[Authorizing Taxable and/or Tax-Exempt Certificates of Participation (Treasure Island - Stage 2 Infrastructure Projects) - Not to Exceed $65,000,000 and Approving Related Documents and Actions]

Ordinance authorizing the execution and delivery from time to time of Certificates of Participation, in one or more series on a tax-exempt and/or taxable basis, evidencing and representing an aggregate principal amount of not to exceed $65,000,000 as the first tranche of the Stage 2 Alternative Financing to finance public improvements within the boundaries of Stage 2 of the Treasure Island project, approving the form of a Trust Agreement (including the form of a Supplement to Trust Agreement) between the City and County of San Francisco ("City") and U.S. Bank Trust Company, National Association, as trustee (including certain indemnities contained therein); approving respective forms of a Property Lease (including the form of a Supplement to the Property Lease) and a Lease Agreement (including the form of a Supplement to the Lease Agreement), each between the City and such trustee for the lease and leaseback of certain real property and improvements located at 1995 Evans Avenue, or other property as determined by the Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an Official Statement in Preliminary and Final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution, and delivery of the Certificates of Participation; approving modifications to documents; declaring the intent to reimburse expenditures from proceeds of tax-exempt obligations; approving amendments to the Special Fund

Administration Agreement for the Treasure Island project; and ratifying previous actions taken in connection therewith, as defined herein.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS. The Board of Supervisors of the City and County of San Francisco hereby finds, determines, and declares:

(a) The City and County of San Francisco ("City") created the Treasure Island Development Authority ("Authority") in 1997 to serve as the entity responsible for the reuse and development of Naval Station Treasure Island, which encompasses Treasure Island (also referred to as "TI") and portions of Yerba Buena Island (also referred to as "YBI").

(b) In 2003, the Authority Board of Directors selected Treasure Island Community Development, LLC ("TICD" or "Developer") as the master developer for portions of Treasure Island and Yerba Buena Island.

(c) The Board of Supervisors approved the DDA (as defined below) pursuant to Resolution No. 241-11 on June 7, 2011, which the Mayor signed on June 13, 2011. On June 28, 2011, the Authority and the Developer entered the Disposition and Development Agreement ("DDA").

(d) The Board of Supervisors approved the DA (as defined below) on June 14, 2011, pursuant to Ordinance No. 95-11, which the Mayor signed on June 15, 2011. On June 28, 2011, the City and the Developer entered the Development Agreement ("DA").

(e) The DA, DDA, and the Special Use District in Planning Code Section 249.52 contemplate a project ("Treasure Island Project") on Treasure Island and Yerba Buena Island that includes up to 8,000 units of housing, 140,000 square feet of commercial and retail space, 100,000 square feet of office space, and up to approximately 300 acres of parks and open space, a ferry terminal, new and upgraded streets, and extensive bicycle, pedestrian, and transit facilities.

(f) On April 23, 2024, pursuant to Resolution No. 196-24, which the Mayor signed on May 3, 2024, the Board of Supervisors approved an amendment and restatement of the DDA, including an amendment and restatement of the Financing Plan, and encouraged City staff to (i) finalize the terms of a General Fund-backed public financing that will generate a maximum of $115,000,000 of net proceeds ("Stage 2 Alternative Financing") for the Qualified Project Costs (as defined in the DDA) related to development within the boundaries of Stage 2 of the Treasure Island Project, or as required to serve development within the boundaries of Stage 2, that are eligible to be financed by CFD Bonds and IFD Debt (as defined in the DDA) the interest on which is excluded from gross income for federal income tax purposes ("Stage 2 Qualified Project Costs") and (ii) bring the final terms to the Board of Supervisors for authorization within the time frame City staff reasonably believe is beneficial for the Treasure Island Project.

(g) In Resolution No. 196-24, the Board of Supervisors recited the following:

(i) Transforming Treasure Island and Yerba Buena Island into a new San Francisco neighborhood has required a staggering amount of upfront engineering work to geotechnically transform the land and install new infrastructure and utilities.

(ii) Since 2011, the Developer has invested over $800 Million into the Treasure Island Project which has resulted in significant progress towards completion

of the first stage of construction with nearly 1,000 new homes along with completed public parks and utilities, public art, new streets, and regular ferry service.

(iii) Over 100 units of new affordable housing attributable to the Treasure Island Project are open and occupied on Treasure Island, with another approximately 200 units currently under construction.

