

1 [Issuance of Development Special Tax Bonds - City and County of San Francisco Special Tax
2 District No. 2020-1 (Mission Rock Facilities and Services) - Not to Exceed Aggregate Principal
Amount of \$64,900,000]

3
4 **Resolution authorizing the issuance and sale of one or more series of Development**
5 **Special Tax Bonds for City and County of San Francisco Special Tax District No. 2020-1**
6 **(Mission Rock Facilities and Services) in the aggregate principal amount not to exceed**
7 **\$64,900,000, supplementing Resolution No. 196-20; approving related documents, as**
8 **defined herein, including an Official Statement, a First Supplement to Fiscal Agent**
9 **Agreement, Bond Purchase Agreement, and Continuing Disclosure Certificate; and**
10 **determining other matters in connection therewith, as defined herein.**

11
12 WHEREAS, California Statutes of 1968, Chapter 1333 ("Burton Act") and San
13 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the
14 City and County of San Francisco ("City"), acting through the San Francisco Port Commission
15 ("Port" or "Port Commission"), with the power and duty to use, conduct, operate, maintain,
16 manage, regulate, and control the lands within Port jurisdiction; and

17 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company
18 ("Master Developer") and the City, acting by and through the Port, are parties to a Disposition
19 and Development Agreement (as amended from time to time, "DDA"), including a Financing
20 Plan (as amended from time to time, "Financing Plan"), that governs the disposition and
21 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53
22 acres located at Terry A. Francois Boulevard from Third Street to Mission Rock Street, China
23 Basin Park and ½ acre to the east of Terry A. Francois Boulevard between Pier 48 and Pier
24 50 ("Project Site"), and also provides for development of Pier 48, which DDA was approved by
25 the Board of Supervisors of the City ("Board of Supervisors" or "Board") by Resolution No. 42-

1 18, adopted on February 13, 2018, signed by the Mayor on February 23, 2018, and a copy of
2 which is in Board File No. 180092 (“Mission Rock Project Resolution”); and

3 WHEREAS, The Port collaborated with the State Lands Commission and the
4 Legislature to amend the Burton Act to lift or suspend certain statutory trust use restrictions
5 that impeded the Port’s ability to realize the development potential of Port lands; and under
6 Senate Bill 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) (“SB 815”), the
7 Port is authorized to lease certain seawall lots south of Market Street, including the Project
8 Site, for nontrust purposes, providing revenues for rehabilitation of historic wharves and piers
9 and other trust uses; SB 815 allows long-term nontrust uses that are otherwise not
10 permissible under the Burton Act as a primary mechanism to generate Port revenues for trust
11 purposes, including the construction of infrastructure needed for development; and

12 WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock
13 Affordable Housing, Parks, Jobs and Historic Preservation Initiative (“Proposition D”), which
14 authorized increased height limits on the Project Site, subject to environmental review, and
15 established a City policy to encourage development of the Project Site; Proposition D
16 specifically provides that it is intended to encourage and implement the lease and
17 development of the Project Site as described in SB 815 to support the purposes of the Burton
18 Act, especially the preservation of historic piers and historic structures and construction of
19 waterfront plazas and open space; and

20 WHEREAS, The proposed development of the Project Site, which is commonly
21 referred to as the Mission Rock project (“Project”), will be a new mixed-use neighborhood that
22 is proposed to include a mix of commercial/office, retail, parking, and market rate and
23 affordable residential uses and approximately eight acres of new and expanded parks and
24 shoreline access; and

25 WHEREAS, Under the DDA, (i) the Master Developer is responsible for master

1 development of the Project Site, including construction of public infrastructure, (ii) the Port and
2 Master Developer will enter into a master lease for all of the Project Site, (iii) the Port will
3 convey development parcels to vertical developers and those parcels will be released from
4 the master lease, and (iv) the Port may enter into a separate lease with the Master Developer
5 (or an affiliate of Master Developer) for development of Pier 48; and

