

1 [Supplementing Resolution No. 7-17 to Authorize Issuance of Bonds by City and County of
2 San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) -
3 Not to Exceed \$10,000,000]

4 **Resolution supplementing Resolution No. 7-17 of the Board of Supervisors to authorize**
5 **the issuance and sale by the City and County of San Francisco Infrastructure and**
6 **Revitalization Financing District No. 1 (Treasure Island) of one or more series of bonds**
7 **in an aggregate principal amount not to exceed \$10,000,000 approving related**
8 **documents, including an Official Statement, one or more supplements to Indentures of**
9 **Trust, Bond Purchase Agreements and Continuing Disclosure Certificates; and**
10 **determining other matters in connection therewith, as defined herein.**

11
12 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
13 Government Code commencing with Section 53369 (“IRFD Law”), this Board of Supervisors is
14 authorized to establish an infrastructure and revitalization financing district and to act as the
15 legislative body for an infrastructure and revitalization financing district; and

16 WHEREAS, Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization
17 financing district may be divided into project areas; and

18 WHEREAS, The Board of Supervisors has conducted proceedings under and pursuant
19 to the IRFD Law to (a) form City and County of San Francisco Infrastructure and Revitalization
20 Financing District No. 1 (Treasure Island) (“IRFD”) and five initial project areas (“Initial Project
21 Areas” and together with any future project areas that may be established in the IRFD,
22 “Project Areas”), (b) approve an infrastructure financing plan for the IRFD and the Project
23 Areas (“Infrastructure Financing Plan”) pursuant to Ordinance No. 29-22, adopted by the
24 Board of Supervisors on February 15, 2022, (c) provide a process for the future annexation of
25 territory to the IRFD, (d) establish an annual appropriations limit, as defined by subdivision (h)

1 of Section 8 of Article XIII B of the California Constitution, for the IRFD, and (e) authorize the
2 issuance from time to time of bonds or other debt in one or more series for the IRFD for the
3 purpose of financing certain improvements described in the Infrastructure Financing Plan in
4 the maximum aggregate principal amount of (i) \$780 million plus (ii) the principal amount of
5 bonds or other debt approved by this Board of Supervisors and the qualified electors of
6 annexation territory in connection with each annexation of annexation territory to the IRFD, so
7 long as the Board makes the finding specified in IRFD Law Section 53369.41(f), all as
8 described in those proceedings; and

9 WHEREAS, Capitalized terms used in this Resolution but not defined herein have the
10 meanings given them in the Infrastructure Financing Plan; and

11 WHEREAS, The Infrastructure Financing Plan provides for the allocation of Net
12 Available Increment by the City to the IRFD to finance IRFD Improvements, and further
13 provides that (i) 17.5% of the Net Available Increment (“Housing Increment”) shall be put in a
14 segregated account to be used by the Treasure Island Development Authority (“TIDA”) for
15 Housing Costs and (ii) 82.5% of the Net Available Increment (“Facilities Increment”) will be
16 used to finance certain Facilities (improvements required to serve development of Treasure
17 Island and Yerba Buena Island that will be provided by the private sector); and

18 WHEREAS, The Infrastructure Financing Plan also provides for the allocation to the
19 IRFD of Conditional City Increment for the limited purpose of paying debt service on bonds
20 and other debt of the IRFD in the event that Net Available Increment is insufficient for that
21 purpose, and the Infrastructure Financing Plan also provides for the repayment of the City by
22 the IRFD from Net Available Increment for any Conditional City Increment used by the IRFD
23 to pay debt service in an amount equal to the Conditional City Increment used to pay debt
24 service plus interest through the date of repayment; and

