

File No. 200977

Committee Item No. 11
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 15, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

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Completed by: Linda Wong Date September 9, 2020
Completed by: Linda Wong Date _____

1 [Annexation of Property - Community Facilities District No. 2016-1 (Treasure Island) as
2 Improvement Area No. 2]

3 **Resolution confirming that property is annexed to the City and County of San**
4 **Francisco Community Facilities District No. 2016-1 (Treasure Island) as Improvement**
5 **Area No. 2 of the City and County of San Francisco Community Facilities District No.**
6 **2016-1 (Treasure Island); and determining other matters in connection therewith, as**
7 **defined herein.**

8
9 WHEREAS, On January 24, 2017, pursuant to the Mello-Roos Community Facilities
10 Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of
11 the California Government Code ("Mello-Roos Act"), this Board of Supervisors ("Board of
12 Supervisors") adopted its Resolution No. 8-17 ("Resolution of Formation"), which (a)
13 established the "City and County of San Francisco Community Facilities District No. 2016-1
14 (Treasure Island)" ("CFD"), "Improvement Area No. 1 of the City and County of San Francisco
15 Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and
16 the "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure
17 Island) (Future Annexation Area)" ("Future Annexation Area"), (b) authorized the levy of a
18 special tax on property within Improvement Area No. 1 and (c) preliminarily established an
19 appropriations limit for Improvement Area No. 1; and

20 WHEREAS, The boundaries of the CFD, Improvement Area No. 1 and the Future
21 Annexation Area are set forth in the boundary map recorded on December 20, 2016, at 1:53
22 p.m., as Document No. 2016-K377867-00 in Book 001 at Page 14 of the Book of Maps of
23 Assessment and Community Facilities Districts in the Office of the Assessor-Recorder; and

24 WHEREAS, In the Resolution of Formation, this Board of Supervisors resolved that
25 parcels within the Future Annexation Area shall be annexed to the CFD only with the

1 unanimous approval (each, a “Unanimous Approval”) of the owner or owners of each parcel or
2 parcels at the time that parcel or those parcels are annexed in accordance with certain
3 “Annexation Approval Procedures” specified in the Resolution of Formation; and

4 WHEREAS, Section 53329.6 of the Mello-Roos Act provides that a Unanimous
5 Approval constitutes the vote of the qualified elector in favor of the matters addressed in the
6 Unanimous Approval for purposes of the California Constitution, including, but not limited to,
7 Articles XIII A and XIII C; and

8 WHEREAS, Section 53350(b) of the Mello-Roos Act provides that, (a) in connection
9 with the annexation by Unanimous Approval to a community facilities district of a parcel that
10 was included in territory proposed for annexation in the future to the community facilities
11 district, the local agency may designate a parcel or parcels as an improvement area within the
12 community facilities district, (b) the designation of a parcel or parcels as an improvement area
13 shall be specified and approved by the Unanimous Approval of the owner or owners of each
14 parcel or parcels at the time that the parcel or parcels are annexed to the community facilities
15 district, (c) no additional hearings or procedures are required and (d) after the designation of a
16 parcel or parcels as an improvement area, all proceedings for approval of the appropriations
17 limit, the rate and method of apportionment and manner of collection of special taxes, and the
18 authorization to incur bonded indebtedness for the parcel or parcels shall apply only to the
19 improvement area; and

20 WHEREAS, In the Resolution of Formation, this Board of Supervisors provided that
21 property within the Future Annexation Area may be annexed into the CFD as its own
22 improvement area (a “Future Improvement Area”) or to an existing improvement area; and

23 WHEREAS, In the Resolution of Formation, this Board of Supervisors further provided
24 that the designation of any territory annexing to the CFD as a Future Improvement Area, the
25 maximum amount of bonded indebtedness and other debt for such Future Improvement Area,

1 the rate and method of apportionment of special tax for such Future Improvement Area and
2 the appropriations limit for such Future Improvement Area shall be identified and approved in
3 the Unanimous Approval executed by property owners in connection with their annexation to
4 the CFD, and that the annexation and related matters described in the Unanimous Approval
5 shall be implemented and completed without the need for the approval of either the Board of
6 Directors of the Treasure Island Development Authority or this Board of Supervisors as long
7 as the following conditions are met (capitalized terms have the meaning given them in the
8 Resolution of Formation):

9 (a) The rate and method of apportionment of special tax for the Future Improvement
10 Area is prepared by a special tax consultant retained by the City and paid for by the property
11 owners submitting the Unanimous Approval.

12 (b) The rate and method of apportionment of special tax for the Future Improvement
13 Area is consistent with the Financing Plan.

14 (c) The rate and method of apportionment of special tax for the Future Improvement
15 Area does not establish a maximum special tax rate for the initial fiscal year in which the
16 special tax may be levied for any category of property subject to the special tax that is greater
17 than 120% of the maximum special tax rate established for the same category of property
18 subject to the special tax for the same fiscal year calculated pursuant to the rate and method
19 of apportionment of special tax for Improvement Area No. 1.

20 (d) The rate and method of apportionment of special tax for the Future Improvement
21 Area does not contain a type of special tax that was not included in the rate and method of
22 apportionment of special tax for Improvement Area No. 1 (for example, a one-time special
23 tax).

24 (e) The rate and method of apportionment of special tax for the Future Improvement
25 Area contains the same terms for "Collection of Special Tax" (including with respect to the

1 term of the special tax) and for application of Remainder Special Taxes with respect to park
2 maintenance costs as the rate and method of apportionment of special tax for Improvement
3 Area No. 1.

4 (f) If the rate and method of apportionment of special tax for the Future
5 Improvement Area includes a provision allowing prepayment of the special tax, in whole or in
6 part, the Director of the Office of Public Finance, after consulting with the special tax
7 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment
8 provision will not adversely impact the financing of authorized Facilities and Services;
9 provided, that if the prepayment formula set forth in such rate and method of apportionment
10 has previously been approved by this Board, then such prepayment formula may be
11 replicated in the rate and method of apportionment for such Future Improvement Area without
12 meeting such test; and

13 WHEREAS, In the Resolution of Formation, this Board of Supervisors further provided
14 that if the foregoing conditions were satisfied, as determined by the Director of the Office of
15 Public Finance and set forth in a written acceptance by the Director of the Office of Public
16 Finance delivered to the property owner(s) that executed the Unanimous Approval and the
17 Clerk of the Board of Supervisors, the Unanimous Approval shall be deemed accepted by the
18 City and the Clerk of the Board of Supervisors shall record an amendment to the notice of
19 special tax lien or a new notice of special tax lien for the CFD pursuant to Streets & Highways
20 Code, Section 3117.5; and

21 WHEREAS, On January 24, 2017, this Board of Supervisors also adopted its
22 Resolution No. 9-17 ("Resolution of Necessity"), determining the necessity to incur bonded
23 indebtedness and other debt (as defined in the Mello-Roos Act) (i) in the maximum aggregate
24 principal amount of \$250,000,000 upon the security of the special tax to be levied within
25 Improvement Area No. 1 pursuant to the Mello-Roos Act and (ii) in the aggregate principal

1 amount of \$4,750,000,000 with respect to those portions of the CFD that are not included in
2 Improvement Area No. 1 (“Non-Improvement Area No. 1 Indebtedness Limit”); and

3 WHEREAS, In the Resolution of Necessity, this Board of Supervisors further provided
4 that in the event all or a portion of the Future Annexation Area is annexed as one or more
5 Future Improvement Areas, the maximum indebtedness of each such Future Improvement
6 Area shall be identified and approved in the Unanimous Approval of the property owners of
7 the property to be annexed at the time of the annexation, and the amount of the maximum
8 indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement
9 Area No. 1 Indebtedness Limit; and

10 WHEREAS, Under the provisions of the Resolution of Formation and the Resolution of
11 Necessity and pursuant to Resolution No. 10-17 adopted by this Board of Supervisors on
12 January 24, 2017, the propositions of the levy of the special tax, the establishment of the
13 appropriations limit, and the incurring of bonded indebtedness and other debt were submitted
14 to the qualified electors of Improvement Area No. 1 as required by the provisions of the Mello-
15 Roos Act and more than two-thirds of the votes cast at the election were in favor of the
16 propositions; and

17 WHEREAS, Section 53340 of the Mello-Roos Act provides that (a) after a community
18 facilities district has been created and authorized to levy specified special taxes, the
19 legislative body may, by ordinance, levy the special taxes at the rate and apportion them in
20 the manner specified in the resolution of formation for the community facilities district and (b)
21 after creation of a community facilities district that includes a future annexation area, the
22 legislative body may, by ordinance, provide for the levy of special taxes on parcels that will be
23 annexed to the community facilities district at the rate or rates to be approved unanimously by
24 the owner or owners of each parcel or parcels to be annexed to the community facilities
25

1 district and for apportionment and collection of the special taxes in the manner specified in the
2 resolution of formation; and

3 WHEREAS, In Ordinance No. 22-17 adopted by this Board of Supervisors on January
4 31, 2017 (“Special Tax Ordinance”), the Board of Supervisors authorized and levied special
5 taxes (a) within Improvement Area No. 1 at the rate and in accordance with the formula set
6 forth in the Resolution of Formation and (b) on parcels in the Future Annexation Area that are
7 annexed into the CFD (whether as part of a then-existing improvement area or as a newly-
8 designated improvement area) at the rate or rates approved in the applicable Unanimous
9 Approval and in accordance with the Annexation Approval Procedures described in the
10 Resolution of Formation; and

11 WHEREAS, This Board of Supervisors has been provided with a Unanimous Approval
12 executed by Treasure Island Series 1, LLC, a Delaware limited liability company, the owner of
13 certain property in the Future Annexation Area, namely Assessor’s Parcel Number(s) 8901-
14 003, 8901-004, 8903-004, 8904-004, 8904-005, 8906-005, 8906-006 (“Annexation Property”),
15 the Unanimous Approval identifies, specifies and approves the annexation of the Annexation
16 Property to the CFD as a separate improvement area to be known as “Improvement Area No.
17 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure
18 Island),” and other related matters, and this Board of Supervisors has received a letter from
19 the Director of the Office of Public Finance accepting the annexation described in the
20 Unanimous Approval and determining that the Annexation Approval Procedures set forth in
21 the Resolution of Formation have been met; and

