

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

3
4 **Resolution authorizing the issuance and sale of one or more series of Special Tax**
5 **Bonds for City and County of San Francisco Community Facilities District No. 2016-1**
6 **(Treasure Island) with respect to its Improvement Area No. 2 in the aggregate principal**
7 **amount not to exceed \$17,000,000 approving related documents, including an Official**
8 **Statement, First Supplement to Fiscal Agent Agreement, Bond Purchase Agreement,**
9 **and Continuing Disclosure Undertaking; and determining other matters in connection**
10 **therewith, as defined herein.**

11
12 WHEREAS, The Board of Supervisors (“Board of Supervisors”) of the City and County
13 of San Francisco (“City”) previously conducted proceedings under and pursuant to the Mello-
14 Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of
15 Title 5 (commencing with Section 53311) of the California Government Code (“Act”), to form
16 (i) “City and County of San Francisco Community Facilities District No. 2016-1 (Treasure
17 Island)” (“CFD”), (ii) an initial improvement area, designated “Improvement Area No. 1 of the
18 City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)”
19 and (iii) “City and County of San Francisco Community Facilities District No. 2016-1 (Treasure
20 Island) (Future Annexation Area)” (“Future Annexation Area”); and

21 WHEREAS, Pursuant to Resolution No. 8-17, which was adopted by the Board of
22 Supervisors on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Resolution
23 of Formation”), the Board of Supervisors provided for, among other things, (i) the financing of
24 certain public facilities (“Facilities”) by the CFD and (ii) the annexation of parcels in the Future
25 Annexation Area to the CFD pursuant to a unanimous approval (“Unanimous Approval”) of the

1 owner or owners of such parcels in accordance with certain “Annexation Approval
2 Procedures” specified in the Resolution of Formation; and

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

6 WHEREAS, On January 24, 2017, the Board of Supervisors also adopted its
7 Resolution No. 9-17, which was signed by the Mayor on February 3, 2017 (“Resolution of
8 Necessity”), determining the necessity to incur bonded indebtedness and other debt (as
9 defined in the Act) (i) in the maximum aggregate principal amount of \$250,000,000 upon the
10 security of the special tax to be levied within Improvement Area No. 1 pursuant to the Act and
11 (ii) in the aggregate principal amount of \$4,750,000,000 with respect to those portions of the
12 CFD that are not included in Improvement Area No. 1 (“Non-Improvement Area No. 1
13 Indebtedness Limit”); and

14 WHEREAS, In the Resolution of Necessity, the Board of Supervisors further provided
15 that in the event all or a portion of the Future Annexation Area is annexed as one or more
16 Future Improvement Areas, the maximum indebtedness of each such Future Improvement
17 Area shall be identified and approved in the Unanimous Approval of the property owners of
18 the property to be annexed at the time of the annexation, and the amount of the maximum
19 indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement
20 Area No. 1 Indebtedness Limit; and

21 WHEREAS, Pursuant to Resolution No. 410-20, which was adopted by the Board of
22 Supervisors on September 22, 2020, and signed by the Mayor on September 25, 2020, the
23 Board of Supervisors (i) confirmed that a Unanimous Approval was received which identifies,
24 specifies and approves the annexation of property from the Future Annexation Area to an
25 improvement area known as “Improvement Area No. 2 of the City and County of San

1 Francisco Community Facilities District No. 2016-1 (Treasure Island)” (“Improvement Area No.
2 2”), (ii) confirmed that the maximum aggregate principal amount of bonds and other debt for
3 Improvement Area No. 2 shall be \$278,200,000 and (iii) confirmed the rate and method of
4 apportionment of special tax for Improvement Area No. 2 as shown in Exhibit A to such
5 Resolution; and

6 WHEREAS, Pursuant to a Fiscal Agent Agreement, dated as of February 1, 2022
7 (“Master Fiscal Agent Agreement”), by and between the City and Zions Bancorporation,
8 National Association (“Fiscal Agent”), the City previously issued the following special tax
9 bonds on behalf of the CFD with respect to Improvement Area No. 2 (“2022 Bonds”):

10 \$25,130,000 Improvement Area No. 2 of the City and County of San Francisco Community
11 Facilities District No. 2016-1 (Treasure Island) Special Tax Bonds, Series 2022A; and

12 WHEREAS, The Board of Supervisors now wishes to provide for the issuance of one or
13 more additional series of special tax bonds (the “Bonds”) on a parity basis with the 2022
14 Bonds to finance a portion of the Authorized Facilities and related costs and expenses; and

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

22 WHEREAS, There has also been submitted to the Board of Supervisors a form of
23 preliminary Official Statement in connection with the marketing of the Bonds and the Board of
24 Supervisors, with the aid of its staff, has reviewed the preliminary Official Statement to assure
25 disclosure of all material facts relating to the Bonds; and