25

1 WHEREAS, Pursuant to Resolution No. 7-17, which was adopted by the Board of
2 Supervisors on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original
3 Resolution of Issuance”), this Board of Supervisors authorized the issuance of bonds entitled
4 "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
5 (Treasure Island) Tax Increment Revenue Bonds" in one or more series, in an aggregate
6 principal amount not to exceed \$780 million; provided, that (i) the aggregate principal amount
7 does not include the principal amount of (A) any bonds or other debt issued or incurred for the
8 sole purpose of refunding the bonds, funding a reserve fund for such refunding bonds and
9 paying related costs of issuance and (B) any bonds or other debt issued or incurred for the
10 sole purpose of refunding such refunding bonds, funding a reserve fund and paying related
11 costs of issuance, and (ii) the Board of Supervisors may increase the maximum aggregate
12 principal amount described above by adopting a resolution modifying Resolution No. 7-17;
13 and

14 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors approved
15 the sale of one or more series of bonds, but provided that the bonds shall not be issued until
16 such time as (i) the Board of Supervisors has approved the terms of the sale to the investor(s)
17 and (ii) an Authorized Officer (as defined below) has caused the legal documents relating to
18 the bonds and any related disclosure document describing the bonds and the security for the
19 bonds to be prepared and caused such documents to be submitted to this Board of
20 Supervisors for its approval; and

21 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors also
22 authorized the filing of a judicial validation action with respect to the IRFD and the bonds
23 approved therein pursuant to Code of Civil Procedure Section 860 et seq.; and

24 WHEREAS, On May 9, 2018, the Superior Court of the State of California, County of
25 San Francisco issued a judgment in Case No. CGC-17-557496; and

1 WHEREAS, The City previously executed on behalf of the IRFD a Subordinate Pledge
2 Agreement, dated as of May 29, 2015 (“Subordinate Pledge Agreement”), for the benefit of
3 the United States of America, which is related to the payment of the purchase price for land
4 on Treasure Island and Yerba Buena Island and that certain Promissory Note (Initial
5 Consideration) dated May 29, 2015, executed by TIDA to the order of the United States of
6 America, acting by and through the Department of the Navy (“TIDA Promissory Note”); and

7 WHEREAS, The IRFD previously issued the \$24,270,000 City and County of San
8 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax
9 Increment Revenue Bonds, Series 2022A (Facilities Increment) (“2022 Facilities Bonds”)
10 pursuant to (i) the IRFD Law, (ii) the Original Resolution of Issuance, as modified by
11 Resolution No. 161-22, adopted by the Board of Supervisors on April 19, 2022, and signed by
12 the Mayor on April 28, 2022, and (iii) an Indenture of Trust, dated as of September 1, 2022
13 (the “Facilities Indenture”), by and between the IRFD and Zions Bancorporation, National
14 Association, as trustee (the “Trustee”); and

15 WHEREAS, The IRFD previously issued the \$5,120,000 City and County of San
16 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax
17 Increment Revenue Bonds, Series 2022B (Housing Increment) (“2022 Housing Bonds”;
18 together with 2022 Facilities Bonds, “2022 Bonds”) pursuant to (i) the IRFD Law, (ii) the
19 Original Resolution of Issuance, as modified by Resolution No. 161-22, and (iii) an Indenture
20 of Trust, dated as of September 1, 2022 (the “Housing Indenture”), by and between the IRFD
21 and the Trustee; and

22 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
23 Resolution of Issuance to provide for the issuance by the IRFD of one or more series of bonds
24 (“Bonds”) as further provided in this Resolution; and

1 WHEREAS, The Bonds shall be issued pursuant to one or more supplements to the
2 Facilities Indenture and the Housing Indenture (collectively, “Supplements”), each by and
3 between the IRFD and the Trustee; and

4 WHEREAS, Forms of the Supplements have been submitted to this Board of
5 Supervisors that provide for the issuance of one series of Bonds to be payable from Housing
6 Increment and another series of Bonds to be payable from Facilities Increment, and both of
7 which provide for payment of debt service from Conditional City Increment in a manner
8 consistent with the Infrastructure Financing Plan, the Housing Indenture and the Facilities
9 Indenture, as applicable; and