22 WHEREAS, Section 53339.8 of the Mello-Roos Act provides that upon a determination
23 by the legislative body that the area proposed to be annexed is added to the existing
24 community facilities district, the clerk of the legislative body shall record notice of the
25 annexation pursuant to Section 3114.5 of the Streets and Highways Code; and

1 WHEREAS, In the Resolution of Formation, this Board of Supervisors determined that
2 any property for which the owner or owners execute a Unanimous Approval in accordance
3 with the Annexation Approval Procedures specified above shall be added to the CFD as a
4 new improvement area and the Clerk of the Board of Supervisors shall record a notice of
5 special tax lien for the CFD pursuant to Section 3117.5 of the Streets & Highways Code; and

6 WHEREAS, This Board of Supervisors wishes to confirm that the Annexation Property is
7 added to the CFD and to confirm, order and direct other related matters; now, therefore, be it

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

9 FURTHER RESOLVED, That this Board of Supervisors has received the Unanimous
10 Approval specifying and approving the annexation of the Annexation Property as a separate
11 improvement area and approving other related matters; and, be it

12 FURTHER RESOLVED, That in furtherance of the Resolution of Formation, and in
13 conformance with the Mello-Roos Act, this Board of Supervisors hereby confirms that the
14 Annexation Property has been added to the CFD as a Future Improvement Area and is
15 designated "Improvement Area No. 2 of the City and County of San Francisco Community
16 Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 2"); and, be it

17 FURTHER RESOLVED, That this Board of Supervisors hereby ratifies and confirms its
18 direction to the Clerk of the Board of Supervisors set forth in the Resolution of Formation to
19 record notice of the annexation pursuant to Section 3117 of the Streets and Highways Code;
20 and, be it

21 FURTHER RESOLVED, That the owner of the Annexation Property has caused to be
22 prepared a map showing the boundaries of the CFD, Improvement Area No. 1, Improvement
23 Area No. 2 and the Future Annexation Area, and the Board of Supervisors directs the Clerk of
24 the Board of Supervisors to record a consolidated map of the boundaries of the CFD, and to
25

1 record additional such maps from time to time as Unanimous Approvals are received from
2 property owners in the Future Annexation Area; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors hereby confirms that the
4 maximum aggregate principal amount of bonds and other debt for Improvement Area No. 2,
5 as specified and approved by a vote of the qualified elector(s) in Improvement Area No. 2
6 pursuant to the Unanimous Approval, shall be \$278,200,000 and that, as a result of
7 subtracting such amount from the Non-Improvement Area No. 1 Indebtedness Limit, the
8 remaining Non-Improvement Area No. 1 Indebtedness Limit shall be \$4,471,800,000; and, be it

9 FURTHER RESOLVED, That this Board of Supervisors hereby confirms that the rate
10 and method of apportionment of the Special Tax among the parcels of real property within
11 Improvement Area No. 2, as specified and approved by a vote of the qualified elector(s) in
12 Improvement Area No. 2 pursuant to the Unanimous Approval, are shown in Exhibit A
13 attached hereto and hereby incorporated herein; and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby confirms that the
15 annual appropriations limit of Improvement Area No. 2, as defined by subdivision (h) of
16 Section 8 of Article XIII B of the California Constitution, as specified and approved by a vote of
17 the qualified elector(s) in Improvement Area No. 2 pursuant to the Unanimous Approval, is
18 \$76,000,000; and, be it

19 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
20 word of this Resolution, or any application thereof to any person or circumstance, is held to be
21 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
22 shall not affect the validity of the remaining portions or applications of this Resolution, this
23 Board of Supervisors hereby declaring that it would have passed this Resolution and each
24 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
25

1 unconstitutional without regard to whether any other portion of this Resolution or application
2 thereof would be subsequently declared invalid or unconstitutional; and, be it

3 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
4 Public Finance, the Clerk of the Board and any and all other officers of the City are hereby
5 authorized, for and in the name of and on behalf of the City, to do any and all things and take
6 any and all actions, including execution and delivery of any and all documents, assignments,
7 certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants
8 and documents, which they, or any of them, may deem necessary or advisable in order to
9 effectuate the purposes of this Resolution; provided however that any such actions be solely
10 intended to further the purposes of this Resolution, and are subject in all respects to the terms
11 of the Resolution; and, be it

12 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
13 consistent with any documents presented herein, and heretofore taken are hereby ratified,
14 approved and confirmed by this Board of Supervisors; and, be it

15 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

16
17 APPROVED AS TO FORM:

18 DENNIS J. HERRERA
19 City Attorney

20
21 By: /s/ MARK D. BLAKE
22 MARK D. BLAKE
23 Deputy City Attorney

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EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR IMPROVEMENT AREA NO. 2

EXHIBIT A

IMPROVEMENT AREA NO. 2 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Taxable Parcel in Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Parcels, as described below. All Taxable Parcels in Improvement Area No. 2 shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 2.

This RMA provides for the levy of Special Taxes on leasehold interests in property owned by TIDA that is subject to an LDDA. In the event that any such leasehold interest is terminated, the Special Taxes shall be levied on any successor leasehold interest that is subject to an LDDA. If a leasehold interest terminates while a Special Tax that was previously levied remains unpaid, the owner of the successor leasehold interest will take the interest subject to the obligation to pay the unpaid Special Tax along with any applicable penalties and interest.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Square Footage” means, within a non-residential building on a Taxable Parcel, any square footage within the building that is not used directly as part of the business or hotel operations, including, but not limited to, walkways, elevator shafts, mezzanines, corridors, and stairwells.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TIDA carrying out duties with respect to the CFD and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller’s Office and/or the City Treasurer and Tax Collector’s Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the City and any major property owner, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TIDA in any way related to the establishment or administration of the CFD.

“Administrator” means the Director of the Office of Public Finance or his/her designee who shall be responsible for administering the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land parcel.

“Assessor’s Parcel” or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within the boundaries of Improvement Area No. 2 that is owned in fee or by easement by a homeowners association or property owners association and does not fall within a Land Use Category, not including any such property that is located directly under a residential structure.

“Authority Housing Lot” means the lots identified as owned or expected to be owned by TIDA, as originally shown in the Housing Plan, and as may be amended in the Development Approval Documents. Authority Housing Lots expected within Improvement Area No. 2 at the time of CFD Formation are identified in Attachment 3 hereto.

“Authority Housing Unit” means a For-Sale Unit or Rental Unit developed on an Authority Housing Lot.

“Authorized Expenditures” means those public facilities and public services authorized to be funded by the CFD as set forth in the documents adopted by the Board at CFD Formation, as may be amended from time to time.

“Base Facilities Special Tax” means, for any Land Use Category, the per-square foot Facilities Special Tax for square footage within such Land Use Category, as identified in Section C.2a below.

“Base Services Special Tax” means, for any Land Use Category, the per-square foot Services Special Tax for square footage within such Land Use Category, as identified in Section C.2b below.

“Base Special Tax” means, collectively, the Base Facilities Special Tax and Base Services Special Tax.

“Board” means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2016-1.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, that are issued or assumed by or for Improvement Area No. 2 to finance Authorized Expenditures and are secured by the Facilities Special Tax.

“Building Height” means the proposed height, as defined in the D4D, of a residential, non-residential, or mixed-use structure, as set forth on the Building Permit issued for the building, or if the height is not clearly indicated on the Building Permit, the height determined by reference to the Sub-Phase Application, Vertical DDA, condominium plan, or architectural drawings for the building. If there is any question as to the Building Height of any building in the CFD, the Administrator shall coordinate with the Review Authority to make the determination, and such determination shall be conclusive and binding.

“Building Permit” means the first permit, whether a site permit or building permit, issued by the City that, immediately upon issuance or ultimately after addenda to the permit, allows for vertical construction of a building or buildings.

“Capital Reserve Requirement” means, for the Project as a whole, the target amount of capital reserves to be established for Sea Level Rise Improvements, which shall be \$250 million in Fiscal Year 2016-17 dollars, escalating, on July 1, 2017 and on each July 1 thereafter, by the Escalator.

“Capitalized Interest” means funds in any capitalized interest account available to pay debt service on Bonds.

“CFD” or **“CFD No. 2016-1”** means the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island).

“CFD Formation” means the date on which the Board approved documents to form the CFD.

“City” means the City and County of San Francisco, California.

“Commercial/Retail Square Footage” means the net saleable or net leasable square footage within a building that is or is expected to be square footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to, museums, restaurants, bars, entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, any other square footage in a building that is used for commercial, office, or industrial business operations and is not Accessory Square Footage or Association Property shall be taxed as Commercial/Retail Square Footage. Commercial/Retail Square Footage shall be determined based on reference to the condominium plan, site plan, Building Permit, or Development Approval Documents, or as provided by the Developer or the City. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Commercial/Retail Square Footage on any Parcel within Improvement Area No. 2, and such determination shall be conclusive and binding. Commercial/Retail Square Foot means a single square-foot unit of Commercial/Retail Square Footage. Incidental retail or commercial uses in an otherwise exempt building (e.g., a snack bar in a recreation center on Association Property) shall not constitute Commercial/Retail Square Footage.

“Converted Rental Residential Building” means, in any Fiscal Year, a building: (i) that had, in the prior Fiscal Year, been a Rental Residential Building, and (ii) within which one or more Residential Units have been sold to individual homeowners or investors, which investors shall not include parties involved in the sale of the building to a subsequent landlord that intends to

operate the building as a Rental Residential Building. In the first Fiscal Year in which the Administrator identifies a building as a Converted Rental Residential Building, the Administrator shall determine if the building is part of a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project and, based on such determination, assign the Converted For-Sale Units in the building to the appropriate Residential Product Type. Rental Units in the Converted Rental Residential Building shall continue to be taxed as Rental Units unless and until such units become Converted For-Sale Units.

