

Item #10
Treasure Island Development Authority
City and County of San Francisco
Meeting of September 10, 2025

Subject: City Attorney Memorandum and FAQs for TIDA Board Members related to the Preliminary Official Statement for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025AB

Contact: Robert Beck, Treasure Island Director
Jamie Querubin, Finance Manager, Treasure Island Development Authority

SUMMARY

The City and County of San Francisco Infrastructure and Revitalization Financing District (“IRFD” or “District”), through the Controller’s Office of Public Finance in consultation with the Authority, proposes to issue City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025AB (“IRFD Bonds”). To assist with your review, Authority Staff, City Attorney, and Disclosure Counsel have prepared the attached memorandum summarizing securities law disclosure obligations that TIDA Board members should be aware of to guide their review of the Preliminary Official Statements and Official Statements for the IRFD Bonds. See Exhibit A.

Additionally, TIDA staff has provided a “FAQs” for reference that TIDA Board members may use in connection with their review of Preliminary Official Statements and Official Statements for the IRFD Bonds. See Exhibit B and Exhibit C attached.

TIDA Board members are asked to review the attached draft Preliminary Official Statements and provide comments to Bob Beck (Bob.Beck@sfgov.org) and Jamie Querubin (Jamie.Querubin@sfgov.org) no later than **Friday, October 10, 2025**. However, TIDA Board members are encouraged to email questions or comments before that date.

EXHIBITS

- A. **Exhibit A** – Memo from City Attorney and Norton Rose Fulbright US LLP related to securities law disclosure responsibilities of TIDA Board member
- B. **Exhibit B** – IRFD Bonds FAQs for TIDA Board Review
- C. **Exhibit C** – Draft Preliminary Official Statement for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025AB; Draft Continuing Disclosure Certificate; Draft Fiscal Consultant Report

Prepared by Jamie Querubin, Treasure Island Finance Manager

EXHIBIT A

This memorandum sets forth securities law disclosure obligations that TIDA Board members should be aware of during their review and approval of the Preliminary Official Statement and Official Statement in connection with IRFD bond sales.

The following has been provided by the City Attorney's Office and TIDA's outside Disclosure Counsel, Norton Rose Fulbright US LLP.

I. Preliminary Official Statements/Official Statements

The Preliminary Official Statement (POS) (distributed to investors prior to the sale of the IRFD Bonds) and the final Official Statement (OS) (delivered to purchasers once final terms have been determined) are prepared in order to provide a prospective investor with the material information necessary to make an informed investment decision. Other than bond pricing information, the POS and OS are the same textually and referred to collectively in this document as the OS.

The OS describes the terms of the related Bonds and the sources of repayment for the IRFD Bonds (i.e. a designated portion of tax increment) and discloses information about the IRFD, and its operations and finances germane to the ability to make timely payments of principal of and interest on the IRFD Bonds.

The OS is considered the City's document, and under the anti-fraud provisions of the federal securities laws the OS cannot contain material misstatements or omissions. Investors understand that the IRFD may face financial challenges; investors simply want to know what the material challenges are and how management is responding to such challenges.

Unlike securities issued by private companies, securities issued by the IRFD are not required to be registered with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933. However, the sale of such securities is subject to the "anti-fraud" rules under the Securities Act of 1933 and the Securities Exchange Act of 1934 (collectively, the "Securities Acts"). The POS and OS are analogous to the preliminary and final prospectus in a registered public offering.

Inadequate disclosure can result in the reputational damage with investors, and as well, rating downgrades or suspensions, the imposition of civil and criminal penalties, investor lawsuits and an inability to access the capital markets for additional financing.

Prior to the distribution of the POS and OS, the substantially final draft to be approved by the Board of Supervisors will have been thoroughly and critically reviewed by TIDA and City staff (in consultation with the City/TIDA's professional advisors, including Disclosure Counsel) to reflect the best and most current information available at the time.

II. Commissioners' Responsibilities

TIDA Board members, together with members of the Board of Supervisors, have a legal responsibility to ensure that no OS is distributed to investors that contain materially false and misleading statements or omissions in violation of the anti-fraud rules of the Securities Laws and may be subject to personal civil and criminal penalties for failure to discharge such responsibility. The SEC view governing boards as final 'gatekeepers' with the responsibility to ensure that OS that contain misleading misstatements or omissions are not released to the financial markets.

Specific TIDA Board member responsibilities include the following:

- Ensure that financial and other information provided to the public in connection with the Bonds fairly and transparently describe the IRFD's financial condition.
- Ensure that the TIDA/City staff has established and followed adequate internal review procedures for the preparation of POS and OS
- Ensure that the TIDA/City staff has established and followed adequate procedures for compliance with its undertakings to provide disclosures following the issuance of the Bonds.
- Ensure that the TIDA/City staff have engaged third-party professionals to assist it (bond counsel, disclosure counsel, financial advisors) that are knowledgeable regarding structuring public finance and expert in the requirements of Securities Laws, and pronouncements and statements of the SEC.
- Read the draft POS, especially the presentation on matters about which TIDA Board members have specific actual knowledge.
- Be certain that the TIDA staff involved with the preparation of the POS and OS are aware of any matters important to the financial condition of the IRFD of which TIDA Board members have personal knowledge.
- Take steps to advise the TIDA staff involved with the preparation of the POS and OS or the City Attorney promptly of any concern that material risks exist regarding the related project or financial condition of the IRFD that are not fully and fairly described in the POS/OS or that any of the information presented in the POS/OS are untrue, incomplete or potentially misleading.
- Understand the key terms of the transactions being approved and make such inquiries of professionals and TIDA/City staff as are necessary for such understanding, such as
 - How much debt is being authorized?
 - What project costs are being paid for with bond proceeds?
 - How is the debt being structured (i.e. fixed vs. variable interest rates, term and serial debt service structure)?
 - Are there particular risks associated with the issuance of the bonds?
 - How will the bonds be sold (i.e. competitive vs. negotiated)?
 - What will the annual debt service burden be following the issuance of the bonds?
 - Does the IRFD have sufficient revenues (i.e. a designated portion of tax increment) to repay the IRFD Bonds?
 - How does this transaction relate to the overall debt portfolio and capital improvement financing plan of the IRFD?

-- What continuing disclosure commitments has the IRFD undertaken in connection with the issuance of its Bonds?

A TIDA Board member should not permit the distribution of a POS and the sale of Bonds unless and until such member has determined or is satisfied that the IRFD will be able to fulfill all of the obligations it will undertake in connection with the IRFD Bonds (including, but not limited to, to make timely payments of principal and interest) and that the POS and the OS contain all material information and do not omit material information necessary for a complete understanding by investors of the financial wherewithal of the IRFD to repay the IRFD Bonds

Should you have any questions regarding this information, please feel free to contact Bob Beck, TIDA Director or Jamie Querubin, TIDA Finance Manager.

EXHIBIT B – IRFD Bonds FAQs for TIDA Board Review

Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025AB

Question 1: What is the purpose of the bond issuance?

Answer: The IRFD Bonds will be issued by the City on behalf of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island). The Disposition and Development Agreement (“DDA”) between Treasure Island Series Community Development (“TICD” or Developer) and TIDA to deliver the Treasure Island/Yerba Buena Island Development Project (Project) and the Financing Plan provides for reimbursement to the Developer for costs incurred to construct public infrastructure with tax increment revenue bonds (IRFD Bonds) issued under the state of California’s Infrastructure and Revitalization Financing District law (“IRFD Law”). The DDA and Financing Plan also provide for the IRFD Bonds to finance acquisition, construction or repair of affordable housing projects that increase and improve the community’s supply of low- and moderate-income housing available at an affordable housing cost, as defined by Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined by Section 50053 of the Health and Safety Code, to persons and families of low and moderate income, as defined in Section 50093 of the Health and Safety Code.

The Controller’s Office of Public Finance in collaboration with TIDA proposes an issuance in an aggregate principal amount not-to-exceed \$31,000,000 of IRFD Bonds to reimburse the Developer for costs incurred from the construction of public infrastructure for the Project and to finance of portion of the Treasure Island Parcel E1.2 senior affordable housing project in collaboration with the Mayor’s Office of Housing and Community Development. The proposed IRFD Bonds will be the third bond issuance for the Treasure Island IRFD overall.

Question 2: What project costs are being paid for with bond proceeds?

Answer: See “THE FINANCING PLAN” on page 8 of the Preliminary Official Statement.

Proceeds of the Series 2025A IRFD Bonds (“Series 2025A Facilities Bonds”) will finance or reimburse expenditures on public improvements for the Project incurred by Developer. More specifically, the proceeds of the proposed Series 2025A Facilities Bonds are expected to be used to reimburse the Developer for approximately \$20.7 million in for certain geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. The proceeds of the 2025A Facilities Bonds are also expected to be used to reimburse TICD for certain predevelopment costs, permit fees, subsidy payments paid to TIDA pursuant to the Housing Plan, and the construction of public parks that have been completed by TICD.

Proceeds of the Series 2025B IRFD Bonds (“Series 2025B Housing Bonds”) are currently anticipated to be used by TIDA and the Mayor’s Office of Housing and Community Development (“MOHCD”) to finance a grant or forgivable loan of approximately \$4.3 million for development of a 100-unit senior affordable multifamily housing project. The planned housing project will be a five-story building with 95 1-bedroom units and five 2-bedroom units. The proposed housing development includes approximately six transitional units for legacy households relocating from formerly Navy-owned housing on Treasure Island. Construction is scheduled to begin in late 2025 and is expected to be completed in mid-2028. The project sponsor is Mercy Housing California. The housing project will not be subject to property taxes.

Question 3: How will the bonds be repaid?

Ensure the fiscal consultant report prepared by Keyser Marston and other information provided to describe the IRFD to the public provide fairly and transparently describe the IRFD's financial condition.

Answer: see “SECURITY AND SOURCES OF PAYMENT” on page 16 of the Preliminary Official Statement.

Under the terms set forth in the IRFD Financing Plan, the City has committed a portion of the 1.00% incremental property tax revenues derived in the project areas to the IRFD (“IRFD Portion”) for the reimbursement of eligible project costs and the financing of affordable housing consistent with the terms and limitations of IRFD Law, as detailed in the Infrastructure Financing Plan (IFP) and Table 1 shown below:

Table 1: Apportionment of 1.00% Ad Valorem property tax from the IRFD Financing Plan

IRFD Portion		
Net Available Increment	To IRFD for Facilities & Housing	56.588206%
Conditional City Increment	To IRFD available for debt service coverage	8.000000%
Total IRFD Portion of 1.00%		64.588206%
Other Taxing Entities Portion: State ERAF, Local Education Agencies & Special Districts		
Education Revenue Augmentation Fund (“ERAF”)		25.330113%
San Francisco Unified School District		7.698857%
San Francisco Community College Fund		1.444422%
San Francisco County Office of Education		0.097335%
Bay Area Rapid Transit District		0.632528%
Bay Area Air Quality Management District		0.208539%
Total Other Taxing Entity's Portion of 1.00%		35.411794%
Total 1.00% Ad Valorem Property		100.000000%

Pursuant to the IRFD Financing Plan, the City has committed its 56.588206% portion of the 64.588206% IRFD Portion of the 1.00% Tax Increment to the public financing for the Project (“Net Available Increment”), with 82.5% of those committed revenues being available to finance infrastructure constructed by the Developer (“Facilities” and “Net Available Facilities Increment”) and 17.5% of the revenues reserved for the use of TIDA and the City, through MOHCD, to finance affordable housing (“Housing” and “Net Available Housing Increment”).

The remaining balance of 8.00% of the 64.588206% IRFD Portion of the 1.00% Tax Increment (“Conditional City Increment”) is not dedicated directly to the funding of the Project, but it is pledged, if needed, to pay debt service on currently outstanding bonds of the IRFD and any future debt of the IRFD (“Parity Debt”). On an annual basis, Conditional City Increment will be returned to the City’s General Fund if not needed for debt service on any outstanding bonds.

The Net Available Increment revenues from the IRFD Portion will be dedicated to repaying the debt service on the IRFD Bonds.

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report (“Fiscal Consultant Report” or “FCR”) detailing the assessed valuation of the Project Areas of the IRFD. See APPENDIX H of the Preliminary Official Statement.