10 WHEREAS, There has also been submitted to this Board of Supervisors a form of
11 Preliminary Official Statement in connection with the marketing, sale and issuance of the
12 Bonds, and this Board of Supervisors has reviewed the preliminary Official Statement
13 (“Preliminary Official Statement”); and

14 WHEREAS, There has also been submitted to this Board of Supervisors a form of bond
15 purchase agreement (“Bond Purchase Agreement”) among the IRFD, Stifel, Nicolaus &
16 Company, Inc., as underwriter of the Bonds (“Underwriter”), and a joint exercise of powers
17 authority (“JPA”) established under the Joint Exercise of Powers Act (commencing at Section
18 6500 of the California Government Code) to be identified by the Director of the Office of Public
19 Finance, under which the IRFD will sell the Bonds to the JPA and the JPA will sell the Bonds
20 to the Underwriter in a manner consistent with California Government Code, Section 6589;
21 and

22 WHEREAS, This Board of Supervisors has reviewed the documents submitted to it in
23 connection with the issuance of the Bonds and found them to be in proper order; and

24 WHEREAS, In accordance with Government Code, Section 5852.1, this Board of
25 Supervisors has obtained and disclosed good faith estimates prepared by the City’s municipal

1 advisor of (a) the true interest cost of the Bonds, (b) the finance charge of the Bonds, (c) the
2 amount of proceeds received by the IRFD for sale of the Bonds less the finance charge and
3 any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the
4 sum total of all payments the IRFD will make to pay debt service on the Bonds plus the
5 finance charge of the Bonds not paid with the proceeds of the Bonds; and

6 WHEREAS, All conditions, things and acts required to exist, to have happened and to
7 have been performed precedent to and in the issuance of the Bonds as contemplated by this
8 resolution, have happened and have been performed in due time, form and manner as
9 required by the laws of the State of California, including the IRFD Law; and

10 WHEREAS, The City, for itself and for and on behalf of City and County of San
11 Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), the Treasure
12 Island Development Authority ("TIDA"), the IRFD, and Zions Bancorporation, National
13 Association, as special fund trustee (the "Special Fund Trustee"), have entered into a Special
14 Fund Administration Agreement, dated as of September 1, 2022 ("Special Fund
15 Administration Agreement"), for the purpose of facilitating a more orderly administration of the
16 revenues generated by the CFD and the IRFD; now, therefore, be it

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

18 FURTHER RESOLVED, That the Board of Supervisors is acting in its capacity as
19 legislative body with respect to the IRFD; and

20 FURTHER RESOLVED, That pursuant to the IRFD Law and the Original Resolution of
21 Issuance as previously supplemented and as supplemented by this Resolution, the Board of
22 Supervisors hereby authorizes the issuance of the Bonds in one or more series in an
23 aggregate principal amount not to exceed \$10,000,000; and, be it

24 FURTHER RESOLVED, That the Bonds shall be entitled "City and County of San
25 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax

1 Increment Revenue Bonds” (or such other designation as the Director of the Office of Public
2 Finance deems necessary and appropriate) with (i) a series designation (such as “Series
3 20__ A”), (ii) a designation as to whether such Bonds are payable from Housing Increment or
4 Facilities Increment, (iii) a designation as to whether such Bonds are issued as tax-exempt or
5 taxable bonds under federal tax law and (iv) a designation as to whether such Bonds are
6 green bonds or sustainability bonds; and, be it

