,161,622	978,023,284	A, B, D, E
2056-57	604,904,903	189,016,043	3,717,528	61,717,949	141,944,854	997,583,749	A, B, D, E
2057-58	617,003,001	192,796,364	3,791,879	62,952,308	144,783,751	1,017,535,424	A, B, D, E
2058-59	629,343,061	196,652,292	3,867,716	64,211,354	147,679,426	1,037,886,133	A, B, D, E
2059-60		200,585,337	3,945,071	65,495,581	150,633,015	416,713,933	B, D, E
2060-61		204,597,044	4,023,972	66,805,493	153,645,675	425,048,212	B, D, E
2061-62		208,688,985	4,104,452	68,141,602	156,718,588	433,549,176	B, D, E

(1) Assessor reported values for FY 2023-24.

(2) Projection for FY 2024-25 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 or the City as to the certainty of the projected tax increment and assessed values incorporated into this report. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, changes in assessor valuation standards, or the non-payment of taxes due.

KMA is not advising or recommending any action be taken by the City, TIDA, or IRFD No. 1 with respect to any prospective new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues). KMA is not acting as a municipal advisor and does not assume any fiduciary duty, including, without limitation, a fiduciary duty pursuant to Section 15B of the Exchange Act. The City and TIDA should discuss any such information and material contained in this report with internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information.

Table 19. Assessed Value History	2018-19	2019-20	2020-21	2021-22 (1)	2022-23	2023-24
Project Area A	*TI Trigger (2)*	<--------------------------	*TI collection commenced*	--------------------------->		
Land	68,568,818	70,090,194	90,611,492	163,404,923	169,727,537	173,645,008
Structure	0	0	11,474,105	37,710,000	117,354,086	141,043,901
Subtotal	68,568,818	70,090,194	102,085,597	201,114,923	287,081,623	314,688,909
Project Area B				TI Trigger (2)	TI Commenced	
Land	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	90,015,376
Structure	0	0	0	0	0	8,316,200
Subtotal	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	98,331,576
Project Area E				TI Trigger (2)	TI Commenced	
Land	577,630	972,038	991,477	25,900,000	26,795,314	43,886,977
Structure	0	0	0	0	6,266,026	29,956,814
Subtotal	577,630	972,038	991,477	25,900,000	33,061,340	73,843,791
Project Area C						
Land	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965
Structure	0	0	0	0	0	0
Subtotal	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965
Project Area D						
Land	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450
Structure	0	0	0	0	0	0
Subtotal	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450
Total - All Project Areas						
Land	78,646,648	80,369,574	101,095,581	241,386,839	282,074,721	341,588,776
Structure	0	0	11,474,105	37,710,000	123,620,112	179,316,915
Subtotal	78,646,648	80,369,574	112,569,686	279,096,839	405,694,833	520,905,691
Project Areas Where Increment Collection is Commenced (2)						
Applicable Project Areas	N/A	A	A	A	A, B, E	A, B, E
Land	**0**	**70,090,194**	**90,611,492**	**163,404,923**	**248,700,783**	**307,547,361**
Structure	**0**	**0**	**11,474,105**	**37,710,000**	**123,620,112**	**179,316,915**
Subtotal	**0**	**70,090,194**	**102,085,597**	**201,114,923**	**372,320,895**	**486,864,276**

(1) Includes $115,203,884 in escape roll assessed value and reflects a roll correction that reduced the FY 2021-22 assessed value of two parcels by a combined by $2,846,434.

(2) Collection of TI commences in the year following the year in which the applicable tax increment trigger amount is reached, $150,000 for areas A, B, E and $300,000 for areas C and D.

Note: Assessed value and incremental assessed value are the same as the base year assessed value is zero. Unsecured roll assessed value is zero for all applicable years.

Source: Assessor.

Values in grey do not contribute to tax increment in the applicable years.

Table 20. IRFD No. 1 FY 2023-24 Assessed Values by Block and APN					
			FY 2023-24 Assessor Reported Assessed Value		
IRFD Area	Development Block	APN	Land	Improvements	Total
A	1Y	8948-001	$81,966,873	$0	$81,966,873
A	2Y-H	8949-002	$0	$0	$0
A	3Y	8952-001	$17,161,629	$1,649,619	$18,811,248
A	4Y	8954-004	$24,989,235	$33,351,202	$58,340,437
A	4Y (Bristol)	8954-059 through 182	$49,527,271	$106,043,080	$155,570,351
B	B1	8901-003	$9,376,580	$0	$9,376,580
B	B1	8901-004	$4,109,580	$0	$4,109,580
B	C2.2 (Hawkins)	8903-004	$21,031,696	$3,114,115	$24,145,811
B	C2.3	8904-004	$11,444,400	$0	$11,444,400
B	C3.3/C3.4 (Portico)	8906-009	$44,053,120	$5,202,085	$49,255,205
E	C2.4 (Isle House)	8904-005	$43,886,977	$29,956,814	$73,843,791
E	n/a	1939 112	$0	$0	$0
E	n/a	1939 177	$0	$0	$0
E	n/a	1939 178	$0	$0	$0
E	n/a	1939 179	$0	$0	$0
E	C2-H	1939-180	$0	$0	$0
C	C1.1&2	8902-004	$1,933,965	$0	$1,933,965
D	C2.1	8903-003	$1,311,610	$0	$1,311,610
D	C3.5	8906-007	$30,473,316	$0	$30,473,316
D	C3.5	8906-008	$322,524	$0	$322,524
Total - All Project Areas			$341,588,776	$179,316,915	$520,905,691
Total - Project Areas Collecting TI in FY 2023-24 (1)			$307,547,361	$179,316,915	$486,864,276

Source: Assessor

(1) Total assessed value for Project Areas A, B, and E for which tax increment allocation has commenced as of FY 2023-24.

Values in grey do not contribute to tax increment in FY 2023-24.