1 WHEREAS, In accordance with Government Code, Section 5852.1, the Board of
2 Supervisors has obtained and disclosed a good faith estimate prepared by the City's
3 municipal advisor of (a) the true interest cost of the Bonds, (b) the finance charge of the
4 Bonds, (c) the amount of proceeds received by the City for sale of the Bonds less the finance
5 charge and any reserves or capitalized interest paid or funded with proceeds of the Bonds,
6 and (d) the sum total of all payments the City will make to pay debt service on the Bonds plus
7 the finance charge of the Bonds not paid with the proceeds of the Bonds; and

8 WHEREAS, All conditions, things and acts required to exist, to have happened and to
9 have been performed precedent to and in the issuance of the Bonds and the levy of the
10 special taxes as contemplated by this Resolution and the documents referred to herein exist,
11 have happened and have been performed in due time, form and manner as required by the
12 laws of the State of California, including the Mello-Roos Act; and

13 WHEREAS, The City, for itself and for and on behalf of the CFD, the Treasure Island
14 Development Authority ("TIDA"), the City and County of San Francisco Infrastructure and
15 Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), and Zions
16 Bancorporation, National Association, as special fund trustee (the "Special Fund Trustee"),
17 have entered into a Special Fund Administration Agreement, dated as of September 1, 2022
18 ("Special Fund Administration Agreement"), for the purpose of facilitating a more orderly
19 administration of the revenues generated by the CFD and the IRFD; now, therefore, be it

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

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

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

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

8 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the issuance
9 of the Bonds is in compliance with the Mello-Roos Act and applicable provisions of the City's
10 "Amended and Restated Local Goals and Policies for Community Facilities Districts and
11 Special Tax Districts" adopted by the Board of Supervisors on November 26, 2013, by
12 Resolution No. 414-13, and signed by the Mayor on November 27, 2013 ("Goals and
13 Policies"); more specifically, the Board of Supervisors hereby makes the following
14 determinations:

15 (i) The rate and method of apportionment of special taxes for Improvement Area
16 No. 2 is in compliance with the Goals and Policies.

17 (ii) The appraisal described in the preliminary Official Statement (the "Appraisal")
18 has been prepared in accordance with the Goals and Policies.

19 (iii) Section 53345.8 of the Mello-Roos Act requires, with certain exceptions,
20 that the value of the real property subject to special taxes levied in Improvement Area
21 No. 2 must be at least three times the principal amount of the Bonds and the principal
22 amount of all other bonds that will be outstanding following issuance of the Bonds that
23 are secured by a special tax levied pursuant to the Mello-Roos Act on property within
24 the Improvement Area No. 2 or a special assessment levied on property within
25 Improvement Area No. 2, and the Board of Supervisors hereby determines that the

1 Appraisal concludes that the market value of the property within Improvement Area No.
2 2 (subject to the various assumptions and conditions set forth in the Appraisal) is at
3 least three times (i) the initial principal amount of the Bonds authorized by this
4 Resolution and (ii) the outstanding principal amount of all other outstanding bonds that
5 are secured by a special tax or special assessment levied on property within
6 Improvement Area No. 2; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
8 the First Supplement, in substantially the form on file with the Clerk of the Board of
9 Supervisors; each of the Mayor, the Controller and the Director of the Office of Public
10 Finance, or such other official of the City as may be designated by such officials (each, an
11 "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Clerk
12 of the Board of Supervisors is hereby authorized and directed to attest to, the First
13 Supplement in substantially the form on file with the Clerk of the Board of Supervisors,
14 together with such additions or changes as are approved by such Authorized Officer upon
15 consultation with the City Attorney and the City's bond counsel, including such additions or
16 changes as are necessary or advisable to permit the timely issuance, sale and delivery of the
17 Bonds; the approval of such additions or changes shall be conclusively evidenced by the
18 execution and delivery by an Authorized Officer of the First Supplement; the proceeds of the
19 Bonds shall be used as set forth in the Fiscal Agent Agreement; the terms and provisions of
20 the First Supplement, as executed, are incorporated herein by this reference as if fully set
21 forth herein; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Official
23 Statement prepared in connection with the Bonds in the form on file with the Clerk of the
24 Board of Supervisors, together with any changes therein or additions thereto deemed
25 advisable by an Authorized Officer after consultation with the City's disclosure counsel; the