(iv) The progress on Treasure Island and Yerba Buena Island is a reflection of a public-private partnership spanning more than twenty years committed to the vision for a new Treasure Island.

(v) Continuing the Treasure Island Project is more important now than ever, as Treasure Island's 8,000 planned housing units represent one-tenth of the City's housing production goals established under its Housing Element 2022 Update of the General Plan and the Mayor's Housing for All implementation strategy, and the Treasure Island Project is the City's largest project underway in a moment when there is a tremendous push to build new housing in San Francisco.

(vi) Various factors such as increases in construction and labor costs, a worldwide pandemic, rising interest rates, and a slowing of the real estate market have put unanticipated pressures on the Treasure Island Project that could delay construction of the next phase without near-term accelerated public financing.

(vii) The Developer has shared economic projections demonstrating the financial constraints facing the Treasure Island Project, including the inability to secure traditional financing for the construction of Stage 2 infrastructure.

(viii) The Authority, the City, and the Developer are committed to ensuring that Treasure Island Project does not lose momentum, particularly as the island and its services become more integrated into the City fabric as a result of the new housing

units, parks, utilities, public art, ferry terminal, and streets that have been completed to date.

(ix) Stage 2 includes two planned affordable housing buildings with approximately 250 units total and a 240-bed behavioral health building project to be delivered by the Department of Public Health.

(x) The amended and restated Financing Plan describes the Stage 2 Alternative Financing, expected to be structured as one or more lease certificates of participation, with the City reserving the discretion to structure the Stage 2 Alternative Financing through other public financing vehicles that are not secured by a pledge of Project special taxes or net available increment, to support continued construction of Stage 2 infrastructure necessary to allow for the development of new parks and shoreline improvements, and market rate and affordable housing parcels for approximately 1,300 units of new housing anticipated to occur within the next 3-5 years, by reimbursing the Developer for eligible Stage 2 qualified project costs sooner than they otherwise would be reimbursed through the existing public financing structure.

(xi) The amended and restated Financing Plan provides that: the Treasure Island Stage 2 Alternative Financing will be issued as certificates of participation that will be structured in no less than three separate tranches, with no more than one tranche issued per fiscal year; the City will issue the first tranche of certificates of participation, and subsequent tranches, only after the ten-year City Capital Plan that is updated after the A&R Reference Date (as defined in the DDA) demonstrates sufficient capacity for, and incorporates, the Stage 2 Alternative Financing in the COP program. Each legislative package submitted to, and subject to the approval of, the Board of Supervisors for a tranche of certificates of participation will demonstrate compliance

with Section 10.62 of the City's Administrative Code; and the City will structure the certificates of participation so that lease payments will not be appropriated from the City's General Fund in Fiscal Year 2024-25 or Fiscal Year 2025-26.

(xii) The Stage 2 Alternative Financing is anticipated to be structured over the next 3-5 years, tied to the expected capital expenditures for the Stage 2 infrastructure, and the Developer would be reimbursed after the Developer has satisfied various conditions for issuance of such public financing and reimbursement from such proceeds.

(h) On April 30, 2024, pursuant to Ordinance No. 93-24, which the Mayor signed on May 10, 2024, the Board of Supervisors approved an amendment to the Development Agreement, to amend and restate the Financing Plan in a manner consistent with the amendment and restatement of the Financing Plan as attached to the DDA.

(i) City staff (i.e. the Office of Public Finance) is recommending approval of the first tranche of the Stage 2 Alternative Financing, and the conditions therefor set forth in the Financing Plan have been met:

(i) On December 19, 2024, pursuant to Resolution No. 626-24, which the Mayor signed on December 19, 2024, the Board of Supervisors approved an updated ten-year City Capital Plan; the updated Plan demonstrates capacity for, and incorporates, the Stage 2 Alternative Financing in the certificates of participation program.

(ii) The proposed Certificates (as defined below) will generate approximately $50,000,000 of net proceeds to reimburse the Developer for Stage 2 Qualified Project Costs.

(iii) The Developer has informed City staff that it will use the net proceeds of the first tranche of the Stage 2 Alternative Financing to finance Stage 2 Qualified Project Costs as defined in the amended and restated Financing Plan, including but not

with Section 10.62 of the City's Administrative Code; and the City will structure the certificates of participation so that lease payments will not be appropriated from the City's General Fund in Fiscal Year 2024-25 or Fiscal Year 2025-26.