The Fiscal Consultant Report indicates that the increases in assessed value from Fiscal Year 2019-20 through Fiscal Year 2025-26 were primarily driven by:

- Sale of development pads by TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company;
- Completion of the 124-unit The Bristol condominium project in 2022; and
- Construction progress on Isle House (Sub-Block C2.4), 490 Avenue of the Palms (Sub-Block C3.3/C3.4), the Sub-Block 4Y Townhomes and Flats, and Hawkins (Sub-Block C2.2).

Questions 4: Does the IRFD have sufficient revenue (i.e. tax increment revenue) to repay the bonds?

Answer: Yes. The Original Adopted IFP established the initial Project Areas (A, B, C, D and E) including (i) legal boundaries (amended by the IFP); (ii) the fiscal year to be used as the base year for calculating incremental assessed value and tax increment available to the Project; (iii) the trigger amount of tax increment to be collected by the City in order to commence the distribution of the tax increment to the IRFD from a given Project Area in the following fiscal year (the “Commencement Year”), and to determine the final year of tax increment allocation to the Project, which is 40 years or longer following the Commencement Year. Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The IRFD received the first distribution of tax increment from Project Area A in FY 2019-20. In FY 2022-23, the IRFD also began to receive distributions of tax increment from Project Areas B and E, as shown in Table 2 below.

Table 2: Historic Tax Increment Distributed to the IRFD District

Historic Allocations of Tax Increment to IRFD No. 1						
City 1% Portion	Active Project Areas	Dedicated & Pledged to IRFD			City Conditional	Total City Increment*
		56.588206%			8.000000%	64.588206%
Fiscal Year		82.50% Facilities	17.50% Housing	Total Dedicated & Pledged to IRFD	Conditional	Total City
2019-20	A	\$327,218	\$69,410	\$396,628	\$56,072	\$452,700
2020-21	A	\$471,256	\$99,963	\$571,219	\$80,755	\$651,974
2021-22	A	\$1,037,096	\$219,990	\$1,257,086	\$177,717	\$1,434,803
2022-23	A, B, E	\$1,840,959	\$390,506	\$2,231,465	\$315,467	\$2,546,932
2023-24	A, B, E	\$2,354,339	\$499,151	\$2,853,490	\$402,292	\$3,255,783
2024-25	A, B, E	\$3,187,469	\$674,226	\$3,861,695	\$543,466	\$4,405,161
Total		\$9,218,337	\$1,953,247	\$11,171,584	\$1,575,769	\$12,747,353

* Net of Property Tax Administration Cost, which represents the priority portion of admin expenses related to the division of taxes.

See “TAX INCREMENT REVENUE AND DEBT SERVICE” section beginning on page 53 of the Preliminary Official Statement. See *Table 8 City and County of San Francisco Infrastructure and*

Revitalization Financing District No. 1 (Treasure Island) Projection of Tax Increment (Based on Reported Fiscal Year 2025-26 Assessed Value) on page 62 for projections of the tax increment in FY 2025-26.

The IRFD Bonds are limited obligations of the IRFD (not the City) and are secured by and payable solely from the Pledged Tax Increment of the IRFD (consisting of the Net Available Increment and the Conditional). The General Fund of the City is not liable for the payment of principal or interest on the IRFD Bonds, and the credit of the City is not pledged to the payment of the Bonds.

Question 5: What are the key terms of the bond transaction?

Answers:

How much debt is being incurred?

The City is seeking approval to issue an aggregate principal amount not-to-exceed \$31,000,000 for the third bond issuance under the IRFD.

How is the debt being structured (i.e. fixed vs. variable interest rates, term and debt service structure)?

Upon issuance of both the Series 2025A Facilities Bonds and the 2025B Housing Bonds, debt service will be structured such that aggregate debt service for all Facilities Bonds and aggregate debt service for all Housing Bonds, respectively are substantially level on an annual basis. The City expects to structure the IRFD Bonds on a 30-year term fixed rate basis, so that the annual debt service for all prior and proposed IRFD Bonds aligns with the estimated collection of tax increment each year.

The City has covenanted to investors not issue additional parity debt unless revenues are at least 125% of debt service, which includes the 8.0% Conditional City Increment (or approximately 109% of debt service excluding the Conditional City Increment). “Pledged Tax Increment” consists of an allocated share of Net Available Increment plus City Conditional Increment as applicable to each of the Facilities Bonds and the Housing Bonds.

The bond covenants pledge that the Conditional City Increment will be available to repay debt service in the case where the Net Available Increment in a given year is insufficient to pay the debt service requirements on the Outstanding Bonds in that year. Conditional City Increment for one fiscal year is not available to fund a shortfall in Net Available Increment in a subsequent year.

What will the annual debt service burden be following the issuance of the IRFD Bonds?

Based upon current market conditions, a 30-year term and a true interest cost of 5.84%, which assumes the issuance not to exceed amount of the IRFD Bonds on a tax-exempt basis, the Controller’s Office of Public Finance estimates an average aggregate annual debt service of approximately \$2.0 million. The estimated total par amount of \$28.2 million is estimated to result in approximately \$32.6 million in interest payments over the life of the IRFD Bonds. The total debt service over the life of the IRFD Bonds is estimated at approximately \$60.8 million.

How will the IRFD Bonds be sold (i.e. competitive vs. negotiated)?

Given the unique credit characteristics associated with tax increment bonds, a negotiated sale is planned in connection with this transaction. The IRFD Bonds will be repaid from tax increment revenues from

a specific development project which is outside of the City’s customary general fund credit profile. Following the completion of competitive Request for Qualifications (“RFQ”) process in May 2023, the highest ranked proposer in the Development Finance pool, Stifel, Nicolaus & Company, Incorporated was selected to serve as the Underwriter for the transaction.

The Bond Purchase Agreement provides the terms of sale of the Bonds by the IRFD. In order to sell the IRFD Bonds on a negotiated basis, in accordance with State IRFD Law, the IRFD will sell the bonds first to a third-party statewide joint powers authority, the California Statewide Communities Development Authority (“CSCDA”), of which the City is a member, and then CSCDA will, in turn, sell the Bonds to the Underwriter. Given the risks associated with tax increment bonds without an extensive credit history, a negotiated sale facilitates the marketing of the credit to prospective investors.

Question 6: Are there any particular risks associated with the issuance of the Bonds?

Answer: See “RISK FACTORS” beginning on page 70 of the POS.

Question 7: What happens if the IRFD is not able to repay the IRFD Bonds?

Answer: See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” starting on page 19 of the Preliminary Official Statement and “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt” starting on page 26 for a discussion of the provisions that apply.

Each of the 2025A Facilities Bonds and the 2025B Housing Bonds will contribute to a cash-funded debt service reserve fund originally funded from proceeds of the 2022A Facilities Bonds and the 2022B Housing Bonds, respectively. Under the parity debt provisions applicable to the issuance of the 2025A Facilities Bonds and 2025B Housing Bonds, the contribution to the debt service reserve funds is projected to be an amount needed to equal maximum annual debt service for the combination of the respective 2022A Facilities Bonds, 2023A Facilities Bonds, and 2025A Facilities Bonds (together “Facilities Bonds,” and 2022B Housing Bonds, 2023B Housing Bonds, and 2025B Housing Bonds (together, “Housing Bonds”), respectively. The respective reserve fund is available to repay debt service of such corresponding series in the event that Net Available Tax Increment and Conditional City Increment pledged to such series are insufficient to cover the debt service requirements of the 2022AB Bonds, 2023AB Bonds, and 2025AB Bonds on a proportional basis. If either respective reserve fund is ever drawn upon for the payment of debt service, each can only be replenished from Net Available Increment as applicable; City Conditional Increment cannot be used for this purpose.

In the case that the Net Available Increment is insufficient to repay the IRFD Bonds, the debt service reserve funds serve as an additional security measure to pay for debt service. If utilized, the debt service reserve funds are replenishable by Net Available Increment in accordance with the Facilities Indenture and the Housing Indenture.

Question 8: How does this transaction relate to the IRFD’s overall debt portfolio and financing plan?

Answer: The IRFD Bonds will be the third series of bonds issued for the IRFD. Pursuant to the Ordinance No. 21-17 forming the Treasure Island IRFD (the “IRFD”) and adopting the Infrastructure Financing Plan (the “Original Adopted IFP”). The IRFD consists of five (5) Project Areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D & E), which represent the initial phases of development

of the Project. Pursuant to Resolution No. 7-17, the City also approved an aggregate principal amount not to exceed \$780,000,000 for Project Areas A-E.

The DDA Financing Plan provides that the Developer may request the issuance of debt by the IRFD from time to time. In August 2022, the City completed the first issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$29,390,000. The 2022A Facilities Bonds and the 2022B Housing Bonds (together, the “2022AB Bonds”) are currently outstanding in the principal amount of \$27,975,000. In December 2023, the City completed the second issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$9,210,000. The 2023A Facilities Bonds and the 2023B Housing Bonds (together, the “2023AB Bonds”) are currently outstanding in the principal amount of \$8,845,000.

If the proposed IRFD Bonds are issued in the principal amount of \$31,000,000, the remaining bond authority for the Project Area A-E would be \$710,400,000. The IRFD Bonds for Facilities will reimburse the Developer for infrastructure costs incurred to date and will allow the Project to proceed with the development plan. The IRFD Bonds for Housing will partially finance the Treasure Island Parcel E1.2 senior affordable housing project.

Question 9: Who is on the bond financing team? How were the parties selected?

Ensure that the TIDA/City staff have engaged third-party professionals to assist it (bond counsel, disclosure counsel, financial advisors) that are knowledgeable regarding structuring public finance (particularly utilities transactions) and expert in the requirements of Securities Laws, and pronouncements and statements of the SEC.

Answer: The Professional Services team:

Bond Counsel – Jones Hall, LLP (San Mateo, California)

Disclosure Counsel – Norton Rose Fulbright US LLP (Los Angeles, California)

Fiscal Consultant – Keyser Marston Associates (Northern California)

Municipal Advisor – CSG Advisors, Inc. (San Francisco, California)

Fiscal Agent – Zions Bancorporation, National Association (Los Angeles, California)

Underwriter – Stifel, Nicolaus & Company, Incorporated (“Stifel”)

The City, through the Controller’s Office of Public Finance, is issuing the Bonds on behalf of the IRFD, it has selected the financing team, including the Fiscal Consultant, Municipal Advisor, and Underwriter. The parties were selected from the Controller’s Office pool of pre-qualified firms, which was established via a competitive process. Bond counsel and Disclosure Counsel were selected by the Office of the City Attorney via competitive process.

Question 10: Does TIDA have debt policies? Or does TIDA follow policies of City?

Ensure that the TIDA/City staff has established and followed adequate internal review procedures for the preparation of Preliminary Official Statement(s) and Official Statement(s).

Answer: Because TIDA is not a frequent issuer of debt, TIDA does not have its own debt policy. As the primary issuer of the IRFD Bonds, TIDA has adopted the City’s adopted Debt Policy and the Controller’s Office of Public Finance’s internal review procedures for the preparation of the Preliminary Office Statement and Official Statement as set forth in the Debt Policy. The City’s Debt Policy was last updated in December 2024 and can be found at www.sfcontroller.org/debt-policy.

The proposed IRFD Bonds will be sold without a rating (“Non-Rated”). Non-rated special tax bonds have unique credit considerations and risk factors for investors, as discussed under “Special Risk Factors” section of the Preliminary Official Statement (“POS”) for the IRFD Bonds. The City, in consultation with the underwriter and the City’s municipal advisor, has discretion to limit the pool of prospective investors to individuals who can manage the potential risks associated with Non-Rated obligations, such as the IRFD Bonds.

The IRFD Bonds may be offered and sold only to Qualified Purchasers who meet certain sophisticated investor criteria, as described in “Transfer Restrictions” of the POS. The IRFD Bonds are limited obligations of the IRFD (not the City) and are secured by and payable solely from the Pledged Tax Increment of the IRFD. Other than the limited pledge of City Conditional Increment within the IRFD, the General Fund of the City is not liable for the payment of principal or interest on the IRFD Bonds, and the credit of the City is not pledged to the payment of the IRFD Bonds.

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report (“Fiscal Consultant Report” or “FCR”) detailing the assessed valuation of the Project Areas of the IRFD. See APPENDIX H of the Preliminary Official Statement.

Question 11: What are the City’s current procedures for drafting and reviewing disclosure documents?