7 FURTHER RESOLVED, That the terms of the Bonds shall be as follows: (i) each Bond
8 shall be dated its date of issuance, (ii) the maturity date of each Bond shall be a date not to
9 exceed 30 years from the date of its issuance or such later date as is permitted by the IRFD
10 Law and approved by the Director of the Office of Public Finance, (iii) the Bonds shall be
11 issued in denominations of \$5,000 or any integral multiple of \$5,000 or such other
12 denomination determined by the Director of the Office of Public Finance, (iv) the form of the
13 Bonds shall be substantially the form attached to the Indentures of Trust, (v) the Bonds shall
14 be executed by the Director of the Office of Public Finance or such other Authorized Officer
15 (as defined below) identified in the Indenture of Trust, (vi) the principal of and interest on the
16 Bonds shall be payable in lawful money of the United States of America, (vii) the Bonds shall
17 be registered with the Trustee and shall be payable at the principal office of or by check or
18 wire of the Trustee and (viii) the Bonds shall be subject to redemption prior to maturity at the
19 times and subject to the premiums approved by the Director of the Office of Public Finance;
20 and, be it

21 FURTHER RESOLVED, That the Mayor, the Controller and the Director of the Office of
22 Public Finance, or such other official of the City as may be designated by such officials (each,
23 an “Authorized Officer”) is hereby authorized and directed, on behalf of the IRFD, to execute
24 and deliver the documents approved herein in substantially the form on file with the Clerk of
25 the Board of Supervisors, together with such additions or changes as are approved by such

1 Authorized Officer, including such additions or changes as are necessary or advisable to
2 permit the timely issuance, sale and delivery of the Bonds; the approval of such additions or
3 changes shall be conclusively evidenced by the execution and delivery by an Authorized
4 Officer of the documents herein specified; and, be it

5 FURTHER RESOLVED, That this Board of Supervisors hereby approves the
6 Supplements in substantially the form on file with the Clerk of the Board of Supervisors; the
7 terms and provisions of each Supplement, as executed, are incorporated herein by this
8 reference as if fully set forth herein; and Authorized Officer is hereby authorized and directed
9 to execute each Supplement on behalf of the IRFD, with such changes, additions or deletions
10 as may be approved by the Authorized Officer, and the Clerk of the Board of Supervisors is
11 hereby authorized and directed to attest thereto; and, be it

12 FURTHER RESOLVED, That this Board of Supervisors hereby approves a Preliminary
13 Official Statement prepared in connection with the Bonds in substantially the form on file with
14 the Clerk of this Board of Supervisors, together with any changes therein or additions thereto
15 deemed necessary or advisable by an Authorized Officer; subject to an Authorized Officer
16 deeming such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the
17 Securities Exchange Act of 1934 ("Rule"), this Board of Supervisors hereby approves and
18 authorizes the distribution by the Underwriter of the Preliminary Official Statement to
19 prospective purchasers of the Bonds, and authorizes and directs an Authorized Officer on
20 behalf of the IRFD to deem the Preliminary Official Statement "final" pursuant to the Rule prior
21 to its distribution to prospective purchasers of the Bonds; the execution of the final Official
22 Statement, which shall include Bond pricing information, such other changes and additions
23 thereto deemed advisable by an Authorized Officer, and such information permitted to be
24 excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive
25 evidence of the approval of such Official Statement by the IRFD; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more
2 Continuing Disclosure Certificates with respect to the Bonds in substantially the form thereof
3 attached to the preliminary Official Statement on file with the Clerk of the Board of
4 Supervisors; an Authorized Officer is hereby authorized and directed to execute each
5 Continuing Disclosure Certificate on behalf of the IRFD with such changes, additions or
6 deletions as may be approved by the Authorized Officer; and, be it

7 FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more
8 Bond Purchase Agreements in substantially the form on file with the Clerk of the Board of
9 Supervisors; and Authorized Officer is hereby authorized and directed to execute the Bond
10 Purchase Agreement on behalf of the IRFD, with such changes, additions or deletions as may
11 be approved by the Authorized Officer and that are in accordance with the provisions of this
12 Resolution, such execution to be conclusive evidence of such approval; subject to the
13 requirement that the Underwriter's discount on the purchase of the Bonds may not exceed
14 2.00% of the par amount of the Bonds and the interest rate may not exceed the maximum rate
15 permitted by applicable law; this Board of Supervisors hereby approves the negotiated sale of
16 the Bonds to the Underwriter pursuant to such Bond Purchase Agreement; and, be it