“Converted For-Sale Unit” means, in any Fiscal Year, an individual Residential Unit within a Converted Rental Residential Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to an individual homeowner or investor, as determined by the Administrator. Once identified, the Administrator shall categorize Converted For-Sale Units to the appropriate Residential Product Type for purposes of taxing the unit pursuant to this RMA.

“County” means the City and County of San Francisco, California.

“D4D” means the Treasure Island and Yerba Buena Island Design for Development, approved by the Planning Commission and TIDA, and dated June 28, 2011, and as amended from time to time.

“DA” means the Development Agreement Relative to Treasure Island/Yerba Buena Island, including all exhibits and attachments, executed by the City and TICD, dated June 28, 2011, and as amended from time to time.

“DDA” means the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), including all exhibits and attachments, executed by TIDA and TICD, dated June 28, 2011, and as amended from time to time.

“Developed Property” means, in any Fiscal Year, all Taxable Parcels for which a Building Permit was issued prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2015.

“Developer” means the developer of a Major Phase or Sub-Phase located in Improvement Area No. 2, which shall not include a Vertical Developer that has entered into a Vertical DDA.

“Developer Maintenance Payment” means a payment that TIDA requires to be made by the Developer to pay for Ongoing Park Maintenance as described in and pursuant to Section 2.7 of the Financing Plan.

“Development Approval Documents” means, collectively, any Major Phase Application, Sub-Phase Application, Vertical DDA, tentative subdivision map, Final Map, Review Authority approval, or other such approved or recorded document or plan that identifies the type of structure(s), acreage, square footage, and/or number of Residential Units approved for development on Taxable Parcels.

“Development Project” means a residential, non-residential, or mixed-use development that includes one or more buildings that are planned and entitled in a single Building Permit.

“Escalator” means the lesser of the following: (i) the increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor, or, if such index is no longer published, a similar escalator that is determined by TIDA and the City to be appropriate, and (ii) five percent (5%).

“Estimated Base Facilities Special Tax Revenues” means, at any point in time, the amount calculated by the Administrator by multiplying the Base Facilities Special Tax by square footage within each Land Use Category proposed for development on a Parcel or within a Sub-Block.

“Expected Land Uses” means the total square footage in each Land Use Category expected within each Sub-Block in Improvement Area No. 2. The Expected Land Uses at the time of CFD Formation are identified in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

“Expected Maximum Facilities Special Tax Revenues” means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Sub-Block at the time of CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

“Expected Taxable Property” means any Parcel within Improvement Area No. 2 that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel, (ii) based on the Expected Land Uses and as determined by the Administrator, was assigned Expected Maximum Facilities Special Tax Revenues, and (iii) subsequently falls within one or more of the categories that would otherwise be exempt from the Special Tax as set forth in Section H below. Notwithstanding the foregoing, any Parcels owned by TIDA within the Tidelands Trust Overlay Zone will not be Expected Taxable Property, and such Parcels shall only be taxed as Expected Taxable Property if an LDDA or other leasehold interest with a term of twenty (20) years or more is in place on the Parcel.

“Facilities Special Tax” means a special tax levied in any Fiscal Year to pay the Facilities Special Tax Requirement.

“Facilities Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Expenditures, including park maintenance, Sea Level Rise Improvements, and capital reserves, in the priority set forth in the Financing Plan, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Undeveloped Property. Notwithstanding the foregoing, in any Fiscal Year in which any portion of a Developer Maintenance Payment is delinquent, the Maximum Facilities Special Tax shall be levied on Undeveloped Property until the amount collected from Undeveloped Property that is used to pay for park maintenance is equal to the

aggregate amount of delinquent Developer Maintenance Payments. The amounts referred to in clauses (i) and (ii) of the definition of Facilities Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Facilities Special Taxes; and (c) any other revenues available to pay such costs, each as determined in the sole discretion of the Administrator.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots on which Building Permits for new construction may be issued without further subdivision.

“Financing Plan” means the Financing Plan attached as Exhibit D to the DA and Exhibit EE to the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DA and DDA.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“For-Sale Units” means: (i) Residential Units that are available or, upon completion, will be available for sale to individual homeowners or investors, (ii) Converted For-Sale Units, and (iii) all Residential Units in a building within which one or more Residential Units are available for sale to individual homeowners or investors, unless such building is a Converted Rental Residential Building. The Administrator shall make the final determination as to whether a Residential Unit is a For-Sale Unit or a Rental Unit. After the first series of Bonds has been issued for Improvement Area No. 2, a For-Sale Unit shall never be re-categorized as a Rental Unit, regardless of changes of use in the building or a decision to permanently or temporarily rent the For-Sale Unit.

“Future Annexation Area” means that geographic area that, at the time of CFD Formation, was considered potential annexation area for the CFD and which was, therefore, identified as “future annexation area” on the recorded CFD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into Improvement Area No. 2, but should property designated as Future Annexation Area choose to annex, the annexation may be processed pursuant to the annexation procedures in the Act for territory included in a future annexation area, as well as the procedures established by the Board.

“Hotel” means a structure or portion of a structure that constitutes a place of lodging, providing temporary sleeping accommodations for travelers, which structure may include one or more of the following: spa services, restaurants, gift shops, meeting and convention facilities. Residential Units that are offered for rent to travelers (e.g., units offered through Airbnb) shall not be categorized as Hotel.

“Hotel Condominium” means a Residential Unit within a Hotel Project.

“Hotel Project” means a Development Project within which a building proposed to be constructed is either a Hotel or a residential or mixed-use building being developed in

conjunction with a Hotel that will share common area and amenities with the Hotel. Notwithstanding the foregoing, if a Development Project includes multiple buildings, one of which is a Hotel, and one or more other buildings in the Development Project do not share common area or amenities with the Hotel and are not otherwise affiliated with the Hotel, such other building(s) shall be considered a separate Development Project for purposes of this RMA and shall be categorized as a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project based on the definitions set forth herein. If a Hotel Project is constructed on a Parcel that is owned by TIDA, such Parcel shall be treated as a Hotel Project, not Public Property, for purposes of this RMA.

“Hotel Square Footage” means the usable square footage within a building that is, or is expected to be, a Hotel, as reflected on a condominium plan, site plan, or Building Permit, as provided by the Developer or the City, or as expected pursuant to Development Approval Documents. All square footage that is not Residential Square Footage or Accessory Square Footage and shares an Assessor’s Parcel number within such a structure, including square footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, shall be categorized as Hotel Square Footage. Upon assignment of Assessor’s Parcel numbers to the Airspace Parcels for any Hotel Condominiums, the Hotel Condominiums shall be assigned a Maximum Special Tax based on application of the appropriate Base Special Tax for Hotel Condominiums, as set forth in Section C below. If there are separate Assessor’s Parcel numbers for the retail uses associated with the Hotel, the Base Special Tax for Commercial/Retail Square Footage shall be used to determine the Maximum Special Tax for such Parcels, and the Base Special Tax for Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on which uses in the building other than Hotel Condominiums and retail uses are located, including office space associated with Hotel operations. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Hotel Square Footage within a building, and such determination shall be conclusive and binding. Hotel Square Foot means a single square-foot unit of Hotel Square Footage.

“Housing Plan” means Exhibit E to the DDA, which sets forth the plan for development of Market Rate Units, Inclusionary Units, and Authority Housing Units on Treasure Island and Yerba Buena Island.

“Improvement Area No. 2” means Improvement Area No. 2 of the CFD, as it exists at CFD Formation and as expanded with future annexations to Improvement Area No. 2 (if any).

“Inclusionary Unit” means a Residential Unit that is, pursuant to the Housing Plan, subject to restrictions related to the affordability of the Residential Unit or income restrictions for its occupants, and is not an Authority Housing Unit.

“Indenture” means any indenture, fiscal agent agreement, resolution, or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Category” means, individually, Low-Rise Units, Mid-Rise Units, Tower Units, Treasure Island Townhome Units, Yerba Buena Island Townhome Units, Rental Units, Hotel Condominiums, Hotel Square Footage, or Commercial/Retail Square Footage.

“Land Use Change” means a change to the Expected Land Uses within Improvement Area No. 2 after CFD Formation.

“LDDA” means a Disposition and Development Agreement between TIDA and a Vertical Developer that has a leasehold interest in property that is subject to the Public Trust, as defined in the DDA.

“Low-Rise Project” means a Development Project that meets either of the following criteria: (i) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings has or, based on the Building Permit, will have a Building Height that is greater than 50 feet and less than or equal to 70 feet, or (ii) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is less than or equal to 50 feet and one or more of the ground floor Residential Units within such building do not have a main entry door that is directly accessible from a public street, private street, or courtyard instead of from a common corridor.

All For-Sale Units within a Low-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Low-Rise Units for purposes of this RMA. For example, if a Development Project includes three separate buildings, the highest building is proposed to be 50 feet tall, and one or more of the ground floor Residential Units within the 50-foot tall building will not have a main entry door that is directly accessible from a street or courtyard, then the For-Sale Units in all three buildings in the Development Project will be taxed as Low-Rise Units. If a Development Project includes two buildings that have the same proposed Building Height, both buildings are less than 50 feet tall, and only one of the two buildings has ground floor Residential Units, all of which have main entry doors that will be directly accessible from a street or courtyard, the For-Sale Units within the Development Project will be categorized as Low-Rise Units and not Treasure Island Townhome Units or Yerba Buena Townhome Units.

“Low-Rise Unit” means a For-Sale Unit in a Low-Rise Project.

“Major Phase” is defined in the DDA.

“Major Phase Application” means the application and associated documents required to be submitted for each Major Phase Approval, as defined in the DDA.

“Market Rate Unit” means a Residential Unit that is not an Authority Housing Unit or Inclusionary Unit.

“Maximum Facilities Special Tax” means the greatest amount of Facilities Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

“Maximum IA2 Revenues” means, at any point in time, the aggregate Maximum Facilities Special Tax that can be levied on all Taxable Parcels.

“Maximum Services Special Tax” means the greatest amount of Services Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance with Sections C, D, and E below.

“Maximum Special Tax” means, prior to the Transition Year, the Maximum Facilities Special Tax and, in the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel and shall, in addition to the Services Special Tax, be part of the Maximum Special Tax for the Parcel until paid.