Ensure that the TIDA/City staff has established and followed adequate internal review procedures for the preparation of Preliminary Official Statement(s) and Official Statement(s).

Answer: The City outlines its internal review procedures in Appendix I of the Debt Policy, *Municipal Finance Disclosure Policies and Procedures*. A copy of this can be found at www.sfcontroller.org/debt-policy. Although these procedures are not applicable to IRFD Bonds as stated, the Controller’s Office of Public Finance, TIDA staff, and other contributors have mirrored these procedures, where applicable, as it relates to the drafting and review of the Preliminary Official Statement for the IRFD Bonds.

The current draft of the Preliminary Official Statement attached herein was drafted by disclosure counsel and includes several iterations of review and comments from other members of the bond financing team including the Developer, TIDA staff, City Attorney, Underwriters, Controller’s Office staff, Municipal Advisors, and the Fiscal Consultant. To the extent any substantive changes are made to the attached draft POS prior to the version shared with the Board of Supervisors for approval of the form of the Preliminary Official Statement and issuance of the IRFD Bonds, TIDA staff will communicate such changes with the TIDA Board for their additional review and comment.

Question 12: What commitments have the IRFD undertaken after the issuance of the IRFD Bonds?

Ensure that the TIDA/City staff has established and followed adequate procedures for compliance with its undertakings to provide disclosures following the issuance of the IRFD Bonds.

Answer: See “CONTINUING DISCLOSURE” on page 84 of the Preliminary Official Statement. The IRFD has covenanted for the benefit of owners of the Series 2025A Facilities Bonds to provide certain financial

information and operating data relating to the District (the “2025A Annual Report”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. Pursuant to a Continuing Disclosure Certificate, relating to the Series 2025B Housing Bonds (the “2025B Disclosure Certificate,” and together with the 2025A Disclosure Certificate, the “Disclosure Certificates”), the IRFD has covenanted for the benefit of owners of the Series 2025B Housing Bonds to provide certain financial information and operating data relating to the District (the “2025B Annual Report” and together with the 2025A Annual Report, the “Annual Reports”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. These covenants have been made in order to assist the Underwriter of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

As the issuer of the IRFD Bonds, the Controller’s Office of Public Finance is responsible for administering the filing requirements of the Continuing Disclosure Certificates (see drafts attached).

Question 13: What is the timing of finalizing the Preliminary Official Statement, prior to the issuance of the IRFD Bonds?

Answer: The San Francisco Board of Supervisors is scheduled to fully approve the issuance of the IRFD Bonds on October 28, 2025. The Controller’s Office of Public Finance intends to publish the final Preliminary Official Statement for wider dissemination to potential investors in November 2025. The IRFD Bonds are anticipated to close in December 2025.

To incorporate all changes and edits to the Preliminary Official Statement, TIDA staff and disclosure counsel are requesting that TIDA Board members send final comments to Bob Beck (Bob.Beck@sfgov.org) and Jamie Querubin (Jamie.Querubin@sfgov.org) no later than **Friday, October 10, 2025**. However, TIDA Board members are encouraged to email questions or comments before that date.

The final Official Statement will be drafted and finalized between the anticipated pricing date in mid-November and the anticipated final closing date in early December 2025. The final Official Statement will include final content related to the final sources and uses of IRFD Bonds, final interest rates, and final annual debt service resulting from the final pricing of the IRFD Bonds. All other content related to the credit and risks of the IRFD Bonds will be consistent with the content of the Preliminary Official Statement unless City Attorney and Disclosure Counsel determine that factual or substantial information shall be updated.

PRELIMINARY OFFICIAL STATEMENT DATED [____], 2025**NEW ISSUE - BOOK-ENTRY ONLY****NO RATING**

In the opinion of Jones Hall LLP, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series 2025AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2025AB Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein.

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)**

**\$(SERIES A PAR)*
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

**\$(SERIES B PAR)*
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

Dated: Date of Delivery

Due: September 1, as shown on inside cover

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "District") is issuing Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the "Series 2025A Facilities Bonds") pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the "Law") and an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Facilities Indenture"), each by and between the District and Zions Bancorporation, National Association, as trustee (the "Trustee") and Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the "Series 2025B Housing Bonds" and together with the Series 2025A Facilities Bonds, the "Series 2025AB Bonds") pursuant to an Indenture of Trust, dated as of September 1, 2022 (the "Housing Indenture"), as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the "Housing Indenture"), each by and between the District and the Trustee. As explained more fully in this Official Statement, the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2025AB Bonds are similar, this Official Statement describes both series of the Series 2025AB Bonds.

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds, all as further described herein. The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds, all as further described herein. See "THE FINANCING PLAN" herein.

The Series 2025AB Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the respective inside front cover pages hereof. Interest on the Series 2025AB Bonds shall be payable on each March 1 and September 1, commencing March 1, 2026 (each an "Interest Payment Date") to the Owner thereof as of the Record Date (as defined herein) immediately preceding each such Interest Payment Date. The Series 2025AB Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2025AB Bonds. Individual purchases of the Series 2025AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2025AB Bonds will be payable by DTC through the DTC participants. See "THE SERIES 2025A FACILITIES BONDS - Book-Entry System" and "THE SERIES 2025B HOUSING BONDS - Book-Entry System" herein. Purchasers of the Series 2025AB Bonds will not receive physical delivery of the 2025AB Bonds purchased by them.

The Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2025A FACILITIES BONDS" and "THE SERIES 2025B HOUSING BONDS" herein.

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series

* Preliminary, subject to change.

2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

The District has previously issued under the Facilities Indenture its Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the “Series 2022A Facilities Bonds”) and its Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the “Series 2023A Facilities Bonds”) and, together with the Series 2022A Facilities Bonds, the “Existing Facilities Bonds”). The Series 2025A Facilities Bonds will be secured by and payable from Pledged Facilities Increment on a parity with the Existing Facilities Bonds. The Facilities Indenture authorizes the District to issue additional bonds on a parity basis with the Existing Facilities Bonds and the Series 2025A Facilities Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” herein. The District has previously issued under the Housing Indenture its Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the “Series 2022B Housing Bonds”) and its Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the “Series 2023B Housing Bonds”) and, together with the Series 2022B Housing Bonds, the “Existing Housing Bonds”). The Series 2025B Housing Bonds will be secured by and payable from Pledged Housing Increment on a parity with the Existing Housing Bonds. The Housing Indenture authorizes the District to issue additional bonds on a parity basis with the Existing Housing Bonds and the Series 2025B Housing Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt” herein.

The Series 2025AB Bonds are not rated. [Investment in the Series 2025AB Bonds involves certain risks and the Series 2025AB Bonds are not suitable investments for all types of investors. Accordingly, the Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which are defined in the Indenture as Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner (defined in the Facilities Indenture and the Housing Indenture as any person for which a DTC participant acquires an interest in the Series 2025AB Bonds) cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner of the Series 2025AB Bonds is a Qualified Purchaser. See “TRANSFER RESTRICTIONS” herein.]

The Series 2025AB Bonds are offered when, as and if issued, subject to approval as to their legality by Jones Hall LLP, San Francisco, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by the City Attorney of the City and County of San Francisco, and by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by their counsel Stradling Yocca Carlson & Rauth LLP, Newport Beach, California. It is anticipated that the Series 2025AB Bonds will be available for delivery through the book-entry facilities of DTC on or about _____, 2025.

STIFEL

Dated: _____, 2025

MATURITY SCHEDULES

\$(SERIES A PAR)*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)

(Base CUSIP[†] 79773N)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
	\$	%	%		

\$ _____ % Term Series 2025A Facilities Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

\$ _____ % Term Series 2025A Facilities Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and County of San Francisco (the “City”) and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025A Facilities Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025A Facilities Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025A Facilities Bonds.

[\$[SERIES B PAR]*
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)

(Base CUSIP[†] 79773N)

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
	\$	%	%		

\$ _____ % Term Series 2025B Housing Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

\$ _____ % Term Series 2025B Housing Bonds due September 1, 20__ – Yield: _____ % Price: _____ CUSIP[†]: _____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of investors. None of the City, the Underwriter, or the Municipal Advisor, is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2025B Housing Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2025B Housing Bonds as a result of various subsequent actions including, but not limited to, refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025B Housing Bonds.

**CITY AND COUNTY OF SAN FRANCISCO
MAYOR**

Daniel Lurie

BOARD OF SUPERVISORS⁽¹⁾

Rafael Mandelman, *Board President, District 8*

Connie Chan, *District 1*
Stephen Sherrill, *District 2*
Danny Sauter, *District 3*
Joel Engardio, *District 4*
Bilal Mahmood, *District 5*

Matt Dorsey, *District 6*
Myrna Melgar, *District 7*
Jackie Fielder, *District 9*
Shamann Walton, *District 10*
Chyanne Chen, *District 11*

CITY ATTORNEY

David Chiu

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Carmen Chu, *City Administrator*
Greg Wagner, *Controller*
Anna Van Degna, *Director, Controller's Office of Public Finance*
Bob Beck, *Treasure Island Director, Treasure Island Development Authority*

PROFESSIONAL SERVICES

Bond Counsel
Jones Hall LLP
San Francisco, California

Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Fiscal Consultant
Keyser Marston Associates, Inc.
Berkeley, California

Municipal Advisor
CSG Advisors Incorporated
San Francisco, California

Trustee
Zions Bancorporation, National Association
Los Angeles, California

⁽¹⁾ Under the Law, Board of Supervisors serves as the legislative body of the District.

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NOTICE TO INVESTORS

The information set forth herein has been obtained from the District and other sources believed to be reliable. This Official Statement is not to be construed as a contract with the purchasers of the Series 2025AB Bonds, the complete terms and conditions being set forth in the Facilities Indenture and the Housing Indenture (as described herein). Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of their provisions. No dealer, broker, salesperson or any other person has been authorized by the District, the Municipal Advisor or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein and, if given or made, such information or representations must not be relied upon as having been authorized by the District or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation of such offer or any sale of the Series 2025AB Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale of the Series 2025AB Bonds made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

[The Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which is defined in the Facilities Indenture and the Housing Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner of the Series 2025AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2025AB Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Facilities Indenture and the Housing Indenture, respectively. Each entity that is or that becomes a Beneficial Owner of a Series 2025AB Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the transfer restrictions under the Facilities Indenture and the Housing Indenture, respectively. In the event that a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See “TRANSFER RESTRICTIONS” herein.]

The Underwriter has provided the following two paragraphs for inclusion in this Official Statement.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025AB BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2025AB BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (“EMMA”) website.

The City maintains a website with information pertaining to the District. However, the information presented therein is not incorporated into this Official Statement and should not be relied upon in making investment decisions with respect to the Series 2025AB Bonds.

FORWARD LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to the forward-looking statements set forth in this Official Statement.



Project Area A:



Photo from November 18, 2023.

Project Area B/E (Treasure Island):



Photo from November 7, 2023.

[Updated photos to come.]

The above map shows the location of the Treasure Island Project. The above photos include Project Area A and Project Areas B and E, respectively, as of the dates indicated, and include other areas and structures not within any Project Area. The Series 2025AB Bonds will be secured by revenues derived from a portion of ad valorem taxes levied in the Project Areas located on certain portions of Yerba Buena Island and Treasure Island. No mortgage or deed of trust on property secures the Series 2025AB Bonds. No ad valorem taxes levied on any portion of Yerba Buena Island and Treasure Island outside of the Project Areas are pledged to the repayment of the Series 2025AB Bonds, nor shall any other property or resources of the

District be available to pay debt service on the Series 2025AB Bonds. See “SECURITY AND SOURCES OF PAYMENT” herein.

OFFICIAL STATEMENT

CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

**\$[SERIES A PAR]*
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

**\$[SERIES B PAR]*
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)**

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover pages and the Appendices hereto, is provided to furnish certain information in connection with the issuance and sale by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) of its Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) (the “Series 2025A Facilities Bonds”) and Tax Increment Revenue Bonds, Series 2025B (Housing Increment) (the “Series 2025B Housing Bonds” and together with the Series 2025A Facilities Bonds, the “Series 2025AB Bonds”).

The Series 2025A Facilities Bonds will be secured primarily by Pledged Facilities Increment, and the Series 2025B Housing Bonds will be secured primarily by Pledged Housing Increment. Pledged Facilities Increment and Pledged Housing Increment are derived from revenue produced by the application of the 1% ad valorem tax rate within the District’s project areas. See “SECURITY AND SOURCES OF PAYMENT” herein.