6 WHEREAS, The City anticipates that, in addition to the infrastructure and private
7 development described above, future improvements will be necessary to ensure that the
8 shoreline, public facilities, and public access improvements will be protected should sea level
9 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
10 mechanism to pay for the costs of such improvements; and

11 WHEREAS, At its hearing on October 5, 2017, and prior to recommending proposed
12 Planning Code amendments for approval, by Motion No. M-20017, the Planning Commission
13 certified a Final Environmental Impact Report (“FEIR”) for the Project pursuant to the
14 California Environmental Quality Act (“CEQA”) (California Public Resources Code, Section
15 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg., Section 15000 et seq.), and
16 Administrative Code, Chapter 31; a copy of said Motion is on file with the Clerk of the Board in
17 File No. 171117, and is incorporated herein by reference; and

18 WHEREAS, In recommending proposed Planning Code amendments for approval by
19 the Board at its hearing on October 5, 2017, by Motion No. M-20018, the Planning
20 Commission also adopted findings under CEQA, including a statement of overriding
21 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”), and copies of
22 said Motion and MMRP are on file with the Clerk of the Board in File No. 171117, and are
23 incorporated herein by reference; and

24 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
25 it may be amended from time to time, “Code”), which Code incorporates by reference the

1 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), the Board is
2 authorized to establish a special tax district and to act as the legislative body for a special tax
3 district; and

4 WHEREAS, The Board of Supervisors has conducted proceedings under and pursuant
5 to the Code to form “City and County of San Francisco Special Tax District No. 2020-1
6 (Mission Rock Facilities and Services)” (“Special Tax District”), to authorize the levy of special
7 taxes upon the land within the Special Tax District pursuant to a rate and method of
8 apportionment of special tax (“Rate and Method”) and to authorize the issuance of bonds and
9 other debt (as defined in the Mello-Roos Act) secured by said special taxes for the purpose of
10 financing certain improvements (“Facilities”) and incidental expenses (“incidental expenses”),
11 all as described in those proceedings; and

12 WHEREAS, The Board of Supervisors has determined that such debt may include an
13 agreement by the Special Tax District (or the City on behalf of the Special Tax District) to
14 repay the City, acting by and through the Port Commission, for one or more advances of land
15 proceeds and other sources of Port funding to pay the costs of the Facilities and incidental
16 expenses (“Advances”), which repayment obligation (“Repayment Obligation”) may be
17 evidenced by one or more promissory notes ratified or executed by the Special Tax District (or
18 the City on behalf of the Special Tax District) in favor of the Port Commission; and

19 WHEREAS, The Board of Supervisors conducted a special election of the qualified
20 elector in the Special Tax District on April 20, 2020, and the issues presented at the special
21 election included the incurring of bonded indebtedness and other debt in the maximum
22 aggregate principal amount of \$3,700,000,000 (“Limit”), which Limit was to be calculated in
23 accordance with Resolution No. 161-20, which was adopted on April 14, 2020, and signed by
24 Mayor London Breed on April 24, 2020 (“Resolution of Necessity”); and

25

1 WHEREAS, In the Resolution of Necessity, the Board of Supervisors resolved that
2 because the City expects to repay the Repayment Obligation with, among other sources,
3 special taxes levied in the Special Tax District and proceeds of bonded indebtedness and
4 other debt incurred by or on behalf of the Special Tax District, (i) the Repayment Obligation
5 shall be included in the calculation of the Limit and (ii) any such bonded indebtedness or other
6 debt (as defined in the Mello-Roos Act) incurred by or on behalf of the Special Tax District to
7 repay the Repayment Obligation (and the related costs of issuance and costs of funding a
8 debt service reserve fund) shall not be included in the calculation of the Limit; and