“Mid-Rise Project” means a Development Project within which the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is greater than 70 feet but less than or equal to 125 feet. All For-Sale Units within a Mid-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Mid-Rise Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 90 feet, 60 feet, and 40 feet, respectively, all For-Sale Units within all three buildings will be categorized as Mid-Rise Units.

“Mid-Rise Unit” means a For-Sale Residential Unit within a Mid-Rise Project.

“Planning Code” means the Planning Code of the City and County of San Francisco, as it may be amended from time to time.

“Project” is defined in the DDA.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Vertical DDA Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Parcels of Vertical DDA Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Undeveloped Property. For Expected Taxable Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Expected Taxable Property.

“Public Property” means any property within the boundaries of Improvement Area No. 2 that is owned by the federal government, the State of California, TIDA, the City, or other public agency. Notwithstanding the foregoing, any property subject to an LDDA with a term of twenty (20) years or more shall not, during the lease term, be considered Public Property and shall be taxed and classified according to the use on the Parcel(s) unless such Parcel is an Authority Housing Lot. However, any Special Taxes levied on property owned by TIDA and subject to an LDDA shall be levied on the leasehold interest in such property pursuant to Section 53340.1 of the Act.

“Qualified Project Costs” has the meaning set forth in the Financing Plan and refers to the Project as a whole.

“Remainder Special Taxes” means, as calculated between September 1st and December 31st of any Fiscal Year, any Facilities Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the Bonds that was due in the calendar year in which the Remainder Special Taxes are being calculated; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City prior to the receipt of additional Facilities Special Tax proceeds, or (vi) apply towards park maintenance costs that are not fully funded because of delinquent Developer Maintenance Payments.

“Rental Residential Building” means a building within Improvement Area No. 2 for which a building permit or use permit has been issued or is expected to be issued for construction of a residential structure within which all Residential Units are offered for rent to the general public, and cannot be purchased by individual homeowners or investors.

“Rental Unit” means (i) Residential Units within a Rental Residential Building, and (ii) all Rental Units within a Converted Rental Residential Building that have yet to be sold to an individual homeowner or investor. “Rental Unit” shall not include: (i) any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public, or (ii) any Residential Units within a building that includes one or more For-Sale Units unless such building is a Converted Rental Residential Building. The Administrator shall make the final determination as to whether a Residential Unit is a For-Sale Unit or a Rental Unit.

“Required Coverage” means the amount by which the Maximum IA2 Revenues must exceed the Bond debt service and priority Administrative Expenses (if any), as set forth in the Indenture, Certificate of Special Tax Consultant, or other formation or bond document that sets forth the minimum required debt service coverage.

“Residential Product Type” means a Low-Rise Unit, Mid-Rise Unit, Tower Unit, Treasure Island Townhome Unit, Yerba Buena Townhome Unit, or Hotel Condominium. If there is any confusion as to the Residential Product Type that applies to Residential Units within a Development Project, the Administrator shall coordinate with the Review Authority to make the determination, which shall be conclusive and binding.

“Residential Property” means, in any Fiscal Year, all Taxable Parcels for which Building Permits have been issued, or based on Development Approval Documents, are expected to be issued for construction of a structure that includes one or more Residential Units.

“Residential Square Footage” means the square footage of a Residential Unit or residential structure reflected on a condominium plan, site plan, or Building Permit, provided by the Developer or the City, or expected pursuant to Development Approval Documents. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Residential Square Footage on a Taxable Parcel, and such determination shall be conclusive and binding. Residential Square Foot means a single square-foot unit of Residential Square Footage.

“Residential Unit” means a room or suite of two or more rooms that is designed for residential occupancy for 32 consecutive days or more, including provisions for sleeping, eating and sanitation. “Residential Unit” will include, but not be limited to, an individual townhome, condominium, flat, apartment, or loft unit, and individual units within a senior or assisted living facility.

“Review Authority” means, for Parcels within the Tidelands Trust Overlay Zone, the Executive Director of TIDA, and for Parcels outside the Tidelands Trust Overlay Zone, the City Planning Director, or an alternate designee from TIDA or the City who is responsible for approvals and entitlements of a Development Project.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Sea Level Rise Improvements” means public improvements necessary to ensure that shoreline, public facilities, and public access improvements will be protected due to sea level rise at the perimeters of Treasure Island and Yerba Buena Island.

“Services Special Tax” means a special tax levied in any Fiscal Year to pay the Services Special Tax Requirement.

“Services Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

“Special Tax” means, prior to the Transition Year, the Facilities Special Tax and, in and after the Transition Year, the Services Special Tax.

“Special Tax Requirement” means, prior to the Transition Year, the Facilities Special Tax Requirement and, in and after the Transition Year, the Services Special Tax Requirement. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel in addition to the Services Special Tax Requirement for that Fiscal Year.

“Special Use District” means the Treasure Island/Yerba Buena Island Special Use District, included as Section 249.52 of the Planning Code.

“Sub-Block” means a specific geographic area within Improvement Area No. 2 for which Expected Land Uses have been identified. Sub-Blocks and Expected Land Uses within Improvement Area No. 2 at the time of CFD Formation are identified in Attachments 1 and 2 of this RMA and may be revised pursuant to Sections B, C, D, and E below.

“Sub-Phase” is defined in the DDA.

“Sub-Phase Application” means the application and associated documents required to be submitted for each Sub-Phase Approval, as defined and set forth in the DDA.

“Taxable Parcel” means any Parcel within Improvement Area No. 2 that is not exempt from the Special Tax pursuant to law or Section H below.

“TICD” means Treasure Island Community Development, LLC, a California limited liability company, and its successors and permitted assigns under the DDA.

“TIDA” means the Treasure Island Development Authority, a California non-profit public benefit corporation, or any successor public agency designated by or under law, which may include the City or the San Francisco Port Commission.

“Tidelands Trust Overlay Zone” means the areas on Treasure Island and Yerba Buena Island that are subject to the Tidelands Trust after completion of all Tidelands Trust exchanges, as identified in figures set forth in the Special Use District.

“Tower Project” means a Development Project within which the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is greater than 125 feet. All For-Sale Units within a Tower Project, regardless of the height of each individual building within the Development Project, will be categorized as Tower Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 140 feet, 90 feet, and 40 feet, respectively, all For-Sale Units within all three buildings will be categorized as Tower Units.

“Tower Unit” means a Residential Unit within a Tower Project.

“Townhome Project” means a Development Project that meets both of the following criteria: (i) the highest residential or mixed-use building with Residential Units, not including Rental Residential Buildings, has or, based on the Building Permit, will have a Building Height that is less than or equal to 50 feet, and (ii) the main entry doors for all ground floor Residential Units within such building will be directly accessible from a public street, private street, or courtyard instead of from a common corridor. All For-Sale Units within a Townhome Project will be categorized as Treasure Island Townhome Units or Yerba Buena Townhome Units for purposes of this RMA.

“Transition Event” shall be deemed to have occurred when the Administrator determines that either of the following events have occurred: (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Capital Reserve Requirement has been fully funded, or (ii) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Facilities Special Tax has been levied within Improvement Area No. 2 for one hundred (100) Fiscal Years.

“Transition Year” means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

“Treasure Island Townhome Unit” means a Residential Unit within a Townhome Project proposed for development on Treasure Island.

“Undeveloped Property” means, in any Fiscal Year, all Taxable Parcels that are not Developed Property, Vertical DDA Property, or Expected Taxable Property.

“Vertical DDA” means a Vertical DDA or a Vertical LDDA, as defined in the DDA, for a Taxable Parcel.

“Vertical DDA Property” means, in any Fiscal Year, any Parcel that is not yet Developed Property against which a Vertical DDA has been recorded, and for which the Developer or the Vertical Developer has, by June 30 of the prior Fiscal Year, notified the Administrator of such recording.

“Vertical Developer” means a developer that has entered into a Vertical DDA for construction of vertical improvements on a Taxable Parcel.

“Yerba Buena Townhome Unit” means a Residential Unit within a Townhome Project proposed for development on Yerba Buena Island.

B. DATA FOR CFD ADMINISTRATION

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Vertical DDA Property, Undeveloped Property, or Expected Taxable Property, (ii) within which Sub-Block each Assessor’s Parcel is located, (iii) for Developed Property, the Residential Square Footage, Commercial/Retail Square Footage, and/or Hotel Square Footage on each Parcel, (iv) for Residential Property, the Residential Product Type, number of Market Rate Units, Inclusionary Units, For-Sale Units, Rental Units, and Converted For-Sale Units, (v) whether there are any delinquent Developer Maintenance Payments, and (vi) the Special Tax Requirement for the Fiscal Year.

The Administrator shall review Development Approval Documents and coordinate with TIDA, the Developer, and Vertical Developers to identify the number of Inclusionary Units within each building. If there are transfers of Inclusionary Units and Market Rate Units, the Administrator shall refer to Section D.2 to determine the Maximum Special Tax for each Parcel after such transfer. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Inclusionary Units will decrease Maximum IA2 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Inclusionary Units that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Inclusionary Units must be subject to the Facilities Special Tax in order to maintain Required Coverage, and TIDA and the City shall determine which Inclusionary Units will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If TIDA notifies the Administrator of a change in the number or location of Authority Housing Lots, then at the request of TIDA and the owner of any private Parcel(s) affected by the change, the Administrator shall (i) amend and replace Attachment 3 to reflect the then-current location and designation of Authority Housing Lots, and (ii) amend and replace Attachment 2 to reflect the then-current Expected Land Uses on, and the Expected Maximum Facilities Special Tax Revenues for, the Parcel(s) that are affected by the change. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Authority Housing Units will decrease Maximum IA2 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Authority Housing Lots that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Authority Housing Units must be subject to the Special Tax in order to maintain Required Coverage, and TIDA shall determine which Authority Housing Lots will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If a Building Permit has been issued for development of a structure, and additional structures are anticipated to be built within the Sub-Block as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize the building(s) for which the Building Permit was issued as Developed Property and any remaining buildings for which Building Permits have not yet been issued as Vertical DDA Property for purposes of levying the Special Tax. If the buildings share an Assessor's Parcel, the Administrator shall take the sum of the Special Taxes determined for each building after application of the steps in Section F to determine the Special Tax levy for the Parcel.