As explained more fully in this Official Statement, the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are being issued pursuant to separate Indentures of Trust, are payable from separate pledged revenues and are secured by separate debt service reserve funds. Because the pledged revenues are derived from a common source of ad valorem property tax revenues and the terms of the two series of Series 2025AB Bonds are similar, this Official Statement describes both series of the Series 2025AB Bonds.

Authority for Issuance

The Series 2025AB Bonds will be issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025, and signed by the Mayor on [], 2025, approving the issuance and sale of bonds in one or more series, in an aggregate principal amount not to exceed \$[] (the “2025 Bond Resolution,” and collectively with the Original Resolution of Issuance, as supplemented, the “Resolution”).

* Preliminary, subject to change.

The Series 2025A Facilities Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Facilities Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”).

The Series 2025B Housing Bonds will be issued by the District pursuant to the provisions of an Indenture of Trust, dated as of September 1, 2022 (the “Housing Indenture”), as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Housing Indenture”), each by and between the District and the Trustee, as trustee.

Use of Proceeds

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds.

The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds. See “THE FINANCING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Series 2025AB Bonds

The Series 2025A Facilities Bonds will be issued in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”), shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the first inside front cover hereof.

The Series 2025B Housing Bonds will be issued in Authorized Denominations, shall mature on September 1 in each of the years and in the amounts, and shall bear interest as shown on the second inside front cover hereof.

Interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds shall be payable on each March 1 and September 1, commencing March 1, 2026 (each an “Interest Payment Date”) to the Owner thereof as of the Record Date (as defined herein) immediately preceding each such Interest Payment Date, by check or draft mailed on such Interest Payment Date or by wire transfer to an account in the United States of America made upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of a series of Series 2025AB Bonds delivered to the Trustee prior to the applicable Record Date.

The Series 2025AB Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Series 2025AB Bonds. Individual purchases of the Series 2025AB Bonds will be made in book-entry form only. Principal of and interest and premium, if any, on the Series 2025AB Bonds will be payable by DTC through the DTC participants. Purchasers of the Series 2025AB Bonds will not receive physical delivery of the Series 2025AB Bonds purchased by them. See “THE SERIES 2025A FACILITIES BONDS - Book-Entry System” and “THE SERIES 2025B HOUSING BONDS - Book-Entry System” herein.

Security and Sources of Payment

The Series 2025A Facilities Bonds, the Existing Facilities Bonds (defined below) and any Parity Facilities Debt (defined herein) issued in the future will be secured primarily by Pledged Facilities

Increment. The Series 2025B Housing Bonds, the Existing Housing Bonds (defined below) and any Parity Housing Debt (defined herein) issued in the future will be secured primarily by Pledged Housing Increment.

“Pledged Facilities Increment” and “Pledged Housing Increment” are separate designated portions of the basic 1% of assessed value property tax levy in the Project Areas under Article XIII A of the California Constitution. See “SECURITY AND SOURCES OF PAYMENT” herein.

The Existing Facilities Bonds, the Series 2025A Facilities Bonds and all 2022 Related Facilities Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See “2022 Facilities Reserve Account” below. The Existing Housing Bonds, Series 2025B Housing Bonds and all 2022 Related Housing Bonds (defined herein) issued in the future shall also be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See “2022 Housing Reserve Account” below.

See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2025AB Bonds.

Parity Bonds and Additional Parity Debt

The District has previously issued under the Facilities Indenture its Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the “Series 2022A Facilities Bonds”) and its Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (the “Series 2023A Facilities Bonds” and, together with the Series 2022A Facilities Bonds, the “Existing Facilities Bonds”). The Series 2025A Facilities Bonds will be secured by and payable from Pledged Facilities Increment on a parity with the Existing Facilities Bonds. Subject to the conditions set forth in the Facilities Indenture, the District may issue additional Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Facilities Increment in such principal amount as shall be determined by the District. “Parity Facilities Debt” means any additional bonds (including any Facilities Bonds), loans, advances or indebtedness issued or incurred by the District on a parity with the Existing Facilities Bonds and the Series 2025A Facilities Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” herein.

The District has previously issued under the Housing Indenture its Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the “Series 2022B Housing Bonds”) and its Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (the “Series 2023B Housing Bonds” and, together with the Series 2022B Housing Bonds, the “Existing Housing Bonds”). The Series 2025B Housing Bonds will be secured by and payable from Pledged Housing Increment on a parity with the Existing Housing Bonds. Subject to the conditions set forth in the Housing Indenture, the District may issue additional Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Housing Increment in such principal amount as shall be determined by the District. “Parity Housing Debt” means any additional bonds (including any Housing Bonds), loans, advances or indebtedness issued or incurred by the District on a parity with the Existing Housing Bonds and the Series 2025B Housing Bonds. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt” herein.

2022 Facilities Reserve Account

The District has established the 2022 Facilities Reserve Account, which will serve as additional security for the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds pursuant to the Facilities Indenture. The Facilities Indenture requires the 2022 Facilities

Reserve Account to be funded at the 2022 Facilities Reserve Requirement (defined below). On the date of issuance of the Series 2025A Facilities Bonds, proceeds of the Series 2025A Facilities Bonds will be deposited into the 2022 Facilities Reserve Account so that the amount in the 2022 Facilities Reserve Account is equal to the 2022 Facilities Reserve Requirement.

The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds will be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. The moneys in the 2022 Facilities Reserve Account (except as otherwise provided in the Facilities Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds that might be issued in the future as provided in the Facilities Indenture and in the Law until all of the Series 2025A Facilities Bonds, the Existing Facilities Bonds and all other 2022 Related Facilities Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Facilities Indenture. See “SECURITY AND SOURCES OF PAYMENT – 2022 Facilities Reserve Account” herein.

2022 Housing Reserve Account

The District has established the 2022 Housing Reserve Account, which will serve as additional security for the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds pursuant to the Housing Indenture. The Housing Indenture requires the 2022 Housing Reserve Account to be funded at the 2022 Housing Reserve Requirement (defined below). On the date of issuance of the Series 2025B Housing Bonds, proceeds of the Series 2025B Housing Bonds will be deposited into the 2022 Housing Reserve Account so that the amount in the 2022 Housing Reserve Account is equal to the 2022 Housing Reserve Requirement.

The Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds will be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. The moneys in the 2022 Housing Reserve Account (except as otherwise provided in the Housing Indenture) are dedicated to the payment of the principal of, and interest and any premium on, the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds that might be issued in the future as provided in the Housing Indenture and in the Law until all of the Series 2025B Housing Bonds, the Existing Housing Bonds and all other 2022 Related Housing Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Housing Indenture. See “SECURITY AND SOURCES OF PAYMENT – 2022 Housing Reserve Account” herein.

Limited Obligations

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture.

The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political

subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

Treasure Island Project

The Treasure Island Project entails the development of portions of the naturally-formed Yerba Buena Island (“Yerba Buena Island”) and the artificially created Treasure Island (“Treasure Island”), both located in the middle of the San Francisco Bay between downtown San Francisco and the City of Oakland. Yerba Buena Island and Treasure Island are connected by a causeway, and are accessible by ferry service (between the San Francisco Ferry Building and a terminal on Treasure Island) and Interstate Highway 80 via the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island).

The Treasure Island Project consists of approximately 461 acres entitled for the development of up to 8,000 residential units, up to approximately 140,000 square feet of new commercial and retail space, adaptive reuse of three historic buildings with up to 311,000 square feet of commercial/flex space, up to 500 hotel rooms, up to approximately 100,000 square feet of office space, over 290 acres of open space, 22 miles of walking/biking paths, playing fields, a marina, and a ferry terminal.

The Treasure Island Project is expected to be carried out by, or at the direction of, Treasure Island Community Development, LLC, a California limited liability company (“TICD”), the master developer for the Treasure Island Project.

The District and the Initial Project Areas

The District was formed by the City pursuant to the Law. The Law was enacted by the State of California (the “State”) Legislature to provide an alternative method of financing certain purposes, including public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation, including on former military bases. Generally, the legislative body of a city that forms an infrastructure and revitalization financing district acts as the governing legislative body of such district. The Board of Supervisors serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election (which has already occurred) and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary to form the District and the initial project areas within it, approve an infrastructure financing plan for the District (as amended from time to time, the “Infrastructure Financing Plan”), and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto. Such proceedings were validated by the California Superior Court.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E (collectively, the “Initial Project Areas”). A wholly-owned subsidiary of TICD, Treasure Island Series 1, LLC, a Delaware limited liability company (“TI Series 1”), is currently developing the property in the Initial Project Areas and has sold portions of the

property to related entities undertaking vertical construction. See “THE TREASURE ISLAND PROJECT – Developer Entities” herein.

The property in the Initial Project Areas includes about 33 acres, some of which are located on Yerba Buena Island and some of which are located on Treasure Island. Planned development within the boundaries of the Initial Project Areas includes 1,755 residential units (some of which have been completed) and two hotels; the infrastructure and utilities necessary for these projects to receive certificates of occupancy have been completed.

Within the Initial Project Areas, as of July 1, 2025, there are four residential developments that have been completed:

The Bristol. The first project completed, in June 2022, was the 124-unit residential condominium development on Yerba Buena Island known as “The Bristol.” As of July 1, 2025, 77 units in The Bristol (including 65 market rate and 12 below market rate units) have closed escrow, including 12 units sold to an investor in the Treasure Island Project.

The Residences. Immediately adjacent to The Bristol is the first phase of a project known as “The Residences.” As of July 1, 2025, 31 units of the 53 planned townhomes and flats were completed, and 6 units in The Residences have closed escrow, including four units sold to an investor in the Treasure Island Project.

Isle House. “Isle House” (formerly, “Tidal House”) is a 250-unit high-rise rental development (which includes 24 below market rate affordable units) at Sub-Block C2.4. It was completed in [September] 2024. As of July 2025, the property is 50% leased.

Hawkins. “Hawkins,” a 178-unit mid-rise rental development (which includes 9 below market rate affordable units) at Sub-Block C2.2, is the most recent building to receive its certificate of occupancy. It was completed in January 2025. As of July 1, 2025, Hawkins is approximately 16% leased, with 26 market rate leases and 2 below market rate leases.

As of July 1, 2025, one residential building remains under construction. This project, known as “490 Avenue of the Palms” (formerly, “Portico”), is a mid-rise condominium building comprised of 141 market rate and 7 below market rate affordable units. Completion of the building is estimated for October 2025. Sale of units in 490 Avenue of the Palms are currently expected to begin in [_____].

One other planned development in the Initial Project Areas, Sub-Block B1, has a site permit but has not yet begun vertical construction, executed guaranteed maximum price construction contracts or received construction financing and is currently on hold. In addition, permitted grading and shoring activities for a portion of Sub-Block 3Y were constructed, though no site or building permit has yet been issued for that Sub-Block and further construction on that parcel is currently on hold. The remaining planned developments are vacant land in earlier stages of development.

For additional information regarding the Treasure Island Project and the Initial Project Areas, see “THE INITIAL PROJECT AREAS” herein.

[A resolution of intention to initiate the process of adding additional territory to the District was adopted by the Board of Supervisors and signed by the Mayor on [_____]. The proposed additional territory encompasses ____ acres and ____ planned residential units and will be outside the Initial Project Areas. Completion of the process of annexing additional territory is currently expected in spring 2026.] Although the City, the District and TICD anticipate that this proposed additional territory and other additional

territory will annex into the District, no assurance is given regarding addition of project areas in the District or addition of territory to the District.

No Rating; Early Stage of Development[; Transfer Restrictions]

The Series 2025AB Bonds are not rated. See “NO RATING” herein. The determination by the District not to obtain a rating does not, directly or indirectly, express any view by the District of the credit quality of the Series 2025AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2025AB Bonds in the secondary market. See “RISK FACTORS – Limited Secondary Market” herein.

The Pledged Facilities Increment and Pledged Housing Increment projected in the Fiscal Consultant Report are currently generated from properties with concentrated ownership, a substantial portion of which are under construction or vacant properties planned for residential development for which site permits have not yet been received. Assessed values attributable to construction in progress or vacant land may be subject to more volatility than assessed values of completed buildings. See “THE INITIAL PROJECT AREAS,” “TAX INCREMENT REVENUE AND DEBT SERVICE” and “RISK FACTORS – Real Estate Investment Risks” herein. Neither the District nor the Underwriter make any assurance that development of the property will be completed or that the plans or projections detailed herein will actually occur.