1 Board hereby approves and authorizes the distribution by the Underwriter of the Bonds
2 (defined below) of the preliminary Official Statement to prospective purchasers of the Bonds,
3 and authorizes and directs an Authorized Officer on behalf of the City to deem the preliminary
4 Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934
5 ("Rule") prior to its distribution to prospective purchasers of the Bonds; the execution of the
6 final Official Statement, which shall include then current financial information regarding
7 Improvement Area No. 2 and such other changes and additions thereto deemed advisable by
8 an Authorized Officer and such information permitted to be excluded from the preliminary
9 Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the
10 Official Statement by the City; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
12 the continuing disclosure undertaking ("Continuing Disclosure Undertaking") with respect to
13 the Bonds in the form thereof attached to the Official Statement on file with the Clerk of the
14 Board of Supervisors; an Authorized Officer is hereby authorized and directed to complete
15 and execute the Continuing Disclosure Undertaking on behalf of the City with such changes,
16 additions or deletions as may be approved by the Authorized Officer in consultation with the
17 City's disclosure counsel; and, be it

18 FURTHER RESOLVED, That the form of the Bond Purchase Agreement ("Purchase
19 Contract") providing for the sale of the Bonds by the City to Stifel, Nicolaus & Company,
20 Incorporated, as underwriter ("Underwriter"), on file with the Clerk of the Board is hereby
21 approved and each of the Authorized Officers is hereby authorized to execute the Purchase
22 Contract in the form so approved, with such additions thereto and changes therein as are
23 necessary to conform the Purchase Contract to the dates, amounts and interest rates
24 applicable to the Bonds as of the sale date or as are approved by an Authorized Officer upon
25 consultation with the City Attorney and the City's bond counsel; provided that the maximum

1 amount of Underwriter's discount on the sale of each series of Bonds may not exceed 2.00%
2 of the par amount of such series of Bonds; approval of such additions and changes shall be
3 conclusively evidenced by the execution and delivery of the Purchase Contract by an
4 Authorized Officer; the Board of Supervisors hereby finds that sale of the Bonds to the
5 Underwriter at a negotiated sale pursuant to the Purchase Contract will result in a lower
6 overall cost than would be achieved by selling the Bonds utilizing competitive bidding; and, be
7 it

8 FURTHER RESOLVED, Pursuant to Section 53345.8 of the Act, the Board of
9 Supervisors hereby finds and determines that an Authorized Officer may not execute and
10 deliver the Bond Purchase Agreement unless the Appraisal concludes that the taxable
11 property in Improvement Area No. 2 has a market value (subject to the various assumptions
12 and conditions set forth in the Appraisal) at least three times the principal amount of the
13 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by
14 a special tax levied pursuant to the Act on property within Improvement Area No. 2 or a
15 special assessment levied on property within the Improvement Area No. 2; and, be it

16 FURTHER RESOLVED, That the Bonds shall be prepared, executed and delivered to
17 the Fiscal Agent for authentication, all in accordance with the terms of the Fiscal Agent
18 Agreement and the Purchase Contract; and, be it

19 FURTHER RESOLVED, That the City, for itself and for and on behalf of the CFD, is
20 hereby authorized and directed to execute and deliver any amendment to the Special Fund
21 Administration Agreement that an Authorized Officer determines is necessary to consummate
22 the lawful issuance and delivery of the Bonds in accordance with this Resolution and the
23 Fiscal Agent Agreement; and, be it

24 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
25 authorized to determine, after consultation with the City's bond counsel, municipal advisors

1 and the Underwriter, (i) the name of the Bonds, (ii) whether all or a portion of one or more
2 series of Bonds shall be designated as “green bonds,” (iii) the final principal amount of each
3 series of the Bonds and (iv) whether each series of the Bonds will be issued as tax-exempt or
4 taxable bonds; and, be it

5 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
6 the City (including, but not limited to, the Authorized Officers) with respect to the
7 establishment of the CFD and Improvement Area No. 2, the annexation of properties to
8 Improvement Area No. 2, the levy of the special tax and the issuance of the Bonds are hereby
9 approved, confirmed and ratified, and the appropriate officers of the City are hereby
10 authorized and directed to do any and all things and take any and all actions and execute any
11 and all certificates, agreements and other documents, which they, or any of them, may deem
12 necessary or advisable in order to accomplish the purposes of this Resolution and
13 consummate the lawful issuance and delivery of the Bonds in accordance with this
14 Resolution, any determination authorized by this Resolution, and any certificate, agreement,
15 and other document described in the documents herein approved; all actions to be taken by
16 an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any
17 designee, with the same force and effect as if taken by the Authorized Officer; and, be it

18 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
19 word of this Resolution, or any application thereof to any person or circumstance, is held to be
20 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
21 shall not affect the validity of the remaining portions or applications of this Resolution, the
22 Board hereby declaring that it would have passed this Resolution and each and every section,
23 subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional
24 without regard to whether any other portion of this Resolution or application thereof would be
25 subsequently declared invalid or unconstitutional; and, be it

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

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3 APPROVED AS TO FORM:
4 DAVID CHIU, City Attorney

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

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