In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the map or plan was recorded, the Assessor does not yet recognize the newly-created parcels, and (iii) one or more of the newly-created parcels meets the definition of Developed Property or Vertical DDA Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the map or plan by determining the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

In addition to the tasks set forth above, on an ongoing basis, the Administrator will review the Development Approval Documents for property in Improvement Area No. 2 and communicate with the Developer regarding proposed Land Use Changes. The Administrator will, upon receipt of each recorded Vertical DDA, and upon any proposed Land Use Change that is made known to the Administrator, update Attachment 2 to reflect the then-current Expected Land Uses on, and Expected Maximum Facilities Special Tax Revenues for, each Sub-Block.

C. MAXIMUM SPECIAL TAX

1. *Undeveloped Property*

1a. Facilities Special Tax

Prior to the Transition Year, the Maximum Facilities Special Tax for Undeveloped Property in Improvement Area No. 2 shall be the Expected Maximum Facilities Special Tax Revenues shown in Attachment 2 of this RMA, as it may be amended as set forth herein. If, in any Fiscal Year, separate Assessor's Parcels have not yet been created for property within each Sub-Block, the Administrator shall sum the Expected Maximum Facilities Special Tax Revenues for all Sub-Blocks within an Assessor's Parcel to determine the Maximum Facilities Special Tax that shall apply to the Parcel in such Fiscal Year.

If an Assessor's Parcel contains a portion of one or more Sub-Blocks, the Maximum Facilities Special Tax shall be determined by allocating the Expected Maximum Facilities Special Tax Revenues for each Sub-Block proportionately among such Assessor's Parcels based on the Expected Land Uses on each Parcel, as determined by the Administrator. The Maximum IA2 Revenues after such allocation shall not be less than the Maximum IA2 Revenues prior to this allocation.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Undeveloped Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Undeveloped Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

1b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Undeveloped Property in Improvement Area No. 2. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for Undeveloped Property in Improvement Area No. 2 shall be \$171,595 per acre, which amount shall be escalated as set forth in Section D.2 below.

2. *Vertical DDA Property*

2a. Facilities Special Tax

Prior to the Transition Year, when a Parcel becomes Vertical DDA Property, the Administrator shall review the recorded Vertical DDA and coordinate with the Developer and/or the Vertical Developer to confirm the Expected Land Uses on the Sub-Block(s) covered by the Vertical DDA. Using the Base Facilities Special Taxes shown in Table 1 below, the Administrator shall calculate the Estimated Base Facilities Special Tax Revenues based on the Expected Land Uses reflected in the Vertical DDA and the square footage estimated by the Vertical Developer. Prior to issuance of the first series of

Bonds, the Maximum Special Tax for each Parcel shall be the Estimated Base Facilities Special Tax Revenues for the Parcel.

Table 1 Base Facilities Special Tax		
Land Use Category	Base Facilities Special Tax Before the Transition Year (in Fiscal Year 2019-20 dollars) *	Base Facilities Special Tax In and After the Transition Year (in Fiscal Year 2019-20 dollars) *
Low-Rise Units	\$6.51 per square foot	\$0.00 per square foot
Mid-Rise Units	\$7.54 per square foot	\$0.00 per square foot
Tower Units	\$8.64 per square foot	\$0.00 per square foot
Treasure Island Townhome Units	\$5.72 per square foot	\$0.00 per square foot
Yerba Buena Townhome Units	\$6.18 per square foot	\$0.00 per square foot
Rental Units	\$2.97 per square foot	\$0.00 per square foot
Hotel Condominiums	\$6.30 per square foot	\$0.00 per square foot
Commercial/Retail Square Footage	\$1.60 per square foot	\$0.00 per square foot
Hotel Square Footage	\$3.19 per square foot	\$0.00 per square foot

*** The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

After issuance of the first series of Bonds, for the Sub-Block(s) included in the Vertical DDA, the Administrator shall compare the Estimated Base Facilities Special Tax Revenues to the Expected Maximum Facilities Special Tax Revenues for the Sub-Block as reflected in Attachment 2, and:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall update Attachment 2 to reflect this amount as the Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) in the Vertical DDA.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA2 Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) within the Vertical DDA and the decreased Maximum IA2 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA2 Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes applied to each Land Use*

Category in the Vertical DDA shall be increased proportionately until the amount that can be levied on Expected Land Uses in the Vertical DDA, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in Improvement Area No. 2, is sufficient to maintain Required Coverage. The Administrator shall revise Attachment 2 to reflect the new Expected Facilities Maximum Special Tax Revenues for the Sub-Block(s) within the Vertical DDA.

If it is determined that only a portion of a Sub-Block is included within a Vertical DDA, the Administrator shall refer to Attachments 1 and 2 to estimate the Expected Land Uses that should be assigned to the portion of the Sub-Block that is included within the Vertical DDA. The Administrator shall confirm this determination with the Review Authority, the Developer, and the Vertical Developer.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Vertical DDA Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Vertical DDA Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

2b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Vertical DDA Property in Improvement Area No. 2. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for a Parcel of Vertical DDA Property shall be determined by applying the Base Services Special Taxes identified in Table 2 below by the Expected Land Uses for the Parcel, as determined by the Administrator.

Table 2 Base Services Special Tax		
Land Use Category	Base Services Special Tax Before the Transition Year (in Fiscal Year 2019-20 dollars) *	Base Services Special Tax In and After the Transition Year (in Fiscal Year 2019-20 dollars) *
Low-Rise Units	\$0.00 per square foot	\$1.96 per square foot
Mid-Rise Units	\$0.00 per square foot	\$2.27 per square foot
Tower Units	\$0.00 per square foot	\$2.60 per square foot
Treasure Island Townhome Units	\$0.00 per square foot	\$1.73 per square foot
Yerba Buena Townhome Units	\$0.00 per square foot	\$1.86 per square foot
Rental Units	\$0.00 per square foot	\$0.90 per square foot
Hotel Condominiums	\$0.00 per square foot	\$1.91 per square foot
Commercial/Retail Square Footage	\$0.00 per square foot	\$0.49 per square foot
Hotel Square Footage	\$0.00 per square foot	\$0.97 per square foot

* The Base Services Special Taxes shown above shall be escalated as set forth in Section D.2.

3. *Developed Property*

3a. **Facilities Special Tax**

Prior to the Transition Year, when a Building Permit is issued, the Administrator shall apply the following steps to determine the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created for land uses within the building:

- Step 1.* Review the Building Permit, condominium plan, architectural drawings, information provided by the Developer and/or Vertical Developer, and any other documents that identify the Building Height, number of Residential Units, square footage within each Land Use Category, and expected layout of Airspace Parcels within the building(s) that will be constructed pursuant to the Building Permit. If additional Building Permits will be issued for other buildings that are within the same Development Project, coordinate with the Review Authority, the Developer, and the Vertical Developer to determine the Building Height for buildings that remain to be developed within the Development Project in order to determine the appropriate Residential Product Type for all Residential Units within the Development Project.
- Step 2.* Determine the Residential Square Footage of each Residential Unit that will be constructed pursuant to the Building Permit, as well as the Commercial/Retail Square Footage and Hotel Square Footage within the building(s).
- Step 3.* Identify the number of Inclusionary Units within the building, as well as the Residential Square Footage of each Inclusionary Unit.
- Step 4.* Using the information from the first three steps, the Administrator shall separately calculate the following:
 - For Market Rate Units in the building, multiply the applicable Base Facilities Special Tax from Table 1 for the Residential Product Type that applies to the Development Project by the total aggregate Residential Square Footage of all Market Rate Units expected within the building.
 - Multiply the Base Facilities Special Tax from Table 1 for Commercial/Retail Square Footage by the total Commercial/Retail Square Footage expected in the building.
 - Multiply the Base Facilities Special Tax from Table 1 for Hotel Square Footage by the total Hotel Square Footage expected in the building.
 - If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within the building, multiply the applicable Base Facilities Special Tax from Table 1 based on what had been anticipated on the Expected Taxable Property by the square footage of the Expected Land Uses for that property.

Prior to issuance of the first series of Bonds, the Maximum Facilities Special Tax for each Taxable Parcel in the building shall be determined by adding all of the amounts calculated above. Steps 5 and 6 below shall not apply.

After issuance of the first series of Bonds, the Administrator shall apply Steps 5 and 6 to determine the Maximum Facilities Special Tax for each Taxable Parcel.

Step 5. Sum the amounts calculated in Step 4 to determine the Estimated Base Facilities Special Tax Revenues for the building(s) for which a Building Permit was issued.

Step 6. Compare the Estimated Base Facilities Special Tax Revenues from Step 5 to the Expected Maximum Facilities Special Tax Revenues for the property, and apply one of the following, as applicable:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall update Attachment 2 to reflect the adjusted Expected Maximum Facilities Special Tax Revenues for the Sub-Block and the increased Maximum IA2 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA2 Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) and the decreased Maximum IA2 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA2 Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on Taxable Parcels within the building for which the Building Permit was issued, combined with the Expected Maximum Facilities*

Special Tax Revenues from other Sub-Blocks in Improvement Area No. 2, is sufficient to maintain Required Coverage.

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use these adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel that has been, or is expected to be, created within the building(s) for which the Building Permit has been issued. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Facilities Special Tax Revenues.

Until individual Assessor's Parcels are created for each Residential Unit and for any Commercial/Retail Square Footage, and/or Hotel Square Footage, within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Parcel and levy this aggregate Facilities Special Tax amount on the Parcel.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Developed Property in Improvement Area No. 2, unless there are delinquent Facilities Special Taxes on a Parcel of Developed Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

3b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Developed Property in Improvement Area No. 2. In the Transition Year, the Maximum Services Special Tax for a Parcel of Developed Property shall be determined by the Administrator as follows:

If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is not aware of any changes to land uses on the Parcel since the Facilities Special Tax was levied, the Administrator shall, based on the information that was used to prepare the prior year's Facilities Special Tax levy, apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is aware of changes to the Land Use Categories or square footage on the Parcel since the Facilities Special Tax was levied, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

If the Parcel becomes Developed Property after the Transition Year, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.