[The Series 2025AB Bonds are being offered and sold only to “Qualified Purchasers,” which is defined in the Facilities Indenture and the Housing Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933). Pursuant to the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds may not be registered in the name of, or transferred to, and the Beneficial Owner cannot be, any person except a Qualified Purchaser; provided, however, that Series 2025AB Bonds registered in the name of DTC or its nominee shall be deemed to comply with the Facilities Indenture and the Housing Indenture so long as each Beneficial Owner (defined in the Facilities Indenture and the Housing Indenture as any person for which a DTC participant acquires an interest in the Series 2025AB Bonds) of the Series 2025AB Bonds is a Qualified Purchaser. In addition, the face of each Series 2025AB Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Facilities Indenture and the Housing Indenture, respectively. Each entity that is or that becomes a Beneficial Owner of a Series 2025AB Bond shall be deemed by the acceptance or acquisition of such beneficial ownership interest to have agreed to be bound by the transfer restrictions under the Facilities Indenture and the Housing Indenture, respectively. In the event that a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein. Any transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void. See “TRANSFER RESTRICTIONS” herein.]

Continuing Disclosure

The District has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board (“MSRB”) certain annual financial information and operating data and notice of certain enumerated events. The District’s covenants have been made in order to assist the Underwriter in complying with the Securities and Exchange Commission’s Rule 15c2-12 (“Rule 15c2-12”). See the caption “CONTINUING DISCLOSURE,” Appendix E-1 for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District in respect of the Series 2025A Facilities Bonds and

Appendix E-2 for a description of the specific nature of the annual reports and notices of enumerated events to be filed by the District in respect of the Series 2025B Housing Bonds.

Further Information

Brief descriptions of the Series 2025AB Bonds, the applicable security for the Series 2025AB Bonds, risk factors, the District, the Initial Project Areas, the City and other information are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. The descriptions herein of the Series 2025AB Bonds, the Facilities Indenture, the Housing Indenture, resolutions and other documents are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the Series 2025AB Bonds, the Facilities Indenture, the Housing Indenture, such resolutions and other documents. All such descriptions are further qualified in their entirety by reference to laws and to principles of equity relating to or affecting generally the enforcement of creditors' rights. For definitions of certain capitalized terms used herein and not otherwise defined, and a description of certain terms relating to the Series 2025AB Bonds, see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE" and APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE" attached hereto.

THE FINANCING PLAN

The Series 2025A Facilities Bonds are being issued to (i) finance the acquisition of certain public facilities and improvements authorized to be financed by the District, (ii) fund a deposit to the 2022 Facilities Reserve Account and (iii) pay costs of issuance of the Series 2025A Facilities Bonds. Among other things, the proceeds of the 2025A Facilities Bonds are expected to be used to reimburse TICD for certain geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. The proceeds of the 2025A Facilities Bonds are also expected to be used to reimburse TICD for certain predevelopment costs, permit fees and subsidy payments paid to TIDA pursuant to the Housing Plan and the construction of public parks that have been completed by TICD. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

The Series 2025B Housing Bonds are being issued to (i) finance the acquisition and construction of affordable housing and/or housing that will become restricted with an affordability covenant, (ii) fund a deposit to the 2022 Housing Reserve Account and (iii) pay costs of issuance of the Series 2025B Housing Bonds. Proceeds of the Series 2025B Housing Bonds are expected to be used to finance a grant or a forgivable loan for a portion of an affordable housing project described below. The Law allows the District to finance for-sale and rental housing and requires at least 20% of the financed units to be set aside to increase and improve the community's supply of low- and moderate-income housing available at an affordable housing cost or at an affordable rent, as defined in the Law. The Infrastructure Financing Plan requires 100% of the Net Available Housing Increment to be used to finance the costs of increasing, improving and preserving the City's supply of housing for persons and families of very low-, low-, or moderate-income pursuant to the Housing Plan of the Disposition and Development Agreement between the Treasure Island Development Authority ("TIDA") and TICD, dated as of June 28, 2011 (as amended from time to time, the "DDA"). Consistent with the Law and the Infrastructure Financing Plan, proceeds of the Series 2025B Housing Bonds will only finance affordable housing and/or housing that will become restricted with an affordability covenant. It is anticipated that proceeds of the Series 2025B Housing Bonds will be used by TIDA and the Mayor's Office of Housing and Community Development ("MOHCD") to finance a grant or forgivable loan for development of a 100-unit senior affordable multifamily housing project. The planned housing project will be a five-story building with 95 1-bedroom units and five 2-bedroom units. The proposed housing development includes approximately six transitional units for legacy

households relocating from formerly Navy-owned housing on Treasure Island. Construction is scheduled to begin in late 2025 and is expected to be completed in mid-2028. The project sponsor is Mercy Housing California. The housing project will not be subject to property taxes.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2025AB Bonds is set forth below:

<u>Sources of Funds</u>	Series 2025A Facilities Bonds	Series 2025B Housing Bonds	<u>Total</u>
Principal Amount	\$	\$	\$
Net Premium/(Discount)			
Total Sources	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Uses of Funds</u>			
Deposit to Facilities Project Fund	\$	\$ -	\$
Deposit to Housing Project Fund	-		
Deposit to 2022 Facilities Reserve Account		-	
Deposit to 2022 Housing Reserve Account	-		
Costs of Issuance ⁽¹⁾			
Total Uses	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Includes Underwriter's discount, fees and expenses for Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Fiscal Consultant, the Trustee and its counsel, costs of printing the Official Statement, and other costs of issuance of the Series 2025AB Bonds.

THE SERIES 2025A FACILITIES BONDS

Description of the Series 2025A Facilities Bonds

The Series 2025A Facilities Bonds will be issued as fully registered bonds, in Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the first inside cover page hereof. The Series 2025A Facilities Bonds will be issued in fully registered form, without coupons. The Series 2025A Facilities Bonds will mature on September 1 in the principal amounts and years as shown on the first inside cover page hereof.

The Series 2025A Facilities Bonds will bear interest at the rates set forth on the first inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2025A Facilities Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2025A Facilities Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025A Facilities Bond, interest thereon is in default, such Series 2025A Facilities Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025A Facilities Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount

of Series 2025A Facilities Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025A Facilities Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day. The principal of the Series 2025A Facilities Bonds and any premium on the Series 2025A Facilities Bonds are payable in lawful money of the United States of America upon surrender of the Series 2025A Facilities Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2025A Facilities Bonds redeemed or purchased pursuant to the Facilities Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2025A Facilities Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2025A Facilities Bonds maturing on and after September 1, 20__, are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025A Facilities Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2025A Facilities Bonds that are Term Facilities Bonds and maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Facilities Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Provided however, that if some but not all of such Term Series 2025A Facilities Bonds of a maturity have been redeemed at the option of the District as described in “- *Optional Redemption*” above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2025A Facilities Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2025A Facilities Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2025A Facilities Bonds to be redeemed, shall state the individual number of each Series 2025A Facilities Bond to be redeemed or shall state that all Series 2025A Facilities Bonds between two stated numbers (both inclusive) or all of the Series 2025A Facilities Bonds Outstanding are to be redeemed, and shall require that such Series 2025A Facilities Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2025A Facilities Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2025A Facilities Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Facilities Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2025A Facilities Bonds for Redemption. Subject to the Facilities Indenture provisions described above under the captions “ – Optional Redemption” and “ – Mandatory Sinking Fund

Redemption,” whenever any Series 2025A Facilities Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2025A Facilities Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2025A Facilities Bonds, the Trustee shall assign to each Series 2025A Facilities Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Series 2025A Facilities Bond. The Series 2025A Facilities Bonds to be redeemed shall be the Series 2025A Facilities Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2025A Facilities Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Purchase of Series 2025A Facilities Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2025A Facilities Bonds, amounts on deposit in the Net Available Facilities Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2025A Facilities Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2025A Facilities Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2025A Facilities Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE SERIES 2025B HOUSING BONDS

Description of the Series 2025B Housing Bonds

The Series 2025B Housing Bonds will be issued as fully registered bonds, Authorized Denominations within a single maturity and will be dated and bear interest from the date of their delivery, at the rates set forth on the second inside cover page hereof. The Series 2025B Housing Bonds will be issued in fully registered form, without coupons. The Series 2025B Housing Bonds will mature on September 1 in the principal amounts and years as shown on the second inside cover page hereof.

The Series 2025B Housing Bonds will bear interest at the rates set forth on the second inside cover page hereof, payable on the Interest Payment Dates in each year. Interest on all Series 2025B Housing Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Series 2025B Housing Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2026, in which event it shall bear interest from its Closing Date; provided, however, that if, as of the date of authentication of any Series 2025B Housing Bond, interest thereon is in default, such Series 2025B Housing Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Series 2025B Housing Bonds (including the final interest payment upon maturity or redemption) is payable when due by check or draft of the Trustee mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of Series 2025B Housing Bonds, which written request is on file with the Trustee as of any Record Date, interest on such Series 2025B Housing Bonds shall be paid on the succeeding Interest Payment Date to such account in the United States as shall be specified in such written request.

“Record Date” means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day. The principal of the Series 2025B Housing Bonds and any premium on the Series 2025B Housing Bonds are payable in lawful money of the United States of America upon surrender of the Series 2025B Housing Bonds at the Principal Office of the Trustee or such other place as designated by the Trustee. All Series 2025B Housing Bonds redeemed or purchased pursuant to the Housing Indenture shall be canceled and destroyed.

Redemption

Optional Redemption. The Series 2025B Housing Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Series 2025B Housing Bonds maturing on or after September 1, 20__ are subject to redemption, at the option of the District on any date on or after September 1, 20__, as a whole or in part, by such maturities as shall be determined by the District, and by lot within a maturity, from any available source of funds, at the principal amount of the Series 2025B Housing Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2025B Housing Bonds that are Term Housing Bonds and maturing September 1, 20__ and September 1, 20__ shall also be subject to mandatory redemption in whole, or in part by lot, on September 1 in each year, commencing September 1, 20__ and September 1, 20__, respectively, as set forth below, from sinking fund payments made by the District to the Principal Account pursuant to the Housing Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on September 1 in the respective years as set forth in the following tables.

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Term Bonds maturing September 1, 20__

Sinking Fund
Redemption Date
(September 1)

Principal Amount
Subject to Redemption
\$

(maturity)

Provided however, that if some but not all of such Term Series 2025B Housing Bonds of a maturity have been redeemed at the option of the District as described in “- *Optional Redemption*” above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Series 2025B Housing Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the District.

Notice of Redemption. The Trustee shall mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any Series 2025B Housing Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the District to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the Series 2025B Housing Bonds to be redeemed, shall state the individual number of each Series 2025B Housing Bond to be redeemed or shall state that all Series 2025B Housing Bonds between two stated numbers (both inclusive) or all of the Series 2025B Housing Bonds Outstanding are to be redeemed, and shall require that such Series 2025B Housing Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Series 2025B Housing Bonds will not accrue from and after the redemption date.

A notice of optional redemption may be conditional, and the District shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption shall be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series 2025B Housing Bonds then called for redemption, and such cancellation shall not constitute an Event of Default under the Housing Indenture. The District and the Trustee shall have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall mail notice of such rescission of redemption in the same manner and to the same recipients as the original notice of redemption was sent.

Selection of Series 2025B Housing Bonds for Redemption. Subject to the Housing Indenture provisions described above under the captions “ – Optional Redemption” and “ – Mandatory Sinking Fund

Redemption,” whenever any Series 2025B Housing Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the District thereof to the extent Series 2025B Housing Bonds are no longer held in book-entry form. In the event of redemption by lot of Series 2025B Housing Bonds, the Trustee shall assign to each Series 2025B Housing Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Series 2025B Housing Bond. The Series 2025B Housing Bonds to be redeemed shall be the Series 2025B Housing Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such Series 2025B Housing Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Purchase of Series 2025B Housing Bonds in Lieu of Redemption. In lieu of redemption of the Term Series 2025B Housing Bonds, amounts on deposit in the Net Available Housing Increment Special Account or in the Principal Account or the Redemption Account may also be used and withdrawn by the District and the Trustee, respectively, at any time, upon the Written Request of the District, for the purchase of the Term Series 2025B Housing Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the District may in its discretion determine. The par amount of any Term Series 2025B Housing Bonds so purchased by the District in any twelve-month period ending on July 1 in any year shall be credited towards and shall reduce the par amount of the Term Series 2025B Housing Bonds required to be redeemed; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said July 1.