(xii) The Stage 2 Alternative Financing is anticipated to be structured over the next 3-5 years, tied to the expected capital expenditures for the Stage 2 infrastructure, and the Developer would be reimbursed after the Developer has satisfied various conditions for issuance of such public financing and reimbursement from such proceeds.

(h) On April 30, 2024, pursuant to Ordinance No. 93-24, which the Mayor signed on May 10, 2024, the Board of Supervisors approved an amendment to the Development Agreement, to amend and restate the Financing Plan in a manner consistent with the amendment and restatement of the Financing Plan as attached to the DDA.

(i) City staff (i.e. the Office of Public Finance) is recommending approval of the first tranche of the Stage 2 Alternative Financing, and the conditions therefor set forth in the Financing Plan have been met:

(i) On ___, 2024, pursuant to Resolution No. ___-24, which the Mayor signed on ___, 2024, the Board of Supervisors approved an updated ten-year City Capital Plan; the updated Plan demonstrates capacity for, and incorporates, the Stage 2 Alternative Financing in the certificates of participation program.

(ii) The proposed Certificates (as defined below) will generate approximately $50,000,000 of net proceeds to reimburse the Developer for Stage 2 Qualified Project Costs.

(iii) The Developer has informed City staff that it will use the net proceeds of the first tranche of the Stage 2 Alternative Financing to finance Stage 2 Qualified Project Costs as defined in the amended and restated Financing Plan, including but not

limited to Stage 2 Qualified Project Costs related to demolition required for public improvements, geotechnical work required for public improvements, and street improvements, and that it expects to complete that work at a cost of approximately $50,000,000 by December 31, 2026.

(iv) The proposed first tranche of the Stage 2 Alternative Financing will comply with Section 10.62 of the City's Administrative Code because the proposed lease payments and the lease payments payable with respect to outstanding general fund certificates of participation will not exceed 3.25% of General Fund discretionary revenue, as determined by the Controller and the Director of Public Finance.

(v) In its memorandum to the Board of Supervisors for this Ordinance, City Staff has identified and summarized the performance milestones to be met by the Developer before approval by the Board of Supervisors of a subsequent Stage 2 Alternative Financing.

(vi) No Base Rental payments will be appropriated from the City's General Fund in Fiscal Year 2024-25 or Fiscal Year 2025-26.

(j) The Board of Supervisors desires to cause the execution and delivery of one or more series of certificates of participation (as further defined herein, the "Certificates") in an aggregate principal amount not to exceed $65,000,000. The Certificates represent the first tranche of the Stage 2 Alternative Financing; the Board of Supervisors expects the Stage 2 Alternative Financing to ultimately consist of multiple series of certificates of participation in a principal amount that will generate a maximum of $115,000,000 of net proceeds to reimburse the Developer for Stage 2 Qualified Project Costs.

(k) The Certificates will be executed and delivered in one or more series, on a tax-exempt and/or taxable basis, pursuant to a Trust Agreement ("Trust Agreement"), by and between the City and U.S. Bank Trust Company, National Association, as trustee ("Trustee").

Subsequent tranches of the Stage 2 Alternative Financing will be executed and delivered in the form of certificates of participation pursuant to one or more supplements to the Trust Agreement (each, a "Supplement to Trust Agreement"), in the form attached to the Trust Agreement.

(l) In connection with the execution and delivery of the Certificates to finance the Stage 2 Qualified Project Costs, the Board of Supervisors desires to cause the execution of (i) a Property Lease ("Property Lease"), pursuant to which the City intends to lease to the Trustee certain real property and improvements located in the City, initially expected to be the real property and improvements at 1995 Evans Avenue that are used by the San Francisco Police Department for its Traffic Company and Forensic Services Division ("Leased Property"), and (ii) a Lease Agreement ("Lease Agreement"), pursuant to which the Trustee will lease the Leased Property back to the City and the City will pay Base Rental payments. In connection with subsequent tranches of the Stage 2 Alternative Financing, the Board of Supervisors will execute and deliver (a) one or more supplements to the Property Lease (each, a "Supplement to Property Lease") (b) and one or more supplements to the Lease Agreement (each, a "Supplement to Lease Agreement").