4. *Expected Taxable Property*

4a. *Facilities Special Tax*

Prior to the Transition Year, the Maximum Facilities Special Tax assigned to any Parcel of Expected Taxable Property shall be the Expected Maximum Facilities Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Expected Taxable Property.

4b. *Services Special Tax*

Prior to the Transition Year, there shall be no Services Special Tax levied on Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax assigned to any Parcel of Expected Taxable Property shall be determined by the Administrator by applying the Base Services Special Tax to each Land Use Category that is built on each Parcel of Expected Taxable Property, and such determination shall be conclusive and binding.

D. CHANGES TO THE MAXIMUM SPECIAL TAX

1. *Annual Escalation of Facilities Special Tax*

Beginning July 1, 2020 and each July 1 thereafter, the Base Facilities Special Taxes in Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, and the Maximum Facilities Special Tax assigned to each Parcel in Improvement Area No. 2 shall be increased by 2% of the amount in effect in the prior Fiscal Year.

2. *Annual Escalation of Services Special Tax*

Beginning July 1, 2020 and each July 1 thereafter until the Transition Year, the Base Services Special Taxes in Table 2 shall be increased by 3.4% of the amount in effect in the prior Fiscal Year. On July 1 of the Transition Year and each July 1 thereafter, the Base Services Special Taxes and the Maximum Services Special Tax assigned to each Parcel in Improvement Area No. 2 shall be escalated by the Escalator.

3. *Inclusionary Unit and Market Rate Unit Transfers*

If, in any Fiscal Year after issuance of the first series of Bonds, the Administrator determines that a Residential Unit that had previously been designated as an Inclusionary Unit no longer

qualifies as such, the Maximum Facilities Special Tax on the Residential Unit shall be increased to the Maximum Facilities Special Tax that would be levied on a Market Rate Unit of the same square footage. If, after issuance of the first series of Bonds, a Market Rate Unit becomes an Inclusionary Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit and, by exempting the Inclusionary Unit, the Administrator determines that Maximum IA2 Revenues will be reduced to a point at which Required Coverage cannot be maintained, then the Inclusionary Unit shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below.

4. *Changes in Land Use Category on a Parcel of Developed Property*

If the square footage on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the applicable Base Special Taxes by the square footage within each of the new Land Use Category(ies); if the first series of Bonds has not yet been issued, this amount shall be the Maximum Special Tax for the Parcel. If the first series of Bonds has been issued, the Administrator shall apply the remainder of this Section D.4.

If the amount determined is greater than the Maximum Facilities Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Facilities Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Facilities Special Tax for the Parcel. Under no circumstances shall the Maximum Facilities Special Tax on any Parcel of Developed Property be reduced, regardless of changes in Land Use Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God.

5. *Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale*

As set forth in, and subject to the requirements of, Section 2.3(n) of the Financing Plan, the Maximum Facilities Special Taxes assigned to Taxable Parcels in Improvement Area No. 2 may be proportionately or disproportionately reduced once prior to issuance of the first series of Bonds. Such reduction shall be made without a vote of the qualified CFD electors following: (i) initiation upon written request of TICD, and (ii) consultation with the City and TIDA regarding such request. The reduction shall be codified by recordation of an amended Notice of Special Tax Lien against all Taxable Parcels within Improvement Area No. 2.

6. *Converted Rental Residential Building*

If a Rental Residential Building in the CFD becomes a Converted Rental Residential Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the building, the Administrator shall determine the applicable Base Special Tax based on the appropriate Residential Product Type for For-Sale Units in the Development Project. Such Base Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the building in that Fiscal Year. In addition, this Base Special Tax, escalated as set forth in Section D.1 or, as applicable, D.2 above,

shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the building. Rental Units within the Converted Rental Residential Building shall continue to be subject to the Maximum Special Tax for Rental Units until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Residential Units within the building shall escalate each Fiscal Year as set forth in Section D.1 or, as applicable, D.2 above.

E. ANNEXATIONS

If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex property into Improvement Area No. 2, the Administrator shall apply the following steps as part of the annexation proceedings:

- Step 1.** Working with City staff and the landowner, the Administrator shall determine the Expected Land Uses for the area to be annexed.
- Step 2.** The Administrator shall prepare and keep on file updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses and Maximum IA2 Revenues. After the annexation is complete, the application of Sections C and F of this RMA shall be based on the adjusted Expected Land Uses and Maximum IA2 Revenues including the newly annexed property.
- Step 3.** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the CFD.

F. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied according to the steps outlined below:

- Step 1.* In all Fiscal Years prior to and including the earlier of (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Maximum Special Tax shall be levied on all Parcels of Developed Property regardless of debt service on Bonds (if any), and any Remainder Special Taxes collected shall be applied as set forth in the Financing Plan.

In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 2, the Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement.

- Step 2.* If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Vertical DDA Property, up to 100% of the Maximum Special Tax for each Parcel of Vertical DDA Property for such Fiscal Year.
- Step 3.* If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year.
- Step 4:* If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Expected Taxable Property, up to 100% of the Maximum Special Tax for each Parcel of Expected Taxable Property.

G. COLLECTION OF SPECIAL TAX

Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax bill for any Parcel subject to a leasehold interest will be sent to the same party that receives the possessory interest tax bill associated with the leasehold.

The Facilities Special Tax shall be levied and collected until the earlier of: (i) the Fiscal Year in which the City determines that all Qualified Project Costs have been funded pursuant to the Financing Plan and all other Authorized Expenditures that will be funded by the CFD have been funded, and (ii) the Transition Year. The Services Special Tax shall be levied and collected in perpetuity beginning in the Transition Year. Pursuant to Section 53321(d) of the Act, the Facilities Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

H. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Public Property or Association Property, except Public Property or Association Property that is determined to be Expected Taxable Property or a Hotel Project, (ii) Authority Housing Lots or Inclusionary Units unless any such lots or units have been determined to be Expected Taxable Property, (iii) Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, or open space, and (iv) the Yerba Buena Officers Quarters.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Tax and any security for any Bonds.

J. SPECIAL TAX APPEALS

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

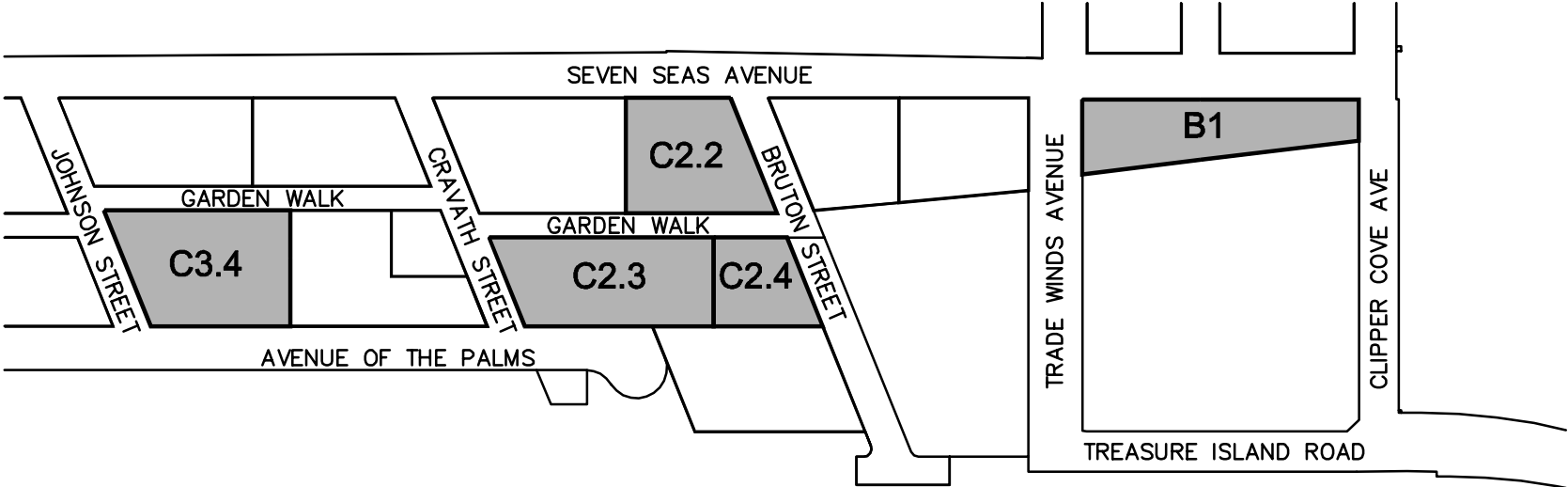
ATTACHMENT 1

**Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)**

**Identification of Sub-Blocks in
Improvement Area No. 2**


ATTACHMENT 1
Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)

Identification of Sub-Blocks



NOT TO SCALE

Legend

 Improvement Area No. 2 Sub-blocks

ATTACHMENT 2

Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

Expected Land Uses and Expected Maximum Facilities Special Tax Revenues by Sub-Block

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Square Footage	Base Facilities Special Tax (FY 2019-20) /1	Expected Maximum Facilities Special Tax Revenues (FY 2019-20) /1
C2.2	<u>Rental Residential</u> Market Rate Units Inclusionary Units	166 9	132,050 6,935	\$2.97 per square foot \$0.00 per square foot	\$392,189 \$0
C2.4	<u>Rental Residential</u> Market Rate Units Inclusionary Units	223 24	189,780 19,464	\$2.97 per square foot \$0.00 per square foot	\$563,647 \$0
B1	<u>Rental Residential</u> Market Rate Units Inclusionary Units	114 6	78,150 4,160	\$2.97 per square foot \$0.00 per square foot	\$232,106 \$0
C2.3	Low-Rise Units Inclusionary Units	108 6	93,161 5,401	\$6.51 per square foot \$0.00 per square foot	\$606,478 \$0
C3.4	Low-Rise Units Inclusionary Units	152 8	134,200 6,425	\$6.51 per square foot \$0.00 per square foot	\$873,642 \$0
Total Expected Units/Square Feet		816	669,726	N/A	N/A
Maximum IA2 Revenues (Fiscal Year 2019-20 \$)					\$2,668,062

1. See Attachment 1 for the geographic area associated with each Sub-Block.
2. Beginning July 1, 2020 and each July 1 thereafter, the dollar amounts shown above shall be escalated as set forth in Section D.1.