THE TRUSTEE

Zions Bancorporation, National Association has been appointed as the Trustee for all of the Facilities Bonds under the Facilities Indenture and as the Trustee for all of the Housing Bonds under the Housing Indenture. For a further description of the rights and obligations of the Trustee pursuant to the Facilities Indenture and the Housing Indenture, respectively, see APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” and APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” hereto. The role of Zions Bancorporation, National Association, as trustee for the Facilities Bonds under the Facilities Indenture is separate from its role as trustee for the Housing Bonds under the Housing Indenture.

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Series 2025AB Bonds. The Series 2025AB Bonds will be registered in the name of Cede & Co. (DTC’s partnership nominee), and will be available to ultimate purchasers (referred to herein as “Beneficial Owners”) in Authorized Denominations, under the book-entry system maintained by DTC. Beneficial Owners of Series 2025AB Bonds will not receive physical certificates representing their interest in the Series 2025AB Bonds. So long as the Series 2025AB Bonds are registered in the name of Cede & Co., as nominee of DTC, references herein to the Owners shall mean Cede & Co., and shall not mean the Beneficial Owners of the Series 2025AB Bonds. Payments of the principal of, premium, if any, and interest on the Series 2025AB Bonds will be made directly to DTC, or its nominee, Cede & Co., by the Trustee, so long as DTC or Cede & Co. is the registered owner of the Series 2025AB Bonds. Disbursements of such payments to DTC’s Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and Indirect Participants. See APPENDIX G – “BOOK-ENTRY SYSTEM” attached hereto.

SECURITY AND SOURCES OF PAYMENT

General

The Existing Facilities Bonds, the Series 2025A Facilities Bonds and any Parity Facilities Debt will be secured primarily by Pledged Facilities Increment. The Existing Housing Bonds, the Series 2025B Housing Bonds and any Parity Housing Debt will be secured primarily by Pledged Housing Increment.

Pledged Facilities Increment and Pledged Housing Increment are separate designated portions of the basic 1% of assessed value property tax levy in the Project Areas under Article XIII A of the California Constitution.

The Pledged Facilities Increment will represent 53.285270% of incremental property taxes (with Base Year assessed value for every Project Area being \$0) under the 1% levy in the Project Areas for which the Commencement Year (defined below based on Trigger Amounts (as defined in the Infrastructure Financing Plan) of taxes generated) has occurred (less certain administrative costs). The Pledged Housing Increment will represent 11.302936% of incremental property taxes under the 1% levy in the Project Areas for which the Commencement Year has occurred (less certain administrative costs).

The Initial Project Areas are Project Areas A, B, C, D and E. The Commencement Year has occurred for Project Area A, B and E. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached, therefore Project Area C and Project Area D will not receive tax increment until the thresholds for commencement of tax increment are exceeded. See Table 3 under the caption “TAX INCREMENT REVENUE AND DEBT SERVICE – Commencement Year and Time Limits for Each Project Area” and APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto.

The table and summary below describes the designated components of the Pledged Facilities Increment and the Pledged Housing Increment. Additional security for Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, are also described in the summary below.

City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Percentage Allocation of 1% Property Tax Increment to District

	Combined Total	Pledged Housing Increment (17.5% share)	Pledged Facilities Increment (82.5% share)
<u>Allocated to District</u>			
(1) Net Available Increment	56.588206%	9.902936%	46.685270%
(2) Conditional City Increment ⁽¹⁾	<u>8.000000%</u>	<u>1.400000%</u>	<u>6.600000%</u>
Pledged Increment [(1) + (2), less cost of allocating taxes] ⁽²⁾	64.588206%	11.302936%	53.285270%
<u>Not Allocated to District</u>			
Other 1% Taxing Agencies	<u>35.411794%</u>		
Total Tax Increment	100.000000%		

⁽¹⁾ Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service. See “SECURITY AND SOURCES OF PAYMENT” herein.

⁽²⁾ The administrative cost of allocating taxes to the District is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in this table. Such administrative costs may vary over time.

Gross Tax Increment, Net Available Increment and Conditional City Increment

Relevant Definitions. The following defined terms are used in this Official Statement to describe the Pledged Facilities Increment pledged to the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any Parity Facilities Debt, and to describe the Pledged Housing Increment pledged to the Series 2025B Housing Bonds, the Existing Housing Bonds and any Parity Housing Debt. These terms are defined in the Facilities Indenture, the Housing Indenture or the Infrastructure Financing Plan.

“Gross Tax Increment” means, for each of the Project Areas, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value (assessed value of Project Area property for a fiscal year less such assessed value in the Base Year (Fiscal Year 2016-17)) of property within the Project Area. Gross Tax Increment does not include any property tax in-lieu of vehicle license fee revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code. *Because the Base Year assessed value for every Project Area has been and will remain \$0, Gross Tax Increment will effectively include all of the 1% ad valorem tax rate in the Project Areas for which the Commencement Year has occurred (subject to deduction for certain administrative costs).*

“Project Area” means, collectively, each project area established from time to time for the District pursuant to the Law. Currently, the Initial Project Areas are the only Project Areas.

“Commencement Year” means the fiscal year in which tax increment revenues generated in a Project Area will begin to be allocated to the District. The Commencement Year will be calculated separately for each Project Area. Under the Infrastructure Financing Plan, the Commencement Year for a Project Area is the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the Project Area and received by the City. The Trigger Amounts for the five Initial Project areas are identified in Table 3 herein. The District will stop receiving tax increment from Project Areas 40 years following their Commencement Year.

“Net Available Increment” means 56.588206% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan. To the extent the City’s administrative costs incurred in connection with the division of taxes under the Law are not deducted from Gross Tax Increment, the District will first set aside from Net Available Increment such amounts for payment to the City.

“Conditional City Increment” means, for each Project Area, an amount equal to 8.00% of the Gross Tax Increment, subject to the Plan Limit, as provided in the Infrastructure Financing Plan.

“Plan Limit” means the limitation, if any, contained in the Infrastructure Financing Plan on the number of dollars of taxes which may be divided and allocated to the District pursuant to the Infrastructure Financing Plan and the Law. Under the Infrastructure Financing Plan, the total nominal number of tax increment dollars to be allocated to the District from the Initial Project Areas over the life of the District shall not exceed \$1.53 billion of Net Available Increment and \$216 million of Conditional City Increment. The combined total of Net Available Increment and Conditional City Increment allocated to the Initial Projects Areas of the District shall not exceed \$1.75 billion. If territory is annexed to the District in the future, a separate Plan Limit will be established for such territory as part of the annexation process.

Allocation of Net Available Increment to the District. Under the Law, an infrastructure financing plan may contain a provision that property taxes, if any, levied upon taxable property in the area included within the infrastructure revitalization financing district (or a project area, as applicable) each year by or for the benefit of the State of California, or any affected taxing entity after the effective date of the ordinance adopted to create the district, shall be divided (excluding any property taxes approved by the voters to pay general obligation bonds), as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the district (or a project area, as applicable) as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the ordinance to create the district, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city and each affected taxing entity which has agreed to allocate taxes to the district in excess of the amount specified in paragraph (a) shall be allocated to, and when collected shall be paid into a special fund of, the district for all lawful purposes of the district. Unless and until the total assessed valuation of the taxable property in a district (or a project area, as applicable) exceeds the total assessed value of the taxable property in the district (or a project area, as applicable) as shown by the last equalized assessment roll referred to in paragraph (a), all of the taxes levied and collected upon the taxable property in the district (or a project area, as applicable) shall be paid to the respective affected taxing entities.

Under the Infrastructure Financing Plan, Net Available Tax Increment generated in each Project Area will be allocated to the District as described in the Infrastructure Financing Plan, commencing with the applicable Commencement Year. The Commencement Year for each Initial Project Area is identified in the current Infrastructure Financing Plan and is based on achieving a target amount of taxes generated. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto. The Commencement Year for Project Area A was Fiscal Year 2019-20 and for Project Areas B and E was Fiscal Year 2022-23. The Commencement Year for the Project Areas C and D has not yet occurred. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto.

For future Project Areas, the Commencement Year will be determined at the time of the related territory’s annexation to the District. The Commencement Year for each future Project Area is expected to be identified in a supplement to the Infrastructure Financing Plan. See APPENDIX B – “INFRASTRUCTURE FINANCING PLAN” attached hereto.

Infrastructure Financing Plan Allocation of Tax Increment. The Infrastructure Financing Plan provides that the annual allocation of tax revenues to the District by the City, as the sole affected taxing entity allocating tax revenues to the District, is contingent upon the District’s use of such increment to pay for authorized District purposes, including to pay debt service on bonds issued to accomplish such purposes. In the Facilities Indenture, the District covenants to use the proceeds of the Facilities Bonds so as to ensure that the Pledged Facilities Increment may be used under the Law for the purposes set forth in the Facilities Indenture. Upon issuance of the Series 2025A Facilities Bonds, and as a condition to issuance of Parity Facilities Debt, the District and the City are required to certify that proceeds of the Series 2025A Facilities Bonds or the Parity Facilities Debt, as applicable, shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

In the Housing Indenture, the District covenants to use the proceeds of the Housing Bonds so as to ensure that the Pledged Housing Increment may be used under the Law for the purposes set forth in the Housing Indenture. Upon issuance of the Series 2025B Housing Bonds, and as a condition to issuance of Parity Housing Debt, the District and the City are required to certify that proceeds of the Series 2025B Housing Bonds or the Parity Housing Debt, as applicable, shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

Net Available Increment Special Fund. As required by the Law, the District has established a special fund to be held by or on behalf of the District as a separate restricted account, to be known as the “Net Available Increment Special Fund.” The District has established the following accounts within the Net Available Increment Special Fund to be held by or on behalf of the District as separate restricted accounts: the “Net Available Housing Increment Special Account” and the “Net Available Facilities Increment Special Account.”

Amounts deposited to and held by the District in the Net Available Increment Special Fund and the accounts therein shall be at all times separately accounted for by the District from all other funds or accounts. The Net Available Facilities Increment shall be used and applied solely as set forth in the Facilities Indenture (see “Security for the Series 2025A Facilities Bonds and Parity Facilities Debt” below) and the Net Available Housing Increment shall be used and applied solely as set forth in the Housing Indenture (see “Security for the Series 2025B Housing Bonds and Parity Housing Debt” below).

The District has executed a Special Fund Administration Agreement dated as of September 1, 2022 (the “Special Fund Administration Agreement”) by and among the City, the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the “CFD”), TIDA, the District and Zions Bancorporation, National Association, as special fund trustee (“Special Fund Trustee”). The purpose of the Special Fund Administration Agreement is to provide for the administration and disposition of various funds related to the Treasure Island Project. Under the Special Fund Administration Agreement, the Special Fund Trustee holds the Net Available Increment Special Fund, the Net Available Housing Increment Special Account, the Net Available Facilities Increment Special Account and the Conditional City Increment Special Fund (defined below), and those funds and accounts are administered as required by the Facilities Indenture and the Housing Indenture.

Security for the Series 2025A Facilities Bonds and Parity Facilities Debt

The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other Parity Facilities Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Facilities Increment (including the Net Available Facilities Increment in the Net Available Facilities Increment Special Account) and the Conditional City Facilities Increment (including the Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account) (subject to compensation, costs and indemnity payable under the Facilities Indenture to the Trustee, its officers, directors, agents or employees). The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other Parity Facilities Debt issued as Facilities Bonds are also secured by certain funds and accounts under the Facilities Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for administrative costs incurred by the City in connection with the division of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receipt of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District’s receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Facilities Increment. “Net Available Facilities Increment” means 82.5% of the Net Available Increment (which Net Available Facilities Increment is equivalent to 46.685270% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Net Available Increment received in any Bond Year in the Net Available Facilities Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein

pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Facilities Increment Special Account in its discretion.

The Net Available Facilities Increment received in any Bond Year and deposited into the Net Available Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Facilities Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund, the 2022 Facilities Reserve Account, any other reserve account held by the Trustee for Facilities Bonds that are not 2022 Related Facilities Bonds and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

All Net Available Facilities Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Facilities Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Facilities Increment to pay debt service on the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other Parity Facilities Debt, payment of Subordinate Facilities Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Conditional City Facilities Increment. “Conditional City Facilities Increment” means 82.5% of the Conditional City Increment (which Conditional City Facilities Increment is equivalent to 6.6% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 82.5% of the Conditional City Increment received in any Bond Year in the Conditional City Facilities Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Facilities Increment Special Account in its discretion.