9 WHEREAS, Pursuant to Resolution No. 196-20, which was adopted on May 5, 2020,
10 and signed by Mayor London Breed on May 15, 2020 (“Original Resolution of Issuance”), the
11 Board of Supervisors authorized the issuance of up to \$3,700,000,000 of bonded
12 indebtedness and other debt on behalf of the Special Tax District and directed staff to prepare
13 documentation for such bonded indebtedness and other debt and return to the Board of
14 Supervisors for approval of such documentation; and

15 WHEREAS, Section 43.10.15.2 of the Code authorizes the City, on behalf of the
16 Special Tax District, to enter into an agreement with any third party that pledges to the Special
17 Tax District funds that will be used to pay for facilities or services that the Special Tax District
18 is authorized to finance or to pay debt service on bonds or debt issued by or for the Special
19 Tax District; and

20 WHEREAS, Under California Government Code, Sections 53395 et seq. (“IFD Law”),
21 the Board of Supervisors is authorized to establish an infrastructure financing district and to
22 act as the legislative body for such an infrastructure financing district; more specifically, the
23 Board of Supervisors is authorized to establish “waterfront districts” under IFD Law, Section
24 53395.8, including one or more waterfront districts; and

1 WHEREAS, By Ordinance No. 27-16, which the Board of Supervisors adopted on
2 March 1, 2016, and which was signed by Mayor Edwin Lee on March 11, 2016 (“Ordinance
3 Establishing IFD”), the Board of Supervisors, among other things, declared “City and County
4 of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)” (“IFD”) to be
5 fully formed and established, approved an infrastructure financing plan for the IFD (“IFD
6 Infrastructure Financing Plan”), and designated initial proposed project areas within the IFD;
7 and

8 WHEREAS, In accordance with the DDA, by Ordinance No. 34-18, which the Board of
9 Supervisors adopted on February 27, 2018, and which was signed by the Mayor on March 6,
10 2018 (“Ordinance Establishing Project Area I and Sub-Project Areas I-1 through I-13”), the
11 Board of Supervisors, among other things, declared the following project area (“Project Area
12 I”) and sub-project areas (collectively, “Sub-Project Areas”) within the Project Site to be fully
13 formed and established and approved Appendix I to the IFD Infrastructure Financing Plan: (i)
14 “Project Area I (Mission Rock),” (ii) “Sub-Project Area I-1 (Mission Rock),” (iii) “Sub-Project
15 Area I-2 (Mission Rock),” (iv) “Sub-Project Area I-3 (Mission Rock),” (v) “Sub-Project Area I-4
16 (Mission Rock),” (vi) “Sub-Project Area I-5 (Mission Rock),” (vii) “Sub-Project Area I-6 (Mission
17 Rock),” (viii) “Sub-Project Area I-7 (Mission Rock),” (ix) “Sub-Project Area I-8 (Mission Rock),”
18 (x) “Sub-Project Area I-9 (Mission Rock),” (xi) “Sub-Project Area I-10 (Mission Rock),” (xii)
19 “Sub-Project Area I-11 (Mission Rock),” (xiii) “Sub-Project Area I-12 (Mission Rock),” and (xiv)
20 “Sub-Project Area I-13 (Mission Rock);” and

21 WHEREAS, Under Section 53395.2 of the IFD Law, the IFD is authorized to pledge
22 revenues available from the Sub-Project Areas and allocated to it pursuant to Article 3 of the
23 IFD Law (commencing with Section 53396) to pay the principal of, and interest on, bonds
24 issued pursuant to the Mello-Roos Act, the proceeds of which have been or will be used
25 entirely for allowable purposes of the IFD; and

1 WHEREAS, By Resolution No. 37-18, which the Board of Supervisors adopted on
2 February 13, 2018, and which was signed by Mayor Mark Farrell on February 23, 2018
3 (“Original Pledge Resolution”), the Board of Supervisors, acting as the legislative body of the
4 IFD, authorized execution of one or more pledge agreements by the IFD that provides, among
5 other things, for the pledge of tax increment revenues allocated to the IFD with respect to all
6 or any of the Sub-Project Areas, as applicable, to bonds issued for a special tax district that is
7 formed by the Board of Supervisors to finance all or any of the facilities that can be financed
8 by the IFD with tax increment generated in the Sub-Project Areas; and