(m) The Certificates, when executed and delivered, will evidence direct undivided interests in the Base Rental payments made by the City under the Lease Agreement, on a parity basis with any other certificates of participation of the City authorized and delivered pursuant to supplements to the Trust Agreement.

(n) The Board of Supervisors has been presented with the forms of certain documents and agreements referred to herein relating to the Certificates, and the Board wishes to approve each such document and agreement and to authorize the execution and delivery of such documents and agreements.

(o) The City has paid and expects to pay certain Stage 2 Qualified Project Costs to be financed by the Stage 2 Alternative Financing prior to the execution and delivery of the Certificates (as the first tranche of the Stage 2 Alternative Financing), and the City intends to reimburse itself and to pay third parties for such prior expenditures from the proceeds of the Stage 2 Alternative Financing.

(p) United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt obligations are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such obligation unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure. The Board of Supervisors has determined that it is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein.

(q) In accordance with California Government Code Section 5852.1, the Board of Supervisors has obtained and disclosed good faith estimates prepared by the City's municipal advisor of (i) the true interest cost of the Certificates, (ii) the finance charge of the Certificates, (iii) the amount of proceeds received by the City for sale of the Certificates less the finance charge and any reserves or capitalized interest paid or funded with proceeds of the Certificates, and (iv) the sum total of all payments the City will make with respect to the Certificates plus the finance charge of the Certificates not paid with proceeds of the Certificates.

(r) The City, for itself and for and on behalf of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), the Authority, the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Zions Bancorporation, National Association have entered into a Special Fund

Administration Agreement, dated as of September 1, 2022 ("Special Fund Administration Agreement"), and the Board of Supervisors wishes to approve an amendment to the Special Fund Administration Agreement to the extent necessary to provide for the Stage 2 Alternative Financing.

(s) Upon the effective date of this Ordinance, all conditions, things, and acts required by law to exist, to happen, and to be performed precedent to and as a condition of the execution and delivery of the Property Lease, the Lease Agreement, the Trust Agreement, the Continuing Disclosure Certificate (as defined herein), the Official Statement (as defined herein) and the Certificates will exist, have happened, and have been performed in due time, form, and manner in accordance with applicable law, and the City shall be authorized pursuant to its Charter and other applicable law to execute and deliver the Property Lease, the Lease Agreement, the Continuing Disclosure Certificate, the Trust Agreement, and the Official Statement and to cause the execution and delivery of the Certificates in the manner and form provided in this Ordinance.

(t) The Board of Supervisors' approval of the amended and restated DDA, the amended and restated Financing Plan, the amended and restated Development Agreement and the Stage 2 Alternative Financing substantially complies, to the extent applicable, with California Government Code Section 53083, subdivisions (a) and (b), and the Board of Supervisors directs the Director of the Office of Public Finance to comply with California Government Code Section 53083, subdivisions (c)-(e) to the extent applicable to the Stage 2 Alternative Financing.

(u) The adoption of this Ordinance constitutes authorization of the Certificates within the meaning of Section 864 of the California Code of Civil Procedure and any Validation Act that is effective after this Ordinance takes effect.

Section 2. Conditions Precedent. All conditions, things, and acts required by law to exist, to happen, and to be performed precedent to the execution and delivery of the Certificates exist, have happened, and have been performed in due time, form, and manner in accordance with applicable law, and the City is now authorized pursuant to its Charter and applicable law to incur the obligations in the manner and form provided in this Ordinance.

Section 3. File Documents. The documents presented to the Board and on file with the Clerk of the Board of Supervisors or her designee (collectively, the "Clerk") are contained in File No. 241085.

Section 4. Authorization of the Certificates. The Board of Supervisors hereby authorizes and approves the execution and delivery of the Certificates in one or more series on a tax-exempt and/or taxable basis in accordance with the Trust Agreement and the terms of Section 5 below. The proceeds of the Certificates will be used to (i) finance or refinance the Stage 2 Qualified Project Costs, including through the retirement of certain commercial paper notes of the City issued therefor; (ii) capitalize a portion of the interest with respect to the Certificates for Fiscal Year 2024-25 and Fiscal Year 2025-26 (with the remainder of such interest to be funded from the Stage 2 Contribution, which is defined in the Financing Plan as an annual amount equal to $550,000 that is payable from a combination of Remainder Taxes and Net Available Increment, as those terms are defined in the Financing Plan); (iii) fund a debt service or other similar reserve, as appropriate; and (iv) pay costs of execution and delivery of the Certificates. The Certificates shall be designated as "City and County of San Francisco Certificates of Participation (Treasure Island - Stage 2 Infrastructure Projects)" with such other designations as to series, taxability and the year of execution and delivery, as determined by the Controller's Director of Public Finance ("Director of Public Finance") or the designee of the Director of Public Finance.