The Conditional City Facilities Increment received in any Bond Year and deposited into the Conditional City Facilities Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Facilities Indenture until such time during such Bond Year as the amount of Net Available Facilities Increment on deposit in the Net Available Facilities Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Facilities Debt Service Fund and the Redemption Account in the Facilities Debt Service Fund in such Bond Year pursuant to the Facilities Indenture and, if applicable, (ii) with respect to any Parity Facilities Debt other than additional Facilities Bonds pursuant to the applicable Parity Facilities Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Facilities Increment shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account shall be released from the pledge, security interest and lien under the Facilities Indenture for the security of the Facilities Bonds and any additional Parity Facilities Debt following payment of the principal or redemption price of and interest on the Facilities Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Facilities Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Facilities Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Facilities Increment in the Conditional City Facilities Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Facilities Increment to the City. The District is not required to apply such released City Conditional Facilities Increment to replenish debt service reserve accounts under the Facilities Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Facilities Bonds and the payment in full of all other amounts payable under the Facilities Indenture and under any Supplemental Facilities Indenture or Parity Facilities Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Facilities Increment Special Account, except as may be provided in the Facilities Indenture and in any Supplemental Facilities Indenture or Parity Facilities Debt Instrument.

Facilities Debt Service Fund. The Series 2025A Facilities Bonds, the Existing Facilities Bonds and any additional Facilities Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Facilities Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “- Facilities Debt Service Fund” below.

2022 Facilities Reserve Account. The Series 2025A Bonds, the Existing Facilities Bond and all other 2025A Related Facilities Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Facilities Reserve Account. See “- 2022 Facilities Reserve Account” below.

“2022 Related Facilities Bonds” means any series of Parity Facilities Bonds for which (i) the proceeds are deposited into the 2022 Facilities Reserve Account so that the balance therein is equal to the 2022 Facilities Reserve Requirement following issuance of such Parity Facilities Bonds and (ii) the related Supplemental Facilities Indenture specifies that the 2022 Facilities Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Facilities Bonds.

Limited Security. Amounts in the Facilities Project Fund (and the accounts therein) under the Facilities Indenture and the 2025A Costs of Issuance Fund are not pledged to the repayment of the Facilities Bonds.

Except for the Pledged Facilities Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account, until released from the pledge, security interest and lien under the Housing Indenture, as described below) are pledged to, or

otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Facilities Bonds.

Plan Limit Covenant. Under the Facilities Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Facilities Bonds, (ii) any Parity Facilities Debt, (iii) any Subordinate Facilities Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Housing Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limit, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or (ii) claim all Net Available Facilities Increment not needed to pay all of the current or any past due debt service on Facilities Bonds or any Parity Facilities Debt through the scheduled maturity date(s) for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Facilities Bonds and any Parity Facilities Debt, or to redeem Facilities Bonds and any Parity Facilities Debt that does not constitute Facilities Bonds.

2022 Facilities Reserve Account

The Trustee established under the Facilities Indenture a 2022 Facilities Reserve Account. The 2022 Facilities Reserve Account was established for the benefit of the Series 2022A Facilities Bonds and any other 2022 Related Facilities Bonds. The Series 2023A Facilities Bonds are, and the Series 2025A Facilities Bonds will be, 2022 Related Facilities Bonds secured by the 2022 Facilities Reserve Account on the same basis as the Series 2022A Facilities Bonds. Under the Facilities Indenture, the 2022 Facilities Reserve Account is to be funded at the 2022 Facilities Reserve Requirement.

"2022 Facilities Reserve Requirement" means the amount, as of any date of calculation, equal to the least of (a) Maximum Annual Debt Service on the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any other 2022 Related Facilities Bonds, (b) 125% of average Annual Debt Service on the Series 2025A Facilities Bonds, Existing Facilities Bonds and any other 2022 Related Facilities Bonds and (c) 10% of the original principal of the Series 2025A Facilities Bonds, Existing Facilities Bonds and any other 2022 Related Facilities Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds was less than 98% or more than 102% of the original principal amount of

the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any other 2022 Related Facilities Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Facilities Indenture exceed the amount on deposit in the 2022 Facilities Reserve Account on the date of issuance of the Series 2025A Facilities Bonds or the most recently issued series of 2022 Related Facilities Bonds except in connection with any increase associated with the issuance of 2022 Related Facilities Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Facilities Reserve Account in connection with the issuance of a series of 2022 Related Facilities Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2025A Facilities Bonds, the 2022 Facilities Reserve Requirement will be satisfied as reflected in the table below:

Prior balance in the 2022 Facilities Reserve Account	\$
Additional deposit from Series 2025A Facilities Bonds proceeds	<u> </u>
2022 Facilities Reserve Requirement	\$

All money in the 2022 Facilities Reserve Account shall be used and withdrawn by the Trustee for the purpose of (i) making transfers to the Interest Account and the Principal Account in the Facilities Debt Service Fund in such order of priority to pay principal of and interest on the Series 2025A Facilities Bonds, the Existing Facilities Bonds and any future 2022 Related Facilities Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Facilities Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Facilities Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Facilities Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2025A Facilities Bonds, the Existing Facilities Bonds or any future 2022 Related Facilities Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” attached hereto.

Parity Facilities Debt

The Series 2025A Facilities Bonds will be an additional series of Facilities Bonds issued under the Facilities Indenture. In addition to the Series 2025A Facilities Bonds, the District has issued the Series 2022A Facilities Bonds and the Series 2023A Facilities Bonds and may issue additional Parity Facilities Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Facilities Increment in such principal amount as shall be determined by the District. The District may issue Parity Facilities Debt, subject to the conditions set forth in the Facilities Indenture. If development proceeds as planned, the District anticipates issuing Parity Facilities Debt periodically during the construction period in amounts then permitted by the conditions set forth in the Facilities Indenture.

Any Parity Facilities Debt, to the extent provided in the Facilities Indenture, shall be secured by a lien on the Pledged Facilities Increment on a parity with any Facilities Bonds issued under the Facilities Indenture. The District may issue and deliver any such Parity Facilities Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Facilities Debt:

(a) Except as provided in the Facilities Indenture as described in paragraph (i) below, no event of default under the Facilities Indenture, under any Parity Facilities Debt Instrument or under any Subordinate Facilities Debt Instrument (as defined in the Facilities Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Facilities Debt, and the District shall otherwise be in compliance with all covenants set forth in the Facilities Indenture.

(b) Except as provided in the Facilities Indenture as described in paragraph (i) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Facilities Revenues, the Pledged Facilities Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Facilities Increment in each of the years that the proposed Parity Facilities Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Facilities Debt then proposed to be issued or incurred.

“Additional Facilities Revenues” means, as of the date of calculation, the amount of Net Available Facilities Increment and Conditional City Facilities Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed

valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture, the Supplemental Facilities Indenture providing for the issuance of such Facilities Bonds shall provide for (i) a deposit to the 2022 Facilities Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Facilities Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Facilities Bonds (and such other series of Facilities Bonds identified by the District) in an amount defined in such Supplemental Facilities Indenture, as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account and that the Owners of the Facilities Bonds covered by the 2022 Facilities Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Facilities Reserve Account or another reserve account as long as such Supplemental Facilities Indenture expressly declares that the Owners of such additional Facilities Bonds will have no interest in or claim to the 2022 Facilities Reserve Account or any other reserve account. The Supplemental Facilities Indenture may provide that the District may satisfy the 2022 Facilities Reserve Requirement for a series of Parity Facilities Debt issued as additional Facilities Bonds under the Facilities Indenture by the deposit into the reserve account established pursuant to such Supplemental Facilities Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Facilities Indenture.

Nothing in the Facilities Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Facilities Debt that is not issued as additional Facilities Bonds under the Indenture.

(d) Principal with respect to such Parity Facilities Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Facilities Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Facilities Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) 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.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Facilities Debt shall not exceed the maximum amount of Net Available Facilities Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Facilities Debt.

(g) The proceeds of the Parity Facilities Debt shall be used for a lawful purpose of the Pledged Facilities Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (i) below, the District shall deliver to the Trustee (i) a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity Facilities Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Facilities Debt set forth in paragraph (g) above has been satisfied.

(i) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Facilities Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2025A Facilities Bonds or any other outstanding Parity Facilities Debt, provided that debt service payable in each year with respect to the proposed Parity Facilities Debt is less than the debt service otherwise payable in each year with respect to the Series 2025A Facilities Bonds or Parity Facilities Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Facilities Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Facilities Increment; or (b) secured by a pledge of or lien upon the Pledged Facilities Increment which is expressly subordinate to the pledge of and lien upon the Net Available Facilities Increment and the Conditional City Facilities Increment under the Facilities Indenture for the security of the Facilities Bonds. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE” attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA’s promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. As of July 2025, \$27.5 million of the purchase price remained to be paid. According to the Subordinate Pledge Agreement, the District’s pledge to pay the purchase price is subordinate to any bonds issued by the District.

Security for the Series 2025B Housing Bonds and Parity Housing Debt

The Series 2025B Housing Bonds, the Series 2022B Housing Bonds and any future Parity Housing Debt will equally secured by a pledge of, security interest in and lien on all of the Net Available Housing Increment (including the Net Available Housing Increment in the Net Available Housing Increment Special Account) and the Conditional City Housing Increment (including the Conditional City Housing Increment in the Conditional City Housing Increment Special Account) (subject to compensation, costs and indemnity payable under the Housing Indenture to the Trustee, its officers, directors, agents or employees). The Series 2025B Housing Bonds, the Existing Housing Bonds and any future Parity Housing Debt issued as Housing Bonds are also secured by certain funds and accounts under the Housing Indenture described below.

Each of the Facilities Indenture and the Housing Indenture contemplates that the amounts payable to the City for allocation to the District of the Pledged Facilities Increment or the Pledged Housing Increment, as applicable, will be either deducted by the City before the City allocates such tax increment revenues to the District, or set aside by the District immediately upon receive of the Pledged Facilities Increment or the Pledged Housing Increment, and the discussion of the District’s receipt and application of the Pledged Facilities Increment and the Pledged Housing Increment should be read accordingly.

Net Available Housing Increment. “Net Available Housing Increment” means 17.5% of the Net Available Increment (which Net Available Housing Increment is equivalent to 9.902936% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Net Available Increment received in any Bond Year in the Net Available Housing Increment Special Account in the Net Available Increment Special Fund (or such greater or lesser amount permitted to be deposited therein pursuant to an

opinion of nationally-recognized bond counsel). The District may establish separate sub-accounts within the Net Available Housing Increment Special Account in its discretion.

The Net Available Housing Increment received in any Bond Year and deposited into the Net Available Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amounts on deposit in the Net Available Housing Increment Special Account equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund, the 2022 Housing Reserve Account, any other reserve account held by the Trustee for Housing Bonds that are not 2022 Related Housing Bonds and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

All Net Available Housing Increment received by the District during any Bond Year in excess of the amount required to be deposited in the Net Available Housing Increment Special Account during such Bond Year pursuant to the preceding paragraph shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt and may be applied by the District for any lawful purpose of the District, including but not limited to the repayment of the City for use of Conditional City Housing Increment to pay debt service on the Series 2025B Housing Bonds, the Existing Housing Bonds or any other Parity Housing Debt, payment of Subordinate Housing Debt (as defined in the Indenture), payment of administrative expenses of the District, or the payment of any amounts in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Net Available Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Conditional City Housing Increment. “Conditional City Housing Increment” means 17.5% of the Conditional City Increment (which Conditional City Housing Increment is equivalent to 1.4% of the Gross Tax Increment). Promptly upon receipt thereof, the District will deposit 17.5% of the Conditional City Increment received in any Bond Year in the Conditional City Housing Increment Special Account (or such greater or lesser amount permitted to be deposited therein pursuant to an opinion of nationally-recognized bond counsel). The District may establish separate accounts within the Conditional City Increment Special Fund, and separate sub-accounts within the Conditional City Housing Increment Special Account in its discretion.

The Conditional City Housing Increment received in any Bond Year and deposited into the Conditional City Housing Increment Special Account shall be subject to the pledge, security interest and lien set forth in the Housing Indenture until such time during such Bond Year as the amount of Net Available Housing Increment on deposit in the Net Available Housing Increment Special Account is equal to the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account and the Principal Account in the Housing Debt Service Fund and the Redemption Account in the Housing Debt Service Fund in such Bond Year pursuant to the Housing Indenture and, if applicable, (ii) with respect to any Parity Housing Debt other than additional Housing Bonds pursuant to the applicable Parity Housing Debt Instrument.