17 FURTHER RESOLVED, That this Board of Supervisors hereby ratifies and approves
18 the Subordinate Pledge Agreement, and finds and determines that the Subordinate Pledge
19 Agreement shall only be included in the calculation of bonds and other debt of the IRFD to the
20 extent that the IRFD pays the principal balance of the TIDA Promissory Note; and, be it

21 FURTHER RESOLVED, That in Resolution No. 503-16, adopted by the Board of
22 Supervisors on December 6, 2016, and signed by the Mayor on December 16, 2016, entitled
23 the "Resolution of intention to establish City and County of San Francisco Infrastructure and
24 Revitalization Financing District No. 1 (Treasure Island) and project areas therein to finance
25 the construction and/or acquisition of facilities on Treasure Island and Yerba Buena Island; to

1 provide for future annexation; to call a public hearing on the formation of the district and
2 project areas therein and to provide public notice thereof; and determining other matters in
3 connection therewith”, this Board of Supervisors made certain findings under the California
4 Environmental Quality Act (“CEQA”) about the Final Environmental Impact Report (“FEIR”) for
5 the disposition and development of a portion of Naval Station Treasure Island, and those
6 findings are incorporated in this Resolution as if set forth in their entirety herein; and, be it

7 FURTHER RESOLVED, That no changes have occurred in the project studied in the
8 FEIR, or in the circumstances under which that project will be undertaken, and no new
9 information that was not available at the time the FEIR was certified has become available
10 that would warrant preparation of a subsequent or supplemental environmental impact report;
11 and be it

12 FURTHER RESOLVED, That the IRFD is hereby authorized and directed to execute
13 and deliver any amendment to the Special Fund Administration Agreement that an Authorized
14 Officer determines is necessary to consummate the lawful issuance and delivery of the Bonds
15 in accordance with this Resolution and the Fiscal Agent Agreement; and, be it

16 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
17 the City (including, but not limited to, the Authorized Officers) with respect to the
18 establishment of the IRFD and the Initial Project Areas, the execution and delivery of the
19 Subordinate Pledge Agreement, the issuance of the 2022 Bonds, and the sale and issuance
20 of the Bonds are hereby approved, confirmed and ratified; and, be it

21 FURTHER RESOLVED, That each of the Authorized Officers and any and all other
22 officers of the City are hereby authorized, for and in the name of and on behalf of the IRFD, to
23 do any and all things and take any and all actions, including execution and delivery of any and
24 all documents, assignments, certificates, requisitions, agreements, notices, consents,
25 instruments of conveyance, warrants and documents (including, but not limited to, one or

1 more indentures of trust other than those described above), which they, or any of them, may
2 deem necessary or advisable in order to effectuate the purposes of this Resolution; provided
3 however that any such actions be solely intended to further the purposes of this Resolution,
4 and are subject in all respects to the terms of the Resolution; all actions to be taken by an
5 Authorized Officer, as defined herein, may be taken by such Authorized Officer or any
6 designee, with the same force and effect as if taken by the Authorized Officer and, be it

7 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
8 word of this resolution, or any application thereof to any person or circumstance, is held to be
9 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
10 shall not affect the validity of the remaining portions or applications of this resolution, this
11 Board of Supervisors hereby declaring that it would have passed this resolution and each and
12 every section, subsection, sentence, clause, phrase, and word not declared invalid or
13 unconstitutional without regard to whether any other portion of this resolution or application
14 thereof would be subsequently declared invalid or unconstitutional; and, be it

15 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.
16 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution
17 unsigned or does not sign the resolution within ten days of receiving it, or the Board of
18 Supervisors overrides the Mayor's veto of the resolution. The provisions of any previous
19 resolutions in any way inconsistent with the provisions hereof in and for the issuance of the
20 Bonds as herein described are hereby repealed.

21 APPROVED AS TO FORM:
22 DAVID CHIU, City Attorney

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

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