[TEFRA Approval - Issuance of Bonds by Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Not to Exceed \$30,000,000]

Resolution supplementing Resolution No. 7-17, of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (IRFD), to authorize the issuance and sale of one or more series of bonds in an aggregate principal amount not to exceed \$30,000,000 approving related documents, including an Official Statement, one or more Indentures of Trust, Bond Purchase Agreements and Continuing Disclosure Certificates and a Special Fund Administration Agreement, approving bonds for purposes of Internal Revenue Code, Section 147(f), approving a debt policy for the IRFD, and determining other matters in connection therewith, as defined herein.

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

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

WHEREAS, The Board of Supervisors has conducted proceedings under and pursuant to the IRFD Law to (a) form City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) ("IRFD") and four initial project areas ("Initial Project Areas" and together with any future project areas that may be established in the IRFD, "Project Areas"), (b) approve an infrastructure financing plan for the IRFD and the Project Areas ("Infrastructure Financing Plan") pursuant to Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022, (c) provide a process for the future annexation of

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

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

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

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

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

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

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

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

WHEREAS, The IRFD has not previously issued any bonds or incurred any debt except for a Subordinate Pledge Agreement, dated as of May 29, 2015 ("Subordinate Pledge Agreement"), which was executed by the City on behalf of the IRFD for the benefit of the United States of America, and is related to the payment of the purchase price for land on Treasure Island and Yerba Buena Island and that certain Promissory Note (Initial Consideration) dated May 29, 2015, executed by TIDA to the order of the United States of America, acting by and through the Department of the Navy ("TIDA Promissory Note"); and

WHEREAS, This Board of Supervisors now wishes to supplement the Original Resolution of Issuance to provide for the issuance by the IRFD of one or more series of bonds ("2022 Bonds") as further provided in this Resolution; and

WHEREAS, The 2022 Bonds shall be issued pursuant to one or more indentures of trust ("Indenture of Trust") by and between the IRFD and a trustee to be identified by the Director of the Office of Public Finance ("Trustee"), forms of which have been submitted to this Board of Supervisors that provide for the issuance of one series of 2022 Bonds to be payable from Housing Increment and another series of 2022 Bonds to be payable from Facilities Increment, and both of which provide for payment of debt service from Conditional City Increment in a manner consistent with the Infrastructure Financing Plan; and

WHEREAS, There has also been submitted to this Board of Supervisors a form of Preliminary Official Statement in connection with the marketing, sale and issuance of the 2022 Bonds, and this Board of Supervisors has reviewed the preliminary Official Statement ("Preliminary Official Statement"); and

WHEREAS, There has also been submitted to this Board of Supervisors a form of bond purchase agreement ("Bond Purchase Agreement") among the IRFD, Stifel, Nicolaus & Company, Inc. and Backstrom McCarley Berry & Co., LLC, as underwriters of the 2022 Bonds (collectively, "Underwriter"), and a joint exercise of powers authority ("JPA") established under

the Joint Exercise of Powers Act (commencing at Section 6500 of the California Government Code) to be identified by the Director of the Office of Public Finance, under which the IRFD will sell the 2022 Bonds to the JPA and the JPA will sell the 2022 Bonds to the Underwriter in a manner consistent with California Government Code, Section 6589; and

WHEREAS, There has also been submitted to this Board of Supervisors a form of special fund administration agreement ("Special Fund Administration Agreement") with a trustee to be identified by the Director of the Office of Public Finance ("Special Fund Trustee"), providing for the administration of certain funds and accounts related to the IRFD and community facilities districts established on Treasure Island and Yerba Buena Island; and

WHEREAS, This Board of Supervisors has reviewed the documents submitted to it in connection with the issuance of the 2022 Bonds and found them to be in proper order; and

WHEREAS, In accordance with Government Code, Section 5852.1, this Board of Supervisors has obtained and disclosed good faith estimates prepared by the City's municipal advisor of (a) the true interest cost of the 2022 Bonds, (b) the finance charge of the 2022 Bonds, (c) the amount of proceeds received by the IRFD for sale of the 2022 Bonds less the finance charge and any reserves or capitalized interest paid or funded with proceeds of the 2022 Bonds, and (d) the sum total of all payments the IRFD will make to pay debt service on the 2022 Bonds plus the finance charge of the 2022 Bonds not paid with the proceeds of the 2022 Bonds; and

WHEREAS, The IRFD anticipates using proceeds of the 2022 Bonds to finance acquisition and construction of a housing project located on Treasure Island at 78 Johnson Street, San Francisco, California ("501(c)(3) Project"), that will be owned by Mercy Housing 82, L.P., a California limited partnership, whose general partner is a nonprofit affiliate of Mercy Housing California, a California nonprofit public benefit corporation ("Mercy"); Mercy is a

nonprofit public benefit corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986 ("Code"); and