Section 5. Certain Terms of the Certificates. The Certificates shall evidence an aggregate principal amount not to exceed $65,000,000, and shall evidence interest at a true interest cost up to but not to exceed 12% per annum. The Certificates shall be subject to prepayment as set forth in the Lease Agreement and the Trust Agreement. The Director of Public Finance is hereby authorized, to the extent such officer deems it necessary or advisable and financially advantageous to the City, to procure credit enhancement for the Certificates, including but not limited to municipal bond insurance or a debt service reserve fund surety policy.

Section 6. Tax Status of the Certificates. The Director of Public Finance is hereby authorized, to the extent such officer deems it necessary or advisable and in the interests of the City, to cause the execution and delivery of the Certificates (i) with interest with respect thereto being exempt or not exempt from federal income tax, and (ii) under any federal tax law provisions which provide for federal grants or credits to the City or to investors in lieu of the exemption of interest from federal income tax.

Section 7. Approval of the Trust Agreement. The form of the Trust Agreement (including the form of a Supplement to Trust Agreement attached thereto) between the City and the Trustee, as presented to the Board of Supervisors, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor or the Controller, or designees thereof, are hereby authorized to execute and deliver the Trust Agreement in the form hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City on such Trust Agreement, with such changes, additions, and modifications as the Mayor or the Controller, or designees of either, may make or approve in accordance with Section 22 hereof.

Section 8. Approval of the Property Lease. The form of the Property Lease (including the form of the Supplement to Property Lease attached thereto) between the City and the Trustee, as presented to the Board of Supervisors, a copy of which is on file with the Clerk of

the Board, is hereby approved. The Mayor or the Controller, or designees of either, is hereby authorized to execute and deliver the Property Lease in the form hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City on such Property Lease, with such changes, additions and modifications as the Mayor or the Controller, or designees of either, may make or approve in accordance with Section 22 hereof.

Section 9. Approval of the Lease Agreement. The form of the Lease Agreement (including the form of the Supplement to Lease Agreement attached thereto) between the City and the Trustee, as presented to the Board of Supervisors, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor or the Controller, or designees of either, is hereby authorized to execute and deliver the Lease Agreement in the form hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City on such Lease Agreement with such changes, additions, and modifications as the Mayor or Controller, or designees of either, may make or approve in accordance with Section 22 hereof; provided, however, that the maximum Base Rental (as defined in the Lease Agreement) to be paid under the Lease Agreement relative to the Project in any fiscal year shall not exceed $8,950,000 and the term of the Lease Agreement shall not extend beyond the 25th year following its date of execution, provided that such maximum Base Rental Payment and the initial term may be extended in accordance with one or more Supplements to Lease Agreement.

Section 10. Approval of the Leased Property and the Base Rental Payments. The Board of Supervisors hereby approves the leasing, pursuant to the terms of the Property Lease and the Lease Agreement, of all or a portion of the Leased Property, including as such Leased Property may be supplemented or replaced with other real property and improvements, as determined by the Director of Public Finance. The Board also hereby approves the payment by the City of the Base Rental with respect thereto.

Section 11. Sale and Award of Certificates by Competitive Sale. In the event the Director of Public Finance determines to sell the Certificates by competitive sale, the Director of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids for the purchase of the Certificates, and the Controller is hereby authorized and directed to award the Certificates to the bidder whose bid represents the lowest true interest cost to the City, all in accordance with the procedures described in the Official Notice of Sale (as defined herein).

Section 12. Approval of the Official Notice of Sale. The form of an official notice of sale relating to the Certificates ("Official Notice of Sale"), as presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public Finance is authorized to approve the distribution of an Official Notice of Sale for the Certificates, with such changes, additions and modifications as such official may make or approve in accordance with Section 22 hereof.