9 WHEREAS, A default judgment was entered on October 17, 2019, by the Superior
10 Court of the County of San Francisco in a judicial validation action related to, among other
11 things, the IFD, the Sub-Project Areas and such pledge agreements (Case No. CGC-18-
12 565561) (“Validation Judgment”); and

13 WHEREAS, Pursuant to Resolution No. 565-20, which was approved by the Board of
14 Supervisors on December 8, 2020, and signed by the Mayor on December 18, 2020 (“First
15 Supplemental Resolution of Issuance”), the Board of Supervisors previously authorized the
16 issuance of special tax bonds on behalf of the Special Tax District denominated City and
17 County of San Francisco Community Facilities District No. 2020-1 (Mission Rock Facilities
18 and Services) Development Special Tax Bonds, Series 2021A (“2021A Bonds”) pursuant to a
19 Fiscal Agent Agreement (“Master Fiscal Agent Agreement”), by and between the City and
20 Zions Bancorporation, National Association, as fiscal agent (“Fiscal Agent”); and

21 WHEREAS, Pursuant to Resolution No. 569-20, which was approved by the Board of
22 Supervisors on December 8, 2020, and signed by the Mayor on December 18, 2020 (“First
23 Supplemental Pledge Resolution”) the Board of Supervisors, acting as the legislative body of
24 the IFD, authorized the execution and delivery of a Pledge Agreement, by and among the
25 City, for and on behalf of the Special Tax District, the IFD and the Fiscal Agent, and such

1 Pledge Agreement is expected to be executed and delivered upon the issuance of the 2021A
2 Bonds; and

3 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
4 Resolution of Issuance to provide for the issuance of one or more additional series of special
5 tax bonds (the “2021B Bonds”), which will be payable from Revenues (as defined in the
6 Master Fiscal Agent Agreement) on a parity basis with the 2021A Bonds, to finance a portion
7 of the Facilities and related costs and expenses; and

8 WHEREAS, The Revenues include (a) revenue from the Development Special Tax
9 levied under the Rate and Method, and not from other special taxes that may be levied under
10 the Rate and Method and (b) certain payments made by the IFD under the Pledge
11 Agreement; and

12 WHEREAS, In accordance with the Resolution of Necessity, to the extent that
13 proceeds of the 2021B Bonds are used to repay the Repayment Obligation, the corresponding
14 principal amount of the 2021B Bonds shall not be subtracted from the Limit; and

15 WHEREAS, There has been submitted to this Board of Supervisors a form of a First
16 Supplement to the Fiscal Agent Agreement between the City and the Fiscal Agent (“First
17 Supplement”; together with the Master Fiscal Agent Agreement, the “Fiscal Agent
18 Agreement”), which supplements the Master Fiscal Agent Agreement for the purposes of
19 issuing one or more additional series of 2021B Bonds, and this Board of Supervisors with the
20 aid of its staff has reviewed the First Supplement and found it to be in proper order; and

21 WHEREAS, There has also been submitted to the Board of Supervisors a form of
22 preliminary Official Statement in connection with the marketing of the 2021B Bonds, and the
23 Board of Supervisors, with the aid of its staff, has reviewed the preliminary Official Statement
24 (“Preliminary Official Statement”); and

25

1 WHEREAS, The Preliminary Official Statement describes an appraisal (“Appraisal”)
2 prepared by Integra Realty Resources (“Appraiser”) that estimates the fair market value as of
3 February 1, 2021, of the taxable property in the Special Tax District (consisting of leasehold
4 interests in certain parcels owned by the City) to be \$324,890,000; and