ATTACHMENT 3

**Improvement Area No. 2 of the
City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)**

**Identification of Authority Housing Lots
in Improvement Area No. 2**

[No Authority Housing Lots are expected within Improvement Area No. 2.]



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Director of the Controller's Office of Public Finance *AVD*
Luke Brewer, Controller's Office of Public Finance *LB*
Bob Beck, Director of the Treasure Island Development Authority

DATE: Friday, August 25, 2020

SUBJECT: Resolution Authorizing the Issuance of Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) Special Tax Bonds, Series 2020

Resolution Confirming Annexation of Property to the City and County of San Francisco Community Facilities District No. 2016 (Treasure Island) as Improvement Area No. 2

Recommended Actions

Resolution for Special Tax Bonds

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the resolution ("Bond Resolution") which authorizes the issuance of not to exceed \$17,990,000 aggregate principal amount of Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) Special Tax Bonds, Series 2020 ("Bonds").

Resolution for CFD Annexation

Additionally, we respectfully request that the Board consider for review and approval the resolution ("Annexation Resolution") confirming that property is annexed to City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Treasure Island CFD" or the "District") as Improvement Area No. 2; and determining other matters in connection therewith.

Background

Since 1997, the City and County of San Francisco ("City") and the Treasure Island Development Authority ("TIDA") have been working together on the Treasure Island/ Yerba Buena Island Development Project ("Project") in order to redevelop the former Treasure Island Naval Station ("NSTI") following the

2 | Resolution Authorizing the Issuance of Treasure Island CFD IA No. 1 Special Tax Bonds, Series 2020; and Resolution Confirming Annexation of Property to Treasure Island CFD as IA No. 2

conveyance of the Navy-owned lands to TIDA. In early 2003, TIDA and the Treasure Island Community Development, LLC¹ (“TICD” or the “Developer”) entered into an Exclusive Negotiating Agreement and began work on a Development Plan. In 2011, TICD and TIDA entered into the Disposition and Development Agreement (“DDA”) and TICD and the City entered into the Development Agreement (“DA”) to deliver the Project. A Financing Plan is attached to the DDA and DA and provides for reimbursement to the Developer for costs incurred to construct public infrastructure with special tax bonds issued under the Mello-Roos Community Facilities Act of 1982 and tax increment bonds issued by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island).

The development plan for the Project anticipates a new San Francisco neighborhood consisting of up to 8,000 new residential housing units, as well as new commercial and retail space, a hotel, and 290 acres of parks and public open space, including shoreline access and cultural uses. Transportation amenities being built for the project will enhance mobility on the Yerba Buena Island and Treasure Island as well as link the islands to mainland San Francisco. Some amenities include a combined police/fire emergency services building; utility improvements including new water, sewer, storm, gas, electrical and communications infrastructure with new water storage reservoirs and a wastewater treatment plant; new and upgraded streets, public byways, bicycle, transit, and pedestrian facilities; and a new ferry terminal.

The Treasure Island CFD

On January 24, 2017, following a public hearing and landowner vote, the Board adopted Resolution No. 8-17 (“Resolution of Formation”) establishing the Treasure Island CFD, an initial improvement area in the Treasure Island CFD entitled “Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)” (“Improvement Area No. 1”), and a Future Annexation Area for the Treasure Island CFD. The Treasure Island CFD was formed to provide funding for certain public infrastructure to be built as a result of the Project and certain ongoing public services.

Improvement Area No. 1

Improvement Area No. 1 consists of up to four development parcels (1Y, 2Y-H, 3Y, and 4Y) located on Yerba Buena Island, which are expected to be developed with 266 residential units at buildout.

At the time of the formation of the Treasure Island CFD and Improvement Area No. 1, the Board of Supervisors also adopted Resolution No. 12-17 to authorize the issuance and sale of special tax bonds for Improvement Area No. 1 in an aggregate principal amount not to exceed \$250,000,000.

The proposed Bond Resolution supplements Resolution No. 12-17 to authorize an aggregate principal amount not to exceed \$17,990,000 for the first bond issuance and approve related documents. If the Bonds are issued in the principal amount of \$17,990,000, the remaining bond authority for Improvement Area No. 1 would be \$232,010,000.

Future Annexation Area

The purpose of establishing the Future Annexation Area was to provide for streamlined annexations of future phases of the Project into the Treasure Island CFD.

In the Resolution of Formation the Board resolved that parcels in the Future Annexation Area may be annexed into the Treasure Island CFD as part of an existing improvement area or as part of its own Improvement Area (“Future Improvement Area”) through unanimous approval (a “Unanimous Approval”)

1. The existing members of TICD are (1) Treasure Island Holdings, LLC, a joint venture comprised of a subsidiary of Lennar Corporation and a non-managing third-party investor member, (2) TICD Hold Co., LLC, an indirect subsidiary of Lennar, (3) KSWM Treasure Island, LLC, a joint venture comprised of affiliates of Stockbridge Capital Group, LLC, Kenwood Investments, and Wilson Meany, LP, and (4) Stockbridge TI Co-Investors, LLC, an affiliate of Stockbridge.

3 | Resolution Authorizing the Issuance of Treasure Island CFD IA No. 1 Special Tax Bonds, Series 2020; and Resolution Confirming Annexation of Property to Treasure Island CFD as IA No. 2

of the owners of the annexing parcels at the time of annexation, in accordance with certain “Annexation Approval Procedures” defined in the Resolution of Formation.

Under the Board-approved Annexation Approval procedures, if a property owner submits a Unanimous Approval and the Director of the Office of Public Finance (“OPF”) accepts the Unanimous Approval in writing after concluding that it meets the requirements set forth in the Annexation Approval Procedures, then the Unanimous Approval shall be deemed accepted by the City, and the Clerk of the Board shall record an amendment to the notice of special tax lien (for annexation into an existing improvement area) or a new notice of special tax lien (for a Future Improvement Area). If the conditions in the Annexation Approval Procedures are met, then further Board approval is not required for the annexation.

Annexation of Improvement Area No. 2

On April 13, 2020, an affiliate of the Developer, Treasure Island Series 1, LLC, submitted a Unanimous Approval to the Director of OPF requesting the annexation of certain parcels (“Annexation Property”) in the Future Annexation Area into the Treasure Island CFD. The Unanimous Approval identified, specified and approved (1) the annexation of the Annexation Property to the Treasure Island CFD as a Future Improvement Area designated “Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island),” (2) the maximum amount of bonded indebtedness and other debt for such Future Improvement Area of \$278,200,000, (3) the rate and method of apportionment of special tax for such Future Improvement Area, and (4) the initial appropriations limit for such Future Improvement Area of \$76,000,000. After reviewing the Unanimous Approval, with the City Attorney’s office and the TIDA Director, the Director of OPF concluded that the Unanimous Approval complies with the Annexation Approval Procedures, accepted the Unanimous Approval and provided a written letter of acceptance to the Clerk of the Board and Treasure Island Series 1, LLC. On May 11, 2020, the Clerk of the Board executed the Notice of Special Tax Lien for Improvement Area No. 2 of the Treasure Island CFD, which was recorded by the Assessor-Recorder on May 15, 2020.

By adopting the Annexation Resolution, the Board of Supervisors will:

- (i) confirm that the Annexation Property is annexed into Improvement Area No. 2,
- (ii) ratify and confirm direction to the Clerk of the Board of Supervisors to (A) record notice of annexation, (B) record a consolidated map of the boundaries of the Treasure Island CFD, and (C) to record additional such maps from time to time as Unanimous Approvals are received from property owners in the Future Annexation Area,
- (iii) confirm that the maximum aggregate principal amount of bonds and other debt for Improvement Area No. 2 is \$278,200,000,
- (iv) confirm that the rate and method of apportionment of the Special Tax among the parcels of real property within Improvement Area No. 2 is on file with the Clerk of the Board
- (v) confirm that the annual appropriations limit of Improvement Area No. 2, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution is \$76,000,000.

The Special Tax Bonds of Improvement Area No. 1

The proposed Bond Resolution authorizes the first sale of special tax bonds for the Treasure Island CFD with respect to Improvement Area No. 1, in a par amount not to exceed \$17,990,000. The proposed Bonds will be secured by a pledge of special taxes levied on taxable property in Improvement Area No. 1. In accordance with Ordinance No. 22-17 and the Rate and Method of Apportionment of Special Tax for

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Improvement Area No. 1 (“RMA”) adopted at formation, the City began levying special taxes on a portion of taxable property located on development parcel 4Y within Improvement Area No. 1 in Fiscal Year 2019-20. Parcel 4Y currently has one building under construction known as the Bristol, which is planned for 124 residential units of which 110 units are subject to the special tax.

Current Plan of Finance

The proposed Bonds will be sold without a rating (“Non-Rated”). Non-Rated special tax bonds have unique credit considerations and risk factors for investors which are discussed in the Official Statement. *The Bonds are limited obligations of the City, secured by and payable solely from the special taxes levied in Improvement Area No. 1.*

The General Fund of the City is not liable for the payment of principal or interest on the Bonds, and the credit of the City is not pledged to the payment of the Bonds.

Under the Fiscal Agent Agreement, the City, on behalf of the District, has covenanted for the benefit of the owners of the Bonds that, under certain circumstances, the City will commence judicial foreclosure proceedings with respect to delinquent special taxes on property within Improvement Area No. 1, and will diligently pursue such proceedings to completion.

Although the proposed Bonds will be secured by a pledge of special taxes levied on all of the taxable property in Improvement Area No. 1 pursuant to the RMA, the Bonds have been sized to leverage the projected annual special tax levy on the Bristol such that maximum projected special tax revenues are equal to approximately 110% of debt service on the Bonds. For Fiscal Year 2019-20, \$833,688 in special taxes were collected in Improvement Area No. 1 from Parcel 4Y. Per the RMA, the special taxes escalate at 2.00% annually.