Section 13. Approval of Notice of Intention to Sell Relating to the Certificates. The form of a notice of intention to sell relating to the Certificates ("Notice of Intention to Sell"), as presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public Finance is hereby authorized to approve the publication of the Notice of Intention to Sell relating to the Certificates, with such changes, additions and modifications as such official may make or approve in accordance with Section 22 hereof.

Section 14. Sale of Certificates by Negotiated Sale; Approval of Purchase Contract. If the Controller or the Director of Public Finance determines to sell the Certificates by negotiated sale, the Controller or the Director of Public Finance is hereby authorized, and each may select a designee who is authorized, to sell the Certificates by negotiated sale pursuant to one or more purchase contracts (each, a "Purchase Contract") by and between the City and the underwriter or underwriters named therein; provided, however, that the

underwriters' discount under any such Purchase Contract shall not exceed 1% of the principal amount of the Certificates. The form of Purchase Contract, as presented to the Board of Supervisors, a copy of which is on file with the Clerk of the Board, is hereby approved.

Section 15. Authorization to Appoint Underwriters. To accomplish the sale of the Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the Certificates in accordance with City policies and procedures, including but not limited to the City's policy to provide locally disadvantaged business enterprises an equal opportunity to participate in the performance of all City contracts.

Section 16. Approval of the Official Statement in Preliminary and Final Form. The form of an official statement relating to the Certificates ("Official Statement"), as presented to this Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The Controller is hereby authorized to approve the preliminary Official Statement in substantially said form, with such changes, additions, modifications (including but not limited to the inclusion of the most current City financial information) or deletions as such official may make or approve in accordance with Section 22 hereof, and to deem the preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, to execute a certificate to that effect, and to cause the preliminary Official Statement to be delivered, in printed or electronic form, to potential purchasers of the Certificates, such approval to be conclusively evidenced by the delivery of said deemed-final certificate. The Controller is hereby further authorized and directed to sign and deliver the Official Statement in final form to purchasers of the Certificates.

Section 17. Approval of the Continuing Disclosure Certificate. The form of a Continuing Disclosure Certificate of the City relating to the Certificates, as presented to the Board of Supervisors, a copy of which is on file with the Clerk of the Board, is hereby

approved. The Controller or the Director of Public Finance is hereby authorized to execute the Continuing Disclosure Certificate, with such changes, additions, modifications, or deletions as the Controller or the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

Section 18. Sale and Award of Certificates by Direct Placement. In the event the Director of Public Finance determines to sell the Certificates by direct placement, the Director of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids for the purchase of the Certificates, and the Controller is hereby authorized and directed to award the Certificates to the bidder whose bid represents the lowest true interest cost to the City.

Section 19. Authorization to Appoint Placement Agents. To accomplish the sale of the Certificates by direct placement, if applicable, the Controller or the Director of Public Finance is hereby authorized to appoint one or more financial institutions to act as placement agent(s) for the Certificates in accordance with City policies and procedures, including but not limited to the City's policy to provide locally disadvantaged business enterprises an equal opportunity to participate in the performance of all City contracts.

Section 20. Reimbursement. The City hereby declares its intent to issue the Stage 2 Alternative Financing in the maximum principal amount of $150,000,000, and further hereby declares that it reasonably expects (i) to pay certain Stage 2 Qualified Project Costs prior to the date of execution and delivery of the Certificates (as the first tranche of the Stage 2 Alternative Financing) and (ii) to use a portion of the proceeds of the Stage 2 Alternative Financing for reimbursement of expenditures for Stage 2 Qualified Project Costs that are paid before the date of issuance of the Stage 2 Alternative Financing.

Section 21. General Authority. The Mayor, the Treasurer, the City Attorney, the Controller, the City Administrator, the Director of Public Finance, the Clerk of the Board of Supervisors, and other officers of the City and their duly authorized deputies, designees, and agents are hereby authorized and directed, jointly and severally, to take such actions and to execute and deliver such certificates, agreements, requests, or other documents as they may deem necessary or desirable to accomplish the purposes of this Ordinance, including but not limited to the execution and delivery of the Property Lease, the Lease Agreement, the Trust Agreement, the Official Statement, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance or other credit enhancements or a surety policy with respect to the Certificates, to obtain title insurance, to clear any encumbrances to title, to carry out other title work, to identify the property constituting the Leased Property, and to make any amendments to the Special Fund Administration Agreement required to provide for the Stage 2 Alternative Financing. Any such actions are solely intended to further the purposes of this Ordinance, and are subject in all respects to the terms of this Ordinance. No such actions shall increase the risk to the City or require the City to spend any resources not otherwise granted herein. Final versions of any such documents shall be provided to the Clerk for inclusion in the official file within 30 days of execution (or as soon thereafter as final documents are available) by all parties.