5 WHEREAS, The Director of the Office of Public Finance has asked the Appraiser to
6 update the Appraisal between the date hereof and the date of publication of the Preliminary
7 Official Statement so that it reflects more current market conditions; and

8 WHEREAS, On March 23, 2021, staff provided to the Port Commission an update on
9 the Project and plan of finance, including the proposed issuance of the 2021B Bonds, and by
10 Resolution No. 21-11, the Port Commission recommended that the Board of Supervisors, as
11 the legislative body of the Special Tax District, (i) approve the issuance of the 2021B Bonds,
12 in one or more series in the aggregate principal amount not to exceed the lesser of (A)
13 \$68,000,000 and (B) such lower amount required to achieve a 3-to-1 value-to-lien ratio if a
14 revised Appraisal concludes that the market value of the leasehold interests in the taxable
15 parcels in the Special Tax District is lower than \$334,040,000; and (ii) approve related
16 documents and actions; and authorized and directed the Executive Director of the Port to
17 cause the documents described herein to be submitted to the Board of Supervisors for its
18 consideration and to work with the Director of the Office of Public Finance to finalize and
19 cause the distribution of the Preliminary Official Statement; and

20 WHEREAS, A copy of Port Commission Resolution No. 21-11 is in Board File No.
21 210385, and is incorporated in this Resolution by reference; and

22 WHEREAS, On April 5, 2021, after the Port Commission adopted Resolution No. 21-
23 11, the Appraiser delivered an updated Appraisal that reduced the estimated market value of
24 the taxable property in the Special Tax District from \$334,040,000 to \$324,890,000; and
25

1 WHEREAS, In Resolution No. 160-20, which was adopted by the Board of Supervisors
2 on April 14, 2020, and signed by the Mayor on April 24, 2020, a copy of which is in Board File
3 No. 200120 (“Resolution of Formation”), the Board of Supervisors approved and ratified the
4 appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax District,
5 which, under the DDA, includes determining in collaboration with the Office of Public Finance
6 whether, in what amounts, and the terms by which the City will issue special tax bonds on
7 behalf of the Special Tax District; and

8 WHEREAS, The Board of Supervisors has obtained and disclosed the information
9 required to be disclosed pursuant to Government Code, Section 5852.1 with respect to the
10 2021B Bonds; and

11 WHEREAS, All conditions, things and acts required to exist, to have happened and to
12 have been performed precedent to and in the issuance of the 2021B Bonds and the levy of
13 the special taxes as contemplated by this Resolution and the documents referred to herein
14 exist, have happened and have been performed in due time, form and manner as required by
15 applicable law, including the Code; now, therefore, be it

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

17 FURTHER RESOLVED, That pursuant to the Code (including the Mello-Roos Act,
18 which is incorporated therein), the Original Resolution of Issuance, this Resolution and the
19 Fiscal Agent Agreement, the 2021B Bonds are hereby authorized to be issued in one or more
20 series in an aggregate principal amount not to exceed \$64,900,000; except as provided below
21 and, be it

22 FURTHER RESOLVED, That the 2021B Bonds shall be dated, bear interest at the
23 rates, mature on the dates, be issued in the form, be subject to redemption, and otherwise be
24 issued on the terms and conditions, all as set forth in the First Supplement to Fiscal Agent
25 Agreement and in accordance with this Resolution; provided, however, that the interest rate

1 shall not exceed the maximum rate permitted by law; the Fiscal Agent, an Authorized Officer
2 (as defined below) and other responsible officers of the City are hereby authorized and
3 directed to take such actions as are required to cause the delivery of the 2021B Bonds upon
4 receipt of the purchase price thereof; and, be it

5 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
6 authorized to determine, after consultation with the City’s bond counsel, municipal advisors
7 and the Underwriter, (i) the name of the 2021B Bonds, (ii) the number of series of 2021B
8 Bonds to be issued, (iii) the final principal amount of each series of the 2021B Bonds and (iv)
9 whether each series of the 2021B Bonds will be issued as tax-exempt or taxable bonds; and,
10 be it