Value-to-Lien Ratio

Under the City's *Local Goals and Policies – Community Facilities Districts and Special Tax Districts*, the City is required to sell the Bonds to achieve at least a 3-to-1 value-to-lien ratio based on (i) an appraised value (in this case) or assessed value and (ii) special tax and assessment debt encumbering the taxable property. The value-to-lien ratio based on the not to exceed par amount of \$17,990,000 and the current appraised value (as of July 1, 2020) of the property in Improvement Area No. 1 of \$86,560,000 is 4.8-to-1.

Integra Realty Resources, Inc. (the “Appraiser”) has prepared an Appraisal Report dated August 14, 2020 with a valuation date of July 1, 2020, estimating the market value of the fee simple interest in three parcels within Improvement Area No. 1 currently subject to the special taxes. The Appraiser concluded in the Appraisal Report that the market value in bulk of the fee simple interest of these parcels is \$86,560,000, subject to certain assumptions and limiting conditions set forth therein. The value of individual parcels in Improvement Area No. 1 may vary significantly, and no assurance can be given that should Special Taxes levied on one or more of the parcels become delinquent, and should the delinquent parcels be offered for sale at a judicial foreclosure sale, that any bid would be received for the property or, if a bid is received, that such bid would be sufficient to pay such parcel's delinquent Special Taxes.

Use of Proceeds

The proceeds of the Bonds will (i) finance or reimburse expenditures on public improvements for the Project, (ii) fund a debt service reserve fund for the Bonds, (iii) fund capitalized interest on the Bonds, if

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any, (iv) fund administrative expenses, and (v) finance costs of issuance. More specifically, the proceeds of the proposed Bonds are expected to reimburse the Developer for developer qualified costs, such as on-site infrastructure costs, such as utility improvements, street improvements, curb, gutter and sidewalk improvements, streetlights, and traffic signals, and related pre-development costs.

Table 1 below outlines anticipated sources and uses for the Bonds, based on current market conditions.

Table 1: Estimated Sources & Uses of the Special Tax Bonds, Series 2020

<u>Sources:</u>	
Bond Proceeds	
Par Amount	\$17,165,000
Premium	581,000
Total Sources	\$17,746,000
<u>Uses:</u>	
Improvement Fund	\$15,184,000
Debt Service Reserve Fund	1,313,000
<u>Delivery Date Expenses</u>	
Cost of Issuance	\$1,000,000
Underwriter's Discount	215,000
CSA Audit Fee	34,000
Total Uses	\$17,746,000
Reserve for Market Uncertainty	\$244,000
Not-to-Exceed Par Amount	\$17,990,000

Source: Stifel, PFM and CSG Advisors, Inc.

The requested not-to-exceed par amount of \$17,990,000 exceeds the current estimated par amount of \$17,165,000 in order to provide flexibility to capture the benefit of more favorable market conditions should they be available at the time of sale. Conditions that could result in a change in the anticipated project fund and/or par amount include fluctuations in market interest rates between the date of authorization by the Board and the sale of the Bonds, changes in required deposits for reserves or in estimated delivery date expenses.

Interest Rate; Projected Debt Service

Based upon current market conditions, a 30-year term and a true interest cost of 3.84%, which assumes the issuance of all bonds on a tax-exempt basis, the OPF estimates an average annual debt service of approximately \$1.04 million. The anticipated total par amount of \$17.165 million is estimated to result in approximately \$16.127 million in interest payments over the life of the Bonds. The total debt service over the life of the Bonds is estimated at approximately \$31.292 million.

Negotiated Sale of the Bonds; Underwriters

A negotiated sale is planned in connection with this transaction. The Bonds are repaid from special tax revenues from taxable property within Improvement Area No. 1 and are outside of the City's customary credit profile. Prior to formation, OPF selected Stifel, Nicolaus & Company, Incorporated ("Stifel") to serve

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as Senior Underwriter and Backstrom McCarley Berry & Co. LLC, (“Backstrom”) to serve as Co-underwriter (together, “Underwriters”). The Underwriters are in the City’s Underwriter Pool, which was established via a competitive process. The proposed Bond Resolution approves the form of the Bond Purchase Agreement (described further below) which provides the terms of sale of the Bonds by the City to the Underwriters.

The Capital Plan

The Bonds are limited obligations of the City payable solely from the special tax revenues within Improvement Area No. 1 and therefore are not subject to policy constraints of the Ten-Year Capital Plan.

Additional Information

The Resolutions are expected to be introduced at the Board of Supervisors meeting on Tuesday, August 25, 2020. The forms of the financing documents related to the Special Tax Bonds—including the Bond Purchase Agreement, Fiscal Agent Agreement, Preliminary Official Statement, the Continuing Disclosure Certificate and related documents—will also be submitted.

Bond Purchase Agreement: The City intends to pursue a fixed rate negotiated sale of the Bonds. The Bond Purchase Agreement details the terms, covenants, and conditions for the sale of the Bonds through the Underwriters, as well as agreements regarding expenses, closing and disclosure documents.

Fiscal Agent Agreement: The proposed Bond Resolution also approves the form of the Fiscal Agent Agreement pursuant to which the Fiscal Agent administers and disburses bond payments. The Fiscal Agent Agreement provides for the terms of the bond redemption, prepayment provisions, and other related administrative provisions. The Fiscal Agent holds the Treasure Island CFD special taxes and the bonds proceeds derived from the sale of the Bonds and will disburse the proceeds as directed by authorized City representatives.

Official Statement: The Official Statement provides information for investors in connection with the public offering by the City of the Bonds. The Official Statement describes the Bonds, the Project, including sources and uses of funds; security for the Bonds; risk factors; an appraisal of the property and tax and other legal matters, among other information.

A *Preliminary Official Statement* is distributed to investors prior to the sale of the Bonds and, within seven days of the public offering, the *Final Official Statement* (adding certain sale results including the offering prices, interest rates, selling compensation, principal amounts, and aggregate principal amounts) is distributed to the prospective purchasers of the Bonds.

Federal securities laws impose on the City the obligation to ensure that this document is accurate and complete in all material respects. This obligation applies to the individual members of the governing bodies approving the document as well as City staff charged with preparing the document. Much of the information in the Official Statement was provided by the Developer, and the Developer will certify in writing that the information provided by the Developer is accurate and complete in all material respects. The draft Preliminary Official Statement has been submitted for your review prior to its publication.

The Board of Supervisors and the Mayor, in adopting and approving the Bond Resolution, approve and authorize the use and distribution of the Preliminary and Final Official Statements by the Underwriters

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and co-financial advisors with respect to the Bonds. For purposes of the Securities and Exchange Act of 1934, the Controller will certify, on behalf of the City, that the Preliminary and Final Official Statements are final as of their dates.

Continuing Disclosure Certificate: The City covenants to provide certain financial information and operating data relating to the Bonds (the "Annual Report") not later than 270 days after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of material events. These covenants have been made in order to assist the Underwriters of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Anticipated Financing Timeline

Milestones	Dates*
• Presentation to Capital Planning Committee	January 27, 2020
• Introduction of Resolutions to the Board of Supervisors	August 25, 2020
• Budget & Finance Committee Hearing	September 16, 2020
• Board Approval of Resolutions	September 22, 2020
• Sale and Closing of the Bonds	Estimated October 2020

*Please note that dates are estimated unless otherwise noted.

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org) at 415-554-5956 or Luke Brewer (luke.brewer@sfgov.org) at 415-554-7693, if you have any questions.

cc: Angela Calvillo, Clerk of the Board of Supervisors
Andres Powers, Mayor's Office
Ashley Groffenberger, Mayor's Acting Budget Director
Ben Rosenfield, Controller
Naomi Kelly, City Administrator
Ken Bukowski, Deputy City Administrator
Harvey Rose, Budget & Legislative Analyst
Severin Campbell, Budget & Legislative Analyst
Mark Blake, Deputy City Attorney
Kenneth Roux, Deputy City Attorney

Attachment 1

GOOD FAITH ESTIMATES

For purposes of compliance with Section 5852.1 of the California Government Code, the following information are good faith estimates provided by the City's Underwriters, and the City's Co-Municipal Advisors, PFM, and CSG Advisors Incorporated:

1. True interest cost of the Bonds: 3.84%
2. Finance charge for the Bonds, including all fees and charges for third parties (including underwriter's compensation, municipal advisory fees, co-bond counsel fees, disclosure counsel fees, trustee fees and other payments to third parties): \$1,249,000.
3. Amount of Bond proceeds expected to be received by the City, net of payments identified in 2 above and any reserve fund or capitalized interest funded with proceeds of the Bonds: \$15,184,000.
4. Total payment amount for the Bonds, being the sum of (a) debt service on the Bonds to final maturity, and (b) any financing costs not paid from proceeds of the Bonds: \$31,292,000.

The information set forth above is based up estimates of prevailing market conditions. Actual results may differ if assumed market conditions change.

From: [Peacock, Rebecca \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#); [BLAKE, MARK \(CAT\)](#)
Cc: [Kittler, Sophia \(MYR\)](#); [Brewer, Luke \(CON\)](#); [Katz, Bridget \(CON\)](#); [Querubin, Jamie \(ADM\)](#); [Beck, Bob \(ADM\)](#); [Hirschhorn, Liz \(ADM\)](#); [Van Degna, Anna \(CON\)](#)
Subject: Mayor -- [Resolution] -- [Resolution Confirming Annexation of Property to City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) as Improvement Area No. 2]
Date: Tuesday, August 25, 2020 4:41:17 PM
Attachments: [\(4\) Reso_CON_TI Annexation.zip](#)

Attached for introduction to the Board of Supervisors is a **resolution confirming that property is annexed to the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) as Improvement Area No. 2 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island); and determining other matters in connection therewith.**

[@BLAKE, MARK \(CAT\)](#), can you reply-all to indicate your approval? Thanks!

Please let me know if you have any questions.

Rebecca Peacock ([they/she](#))
(415) 554-6982 | Rebecca.Peacock@sfgov.org
Office of Mayor London N. Breed
City & County of San Francisco