WHEREAS, Pursuant to Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder, the issuance of the 2022 Bonds by the IRFD may qualify for tax exemption under Section 103 of the Code only if the 2022 Bonds are approved by an "applicable elected representative" of both the governmental unit issuing the 2022 Bonds or on behalf of which the 2022 Bonds are to be issued, and a governmental unit having jurisdiction over the geographic area in which the Project is located, after a public hearing held following reasonable public notice; and

WHEREAS, The Controller's Office of Public Finance of the City has caused a notice to appear on its website, stating that a telephonic public hearing with respect to the issuance of the Obligations would be held by the Controller's Office of Public Finance on April 7, 2022; and

WHEREAS, The Controller's Office of Public Finance of the City has held the public hearing described above on April 7, 2022, and an opportunity was provided for persons to comment on the issuance and sale of the 2022 Bonds and the plan of financing of the 501(c)(3) Project; and

WHEREAS, It is intended that this Resolution shall constitute approval of the issuance of the 2022 Bonds for purposes of Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder; and

WHEREAS, The Board of Supervisors wishes to adopt a debt policy for the IRFD in accordance with Government Code, Section 8855(i); and

WHEREAS, All conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the 2022 Bonds as contemplated by

this resolution, have happened and have been performed in due time, form and manner as required by the laws of the State of California, including the IRFD Law; now, therefore, be it

RESOLVED, That the foregoing recitals are all true and correct; and, be it FURTHER RESOLVED, That the Board of Supervisors is acting in its capacity as legislative body of the IRFD; and

FURTHER RESOLVED, That pursuant to the IRFD Law, the Original Resolution of Issuance, and this Resolution, the Board of Supervisors hereby authorizes the issuance of the 2022 Bonds in one or more series in an aggregate principal amount not to exceed \$30,000,000; and, be it

FURTHER RESOLVED, That the 2022 Bonds shall be entitled "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds" (or such other designation as the Director of the Office of Public Finance deems necessary and appropriate) with (i) a series designation (such as "Series 20___A"), (ii) a designation as to whether such 2022 Bonds are payable from Housing Increment or Facilities Increment and (iii) a designation as to whether such 2022 Bonds are issued as tax-exempt or taxable bonds under federal tax law; and, be it

FURTHER RESOLVED, That the Board of Supervisors, as an applicable elected representative of the governmental unit on behalf of which the 2022 Bonds will be issued and having jurisdiction over the geographic area in which the 501(c)(3) Project is located, hereby approves the issuance of the 2022 Bonds for the purpose of providing funds to finance the 501(c)(3) Project. It is the purpose and intent of the Board of Supervisors that this Resolution constitute both "issuer" approval and "host" approval of the issuance of the 2022 Bonds by the IRFD for purposes of Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder; and, be it

FURTHER RESOLVED, That the terms of the 2022 Bonds shall be as follows: (i) each Bond shall be dated its date of issuance, (ii) the maturity date of each 2022 Bond shall be a date not to exceed 30 years from the date of its issuance or such later date as is permitted by the IRFD Law and approved by the Director of the Office of Public Finance, (iii) the 2022 Bonds shall be issued in denominations of \$5,000 or any integral multiple of \$5,000 or such other denomination determined by the Director of the Office of Public Finance, (iv) the form of the 2022 Bonds shall be substantially the form attached to the Indenture of Trust, (v) the 2022 Bonds shall be executed by the Director of the Office of Public Finance or such other Authorized Officer (as defined below) identified in the Indenture of Trust, (vi) the principal of and interest on the 2022 Bonds shall be payable in lawful money of the United States of America, (vii) the 2022 Bonds shall be registered with the Trustee and shall be payable at the principal office of or by check or wire of the Trustee and (viii) the 2022 Bonds shall be subject to redemption prior to maturity at the times and subject to the premiums approved by the Director of Public Finance; and, be it

FURTHER RESOLVED, That the Mayor, the Controller and the Director of the Office of Public Finance, or such other official of the City as may be designated by such officials (each, an "Authorized Officer") is hereby authorized and directed, on behalf of the IRFD, to execute and deliver the documents approved herein in substantially the form on file with the Clerk of the Board of Supervisors, together with such additions or changes as are approved by such Authorized Officer, including such additions or changes as are necessary or advisable to permit the timely issuance, sale and delivery of the 2022 Bonds; the approval of such additions or changes shall be conclusively evidenced by the execution and delivery by an Authorized Officer of the documents herein specified; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more Indentures of Trust, in substantially the form on file with the Clerk of the Board of Supervisors;