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

12 (a) The issuance of the 2021B Bonds is in compliance with the Code, the
13 Original Resolution of Issuance, the Fiscal Agent Agreement and the City’s “Amended
14 and Restated Local Goals and Policies for Special Tax Districts and Special Tax
15 Districts” adopted by the Board of Supervisors on November 26, 2013, by Resolution
16 No. 414-13, and signed by Mayor Edwin Lee on November 27, 2013 (“Goals and
17 Policies”);

18 (b) The Appraisal has been prepared consistent with the Goals and Policies;
19 and

20 (c) The current draft of the Appraisal concludes that the taxable property in
21 the Special Tax District has a market value (subject to the various assumptions and
22 conditions set forth in the Appraisal) that would be at least three times the maximum
23 authorized principal amount of the 2021B Bonds approved herein, the principal amount
24 of the outstanding 2021A Bonds and the principal amount of all other bonds
25 outstanding that are secured by a special tax levied pursuant to the Code or the Mello-

1 Roos Act on property within the Special Tax District or a special assessment levied on
2 property within the Special Tax District; and, be it

3 FURTHER RESOLVED, That the Mayor, the Controller, and the Director of the Office
4 of Public Finance, or such other official of the City as may be designated by such officials
5 (each, an “Authorized Officer”) is hereby authorized and directed to execute and deliver the
6 documents approved herein in substantially the form on file with the Clerk of the Board of
7 Supervisors, together with such additions or changes as are approved by such Authorized
8 Officer, including such additions or changes as are necessary or advisable to permit the timely
9 issuance, sale and delivery of the 2021B Bonds; the approval of such additions or changes
10 shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the
11 documents herein specified; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby approves the First
13 Supplement to Fiscal Agent Agreement, in substantially the form on file with the Clerk of the
14 Board of Supervisors; the terms and provisions of the First Supplement to Fiscal Agent
15 Agreement, as executed, are incorporated herein by this reference as if fully set forth herein;
16 an Authorized Officer is hereby authorized and directed to execute the First Supplement to
17 Fiscal Agent Agreement on behalf of the City, with such changes, additions or deletions as
18 may be approved by the Authorized Officer, and the Clerk of the Board of Supervisors is
19 hereby authorized and directed to attest thereto; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby confirms that the
21 Pledge Agreement shall apply to all Bonds issued under the Fiscal Agent Agreement,
22 including the 2021B Bonds, without any further action by the Board of Supervisors, the City,
23 the Special Tax District or the IFD; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
25 Preliminary Official Statement prepared in connection with the 2021B Bonds in substantially

1 the form on file with the Clerk of the Board of Supervisors, together with any changes therein
2 or additions thereto deemed advisable by an Authorized Officer; the Board of Supervisors
3 hereby approves and authorizes the distribution by the underwriter of the 2021B Bonds of the
4 Preliminary Official Statement to prospective purchasers of the 2021B Bonds, and authorizes
5 and directs an Authorized Officer on behalf of the City to deem the Preliminary Official
6 Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934
7 (“Rule”) prior to its distribution to prospective purchasers of the 2021B Bonds; the execution
8 by an Authorized Officer of the final Official Statement, which shall include 2021B Bond
9 pricing information, such other changes and additions thereto deemed advisable by an
10 Authorized Officer, and such information permitted to be excluded from the Preliminary Official
11 Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Official
12 Statement by the City; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
14 the continuing disclosure certificate with respect to the 2021B Bonds in substantially the form
15 attached to the Official Statement (“Continuing Disclosure Certificate”); an Authorized Officer
16 is hereby authorized and directed to complete and execute the Continuing Disclosure
17 Certificate on behalf of the City (for and on behalf of the Special Tax District) with such
18 changes, additions or deletions as may be approved by the Authorized Officer; and, be it