Section 22. Modifications, Changes, and Additions. The Mayor, the Treasurer, the Controller, and the Director of Public Finance, or designees of any of the foregoing, each are hereby authorized to make such modifications, changes, and additions to the documents and agreements approved hereby, upon consultation with the City Attorney, as may be necessary or desirable and in the interests of the City, and which changes do not materially increase the City's obligations or reduce its rights thereunder or hereunder. The respective official's approval of such modifications, changes, and additions shall be conclusively evidenced by the

execution and delivery by such official and the Clerk of the Property Lease, the Lease Agreement, and the Trust Agreement or any of the other documents approved in this Ordinance. Any such actions are solely intended to further the purposes of this Ordinance and are subject in all respects to the terms of this Ordinance. No such actions shall increase the risk to the City or require the City to spend any resources not otherwise granted herein. Final versions of any such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter as final documents are available) of execution by all parties.

Section 23. California Environmental Quality Act. On April 21, 2011, the Planning Commission by Motion No. 18325 and the Board of Directors of the Authority, by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of the Final Environmental Impact Report ("FEIR") for the Treasure Island Project; unanimously approved a series of entitlement and transaction documents relating to the Project; made certain environmental findings under the California Environmental Quality Act ("CEQA"), and adopted a mitigation and monitoring and reporting program ("MMRP") for the Project. On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors unanimously affirmed certification of the FEIR, and in Resolution No. 246-11, adopted the CEQA findings and the MMRP. Those findings are incorporated in this Ordinance as if set forth in their entirety herein. No changes have occurred in the project studied in the FEIR, or in the circumstances under which that project will be undertaken, and no new information that was not available at the time the FEIR was certified has become available that would warrant preparation of a subsequent or supplemental environmental impact report.

Section 24. Compliance with California Government Code Section 53083. The Board of Supervisors hereby directs the Director of Public Finance to comply with the provisions of

California Government Code Section 53083, subdivisions (c)-(e), to the extent applicable to the Stage 2 Alternative Financing.

Section 25. Ratification of Prior Actions. All actions authorized consistent with any documents presented herein and approved by this Ordinance but heretofore taken are hereby ratified, approved, and confirmed by the Board.

Section 26. Partial Invalidity. Any provision of this Ordinance found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Ordinance.

Section 27. Effective Date. This ordinance shall take effect immediately.

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By:/s/Mark D. Blake
MARK D. BLAKE,
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 241085 **Date Passed:** December 17, 2024

Ordinance authorizing the execution and delivery from time to time of Certificates of Participation, in one or more series on a tax-exempt and/or taxable basis, evidencing and representing an aggregate principal amount of not to exceed $65,000,000 as the first tranche of the Stage 2 Alternative Financing to finance public improvements within the boundaries of Stage 2 of the Treasure Island project, approving the form of a Trust Agreement (including the form of a Supplement to Trust Agreement) between the City and County of San Francisco ("City") and U.S. Bank Trust Company, National Association, as trustee (including certain indemnities contained therein); approving respective forms of a Property Lease (including the form of a Supplement to the Property Lease) and a Lease Agreement (including the form of a Supplement to the Lease Agreement), each between the City and such trustee for the lease and leaseback of certain real property and improvements located at 1995 Evans Avenue, or other property as determined by the Director of Public Finance; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates of Participation; approving the form of an Official Statement in Preliminary and Final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution, and delivery of the Certificates of Participation; approving modifications to documents; declaring the intent to reimburse expenditures from proceeds of tax-exempt obligations; approving amendments to the Special Fund Administration Agreement for the Treasure Island project; and ratifying previous actions taken in connection therewith, as defined herein.

December 04, 2024 Budget and Finance Committee - RECOMMENDED

December 10, 2024 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 10 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton

December 17, 2024 Board of Supervisors - FINALLY PASSED

Ayes: 9 - Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai and Walton
Excused: 1 - Chan

File No. 241085

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 12/17/2024 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

12/19/24

Date Approved