the terms and provisions of each Indenture of Trust, as executed, are incorporated herein by this reference as if fully set forth herein; an Authorized Officer is hereby authorized and directed to execute each Indenture of Trust on behalf of the IRFD, with such changes, additions or deletions as may be approved by the Authorized Officer, and the Clerk of the Board of Supervisors is hereby authorized and directed to attest thereto; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby approves a Preliminary Official Statement prepared in connection with the 2022 Bonds in substantially the form on file with the Clerk of this Board of Supervisors, together with any changes therein or additions thereto deemed necessary or advisable by an Authorized Officer; subject to an Authorized Officer deeming such Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule"), this Board of Supervisors hereby approves and authorizes the distribution by the Underwriter of the Preliminary Official Statement to prospective purchasers of the 2022 Bonds, and authorizes and directs an Authorized Officer on behalf of the IRFD to deem the Preliminary Official Statement "final" pursuant to the Rule prior to its distribution to prospective purchasers of the 2022 Bonds; the execution of the final Official Statement, which shall include 2022 Bond pricing information, such other changes and additions thereto deemed advisable by an Authorized Officer, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of such Official Statement by the IRFD; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more Continuing Disclosure Certificates with respect to the 2022 Bonds in substantially the form thereof attached to the preliminary Official Statement on file with the Clerk of the Board of Supervisors; an Authorized Officer is hereby authorized and directed to execute each Continuing Disclosure Certificate on behalf of the IRFD with such changes, additions or deletions as may be approved by the Authorized Officer; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby approves one or more Bond Purchase Agreements in substantially the form on file with the Clerk of the Board of Supervisors; an Authorized Officer is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the IRFD, with such changes, additions or deletions as may be approved by the Authorized Officer and that are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of such approval; subject to the requirement that the Underwriter's discount on the purchase of the 2022 Bonds may not exceed 1.75% of the par amount of the 2022 Bonds and the interest rate may not exceed the maximum rate permitted by applicable law; this Board of Supervisors hereby approves the negotiated sale of the 2022 Bonds to the Underwriter pursuant to such Bond Purchase Agreement; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby approves the Special Fund Administration Agreement in substantially the form on file with the Clerk of the Board of Supervisors; an Authorized Officer is hereby authorized and directed to execute the Special Fund Administration Agreement on behalf of the IRFD with such changes, additions or deletions as may be approved by the Authorized Officer; and, be it

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

FURTHER RESOLVED, That in order to comply with Government Code, Section 8855(i), the Board of Supervisors hereby adopts the Debt Management Policy of the City and County of San Francisco as the debt policy of the IRFD to the extent applicable to tax increment bonds and the internal control procedures of the City, and hereby determines that the purposes for which the IRFD's debt proceeds may be used, the types of debt that may be

issued, the relationship of the debt to, and integration with, the City's capital improvement program or budget, and the policy goals related to the City's planning goals and objectives. of the IRFD's debt, are set forth in the DDA Financing Plan and the IRFD Financing Plan; and, be it

FURTHER RESOLVED, That in Resolution No. 503-16, adopted by the Board of Supervisors on December 6, 2016, and signed by the Mayor on December 16, 2016, entitled the "Resolution of intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein to finance the construction and/or acquisition of facilities on Treasure Island and Yerba Buena Island; to provide for future annexation; to call a public hearing on the formation of the district and project areas therein and to provide public notice thereof; and determining other matters in connection therewith", this Board of Supervisors made certain findings under the California Environmental Quality Act ("CEQA") about the Final Environmental Impact Report ("FEIR") for the disposition and development of a portion of Naval Station Treasure Island, and those findings are incorporated in this Resolution as if set forth in their entirety herein; and, be it

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

FURTHER RESOLVED, That each of the Authorized Officers and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the IRFD, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem

necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; each of the Authorized Officers is further authorized to finalize the Infrastructure Financing Plan approved by this Board of Supervisors pursuant to Ordinance No. 29-22 in a manner that is consistent with this Resolution and the Indentures of Trust. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer and, be it

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

FURTHER RESOLVED, That this Resolution shall take effect upon its enactment. Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution unsigned or does not sign the resolution within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the resolution. The provisions of any previous

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resolutions in any way inconsistent with the provisions hereof in and for the issuance of the 2022 Bonds as herein described are hereby repealed.

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

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

Resolution

File Number: 220294

Date Passed: April 19, 2022

Resolution supplementing Resolution No. 7-17, of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (IRFD), to authorize the issuance and sale of one or more series of bonds in an aggregate principal amount not to exceed \$30,000,000 approving related documents, including an Official Statement, one or more Indentures of Trust, Bond Purchase Agreements and Continuing Disclosure Certificates and a Special Fund Administration Agreement, approving bonds for purposes of Internal Revenue Code, Section 147(f), approving a debt policy for the IRFD, and determining other matters in connection therewith, as defined herein.

April 13, 2022 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 13, 2022 Budget and Finance Committee - RECOMMENDED AS AMENDED

April 19, 2022 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani

and Walton

Excused: 1 - Melgar

File No. 220294

I hereby certify that the foregoing Resolution was ADOPTED on 4/19/2022 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor 4/28/22

Date Approved