19 FURTHER RESOLVED, That the Bond Purchase Agreement, between the City, for
20 and on behalf of the Special Tax District, and Stifel, Nicolaus & Company, Inc. (“Underwriter”),
21 in substantially the form on file with the Clerk of the Board of Supervisors and made a part
22 hereof as though set forth in full herein, is hereby approved by the Board of Supervisors; an
23 Authorized Officer is hereby authorized and directed to execute and deliver the Bond
24 Purchase Agreement in such form, together with such changes, insertions and omissions that
25 are approved by an Authorized Officer and that are in accordance with the provisions of this

1 Resolution, such execution to be conclusive evidence of such approval; subject to the
2 requirement that the Underwriter's discount on the purchase of the 2021B Bonds may not
3 exceed 1.50% of the par amount of the 2021B Bonds; and, be it

4 FURTHER RESOLVED, That in addition, and pursuant to Section 53345.8 of the
5 Mello-Roos Act, the Board of Supervisors hereby finds and determines that an Authorized
6 Officer may not execute and deliver the Bond Purchase Agreement unless the final, updated
7 version of the Appraisal (reflecting a dated date that is no earlier than 90 days prior to the
8 pricing of the 2021B Bonds) concludes that the taxable property in the Special Tax District has
9 a market value (subject to the various assumptions and conditions set forth in the Appraisal)
10 at least three times the principal amount of the 2021B Bonds to be sold, the principal amount
11 of the outstanding 2021A Bonds and the principal amount of all other bonds outstanding that
12 are secured by a special tax levied pursuant to the Code or the Mello-Roos Act on property
13 within the Special Tax District or a special assessment levied on property within the Special
14 Tax District; the Board of Supervisors hereby approves the negotiated sale of the 2021B
15 Bonds to the Underwriter pursuant to such Bond Purchase Agreement; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby finds that sale of the
17 2021B Bonds to the Underwriter at a negotiated sale pursuant to the Bond Purchase
18 Agreement will result in a lower overall cost than would be achieved by selling the 2021B
19 Bonds at a public sale utilizing competitive bidding; and, be it

20 FURTHER RESOLVED, The Board of Supervisors previously approved the levy on the
21 secured roll of special taxes on possessory interests in the Special Tax District pursuant to
22 Resolution No. 200-20, which was adopted by the Board of Supervisors on May 5, 2020, and
23 approved by the Mayor on May 15, 2020, and the Board of Supervisors agrees to continue
24 levying the Development Special Tax on the secured roll as long as any Bonds (as defined in
25 the Fiscal Agent Agreement) remain outstanding under the Fiscal Agent Agreement; and, be it

1 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
2 the City (including, but not limited to the CFD Agent in accordance with the DDA and the
3 Resolution of Formation) with respect to the establishment of the Special Tax District and the
4 sale and issuance of the 2021A Bonds and the 2021B Bonds are hereby approved, confirmed
5 and ratified, and the appropriate officers and agents of the City (including, but not limited to
6 the CFD Agent in accordance with the DDA and the Resolution of Formation) are hereby
7 authorized and directed to do any and all things and take any and all actions and execute any
8 and all certificates, agreements and other documents, which they, or any of them, may deem
9 necessary or advisable in order to consummate the lawful issuance and delivery of the 2021B
10 Bonds in accordance with this Resolution, including but not limited to any actions required in
11 connection with issuance of ratings or obtaining a municipal bond insurance policy with
12 respect to the 2021B Bonds, and any certificate, agreement, and other document described in
13 the documents herein approved; all actions to be taken by an Authorized Officer, as defined
14 herein, may be taken by such Authorized Officer or any designee, with the same force and
15 effect as if taken by the Authorized Officer; and, be it

16 FURTHER RESOLVED, That this Resolution shall take effect from and after its
17 adoption and approval.

18

19 APPROVED AS TO FORM:

20 DENNIS J. HERRERA
21 City Attorney

22 By: /s/
23 MARK D. BLAKE
24 Deputy City Attorney

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