Once the condition set forth in the prior paragraph has been satisfied, all Conditional City Housing Increment shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt.

If the condition set forth in the second preceding paragraph is not satisfied in a Bond Year, any remaining Conditional City Housing Increment in the Conditional City Housing Increment Special Account shall be released from the pledge, security interest and lien under the Housing Indenture for the security of the Housing Bonds and any additional Parity Housing Debt following payment of the principal or redemption price of and interest on the Housing Bonds due during such Bond Year and the payment of any amounts due during such Bond Year on any Parity Housing Debt.

On each September 2, or such earlier date on which the pledge, security interest and lien on the Conditional City Housing Increment is released as described in the preceding two paragraphs, the District shall, first, use any Conditional City Housing Increment in the Conditional City Housing Increment Special Account to pay debt service on other obligations that is then due in accordance with the Infrastructure Financing Plan, and, second, transfer any remaining such Conditional City Housing Increment to the City. The District is not required to apply such released City Conditional Housing Increment to replenish debt service reserve accounts under the Housing Indenture.

Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Housing Bonds and the payment in full of all other amounts payable under the Housing Indenture and under any Supplemental Housing Indenture or Parity Housing Debt Instrument, the District shall not have any beneficial right or interest in the moneys on deposit in the Conditional City Housing Increment Special Account, except as may be provided in the Housing Indenture and in any Supplemental Housing Indenture or Parity Housing Debt Instrument.

Housing Debt Service Fund. The Series 2025B Housing Bonds, the Existing Housing Bonds and any additional Housing Bonds shall also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Housing Debt Service Fund, and the Interest Account, the Principal Account and the Redemption Account therein without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. See “Housing Debt Service Fund” below.

2022 Housing Reserve Account. The Series 2025B Bonds, the Existing Housing Bonds and all 2022 Related Housing Bonds shall be secured by a first pledge of all moneys deposited in the 2022 Housing Reserve Account. See “2022 Housing Reserve Account” below.

“2022 Related Housing Bonds” means any series of Parity Housing Bonds for which (i) the proceeds are deposited into the 2022 Housing Reserve Account so that the balance therein is equal to the 2022 Housing Reserve Requirement following issuance of such Parity Housing Bonds and (ii) the related Supplemental Housing Indenture specifies that the 2022 Housing Reserve Account shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Housing Bonds.

Limited Security. Amounts in the Housing Project Fund (and the accounts therein) under the Housing Indenture and the 2025B Costs of Issuance Fund are not pledged to the repayment of the Housing Bonds.

Except for the Pledged Housing Increment and such moneys specified above, no funds or properties of the District (including but not limited to the Net Available Housing Increment and Conditional City Increment deposited into the Conditional City Housing Increment Special Account) are pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Housing Bonds.

Plan Limit Covenant. Under the Housing Indenture, the District covenants to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Housing Increment available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on the Outstanding Housing Bonds and any outstanding Parity Housing Debt when due.

The District also covenants to annually review the total amount of Net Available Increment available to be allocated to the District under the Plan Limits, as well as future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment.

In furtherance of the covenant described above, if the District ever determines that during the next succeeding Bond Year, the future cumulative annual payments on (i) the Housing Bonds, (ii) any Parity Housing Debt, (iii) any Subordinate Housing Debt, (iv) any obligation to repay the City for any Conditional City Increment used to pay debt service on obligations of the District and (v) any bonds or debt payable from Net Available Facilities Increment is expected to equal at least 80% of the remaining amount of Net Available Increment available to be allocated to the District under the Plan Limits, then the District shall either (i) adopt a plan approved by an Independent Economic Consultant that demonstrates the District's continuing ability to pay all of the debt service on the Housing Bonds and any Parity Housing Debt through the scheduled maturity date(s), or (ii) claim all Net Available Housing Increment not needed to pay current or any past due debt service on Housing Bonds or any Parity Housing Debt for so long as the 80% threshold set forth above is met and deposit such amounts, when received, into a Trustee-held escrow account and invested in Defeasance Obligations. Moneys in such escrow account must be used only to pay debt service on the Housing Bonds and any Parity Housing Debt, or to redeem Housing Bonds and any Parity Housing Debt that does not constitute Housing Bonds.

2022 Housing Reserve Account

The Trustee established under the Housing Indenture a 2022 Housing Reserve Account. The 2022 Housing Reserve Account was established for the benefit of the Series 2022B Housing Bonds and any other 2022 Related Housing Bonds. The Series 2023B Housing Bonds are, and the Series 2025B Housing Bonds will be, 2022 Related Housing Bonds secured by the 2022 Housing Reserve Account along with the Series 2022B Housing Bonds. Under the Housing Indenture, the 2022 Housing Reserve Account is to be funded at the 2022 Housing Reserve Requirement.

"2022 Housing Reserve Requirement" means the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the Series 2025B Housing Bonds, the Existing Housing Bonds and any other 2022 Related Housing Bonds, (b) 125% of average Annual Debt Service on the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds and (c) 10% of the original principal of the Series 2025B Housing Bonds, the Existing Housing Bonds and any future 2022 Related Housing Bonds; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds was less than 98% or more than 102% of the original principal amount of the Series 2025B Housing Bonds, the Existing Housing Bonds or any future 2022 Related Housing Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated under the Housing Indenture exceed the amount on deposit in the 2022 Housing Reserve Account on the date of issuance of the Series 2025B Housing Bonds or the most recently issued series of 2022 Related Housing Bonds except in connection with any increase associated with the issuance of 2022 Related Housing Bonds; and

(C) that in no event shall the amount required to be deposited into the 2022 Housing Reserve Account in connection with the issuance of a series of 2022 Related Housing Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested an unrestricted yield.

Upon issuance of the Series 2025B Housing Bonds, the 2022 Housing Reserve Requirement will be satisfied as reflected in the table below:

Prior balance in the 2022 Housing Reserve Account	\$
Additional deposit from Series 2025B Housing Bonds proceeds	_____
Total Deposited to the 2022 Housing Reserve Account	\$

All money in the 2022 Housing Reserve Account shall be used and withdrawn by the Trustee for the purpose of (i) making transfers to the Interest Account and the Principal Account in the Housing Debt Service Fund in such order of priority to pay principal of and interest on the Series 2025B Housing Bonds, the Existing Housing Bonds and any other 2022 Related Housing Bonds, in the event of any deficiency at any time in any of such accounts and (ii) to the extent that such amounts are not required to make a payment to the federal government in respect of the Housing Bonds due and owing to the United States of America pursuant to the Internal Revenue Code as provided under the Housing Indenture, for the payment of authorized costs under the Infrastructure Financing Plan and the Law.

The District has the right at any time to direct the Trustee to release funds from the 2022 Housing Reserve Account, in whole or in part, by tendering to the Trustee: (i) a Qualified Reserve Account Credit Instrument, and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the Series 2025B Housing Bonds, the Existing Housing Bonds or any other 2022 Related Housing Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” attached hereto.

Parity Housing Debt

The Series 2025B Housing Bonds will be an additional series of Housing Bonds issued under the Housing Indenture. In addition to the Series 2025B Housing Bonds, the District has issued the Existing Housing Bonds and may issue additional Parity Housing Debt to finance and/or refinance activities that are permitted to be financed and/or refinanced by the District with Net Available Housing Increment in such principal amount as shall be determined by the District. The District may issue Parity Housing Debt, subject to the conditions set forth in the Housing Indenture. If development proceeds as planned, the District anticipates issuing Parity Housing Debt periodically during the construction period in amounts then permitted by the conditions set forth in the Housing Indenture.

Any Parity Housing Debt, to the extent provided in the Housing Indenture, shall be secured by a lien on the Pledged Housing Increment a parity with any Housing Bonds issued under the Housing Indenture. The District may issue and deliver any such Parity Housing Debt subject to the following specific conditions all of which are conditions precedent to the issuance and delivery of such Parity Housing Debt:

(a) Except as provided in the Housing Indenture as described in paragraph (h) below, no event of default under the Housing Indenture, under any Parity Housing Debt Instrument or under any Subordinate Housing Debt Instrument (as defined in the Housing Indenture) shall have occurred and be continuing, unless the event of default shall be cured by the issuance of the Parity Housing Debt, and the District shall otherwise be in compliance with all covenants set forth in the Housing Indenture.

(b) Except as provided in the Housing Indenture as described in paragraph (h) below, based on the most recent taxable valuation of property in the Project Areas of the District that met their Trigger Amount in prior Fiscal Years and in the Project Areas of the District that met their Trigger Amount in the current Fiscal Year, as evidenced by the records of the District or the City, plus at the option of the District the amount of any Additional Housing Revenues, the Pledged Housing Increment shall equal at least one hundred twenty-five percent (125%) of Annual Debt Service payable from Pledged Housing Increment in each of the years that the proposed Parity Housing Debt will be outstanding, including within such Annual Debt Service, the amount of Annual Debt Service on the Parity Housing Debt then proposed to be issued or incurred.

“Additional Housing Revenues” means, as of the date of calculation, the amount of Net Available Housing Increment and Conditional City Housing Increment which, as shown in the Report of an Independent Economic Consultant based on written records of the City, are estimated to be receivable by the District within the Fiscal Year following the Fiscal Year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the District due to (i) the completion of construction which is not then reflected on the tax rolls, or (ii) transfer of ownership or any other interest in real property which has been recorded but which is not then reflected on the tax rolls. For purposes of this definition, the term “increases in the assessed valuation” means the amount by which the assessed valuation of taxable property in the District is estimated to increase above the assessed valuation of taxable property in the District as of the date on which such calculation is made. For the avoidance of doubt, written records of the City may include written correspondence between the owner of taxable property (or its representatives) and the City with respect to construction in progress or property sales.

(c) In the case of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture, the Supplemental Housing Indenture providing for the issuance of such Housing Bonds shall provide for (i) a deposit to the 2022 Housing Reserve Account in an amount necessary such that the amount deposited therein shall equal the 2022 Housing Reserve Requirement following issuance of the additional Bonds, or (ii) a deposit to a reserve account for such additional Housing Bonds (and such other series of Housing Bonds identified by the District) in an amount defined in such Supplemental Housing Indenture, as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account and that the Owners of the Housing Bonds covered by the 2022 Housing Reserve Account will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2022 Housing Reserve Account or another reserve account as long as such Supplemental Housing Indenture expressly declares that the Owners of such additional Housing Bonds will have no interest in or claim to the 2022 Housing Reserve Account or any other reserve account. The Supplemental Housing Indenture may provide that the District may satisfy the 2022 Housing Reserve Requirement for a series of Parity Housing Debt issued as additional Housing Bonds under the Housing Indenture by the deposit into the reserve account established pursuant to such Supplemental Housing Indenture of an irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Housing Indenture.

Nothing in the Housing Indenture establishes a requirement for the District to establish a debt service reserve account for Parity Housing Debt that is not issued as additional Housing Bonds under the Indenture.

(d) Principal with respect to such Parity Housing Debt will be required to be paid on September 1 in any year in which such principal is payable.

(e) The aggregate principal amount of bonds and other debt (as defined in the Law and the Infrastructure Financing Plan) that will have been issued by the District following the issuance of such Parity Housing Debt shall not exceed the maximum amount of bonds and other debt permitted to be issued by the District. The following Parity Housing Debt shall not account against the aggregate principal amount of bonds and other debt permitted to be issued by the District: (i) any bonds or other debt issued or incurred for the sole purpose of refunding the Housing Bonds, funding a reserve fund for such refunding bonds and paying related costs of issuance and (ii) 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.

(f) The aggregate amount of the principal of and interest on all bonds, loans, advances or indebtedness payable from Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment coming due and payable following the issuance of such Parity Housing Debt shall not exceed the maximum amount of Net Available Housing Increment, Net Available Housing Increment and Conditional City Increment permitted under the Plan Limit to be allocated and paid to the District following the issuance of such Parity Housing Debt.

(g) The proceeds of the Parity Housing Debt shall be used for a lawful purpose of the Pledged Housing Increment under the Law and the Infrastructure Financing Plan.

(h) Except as provided in paragraph (h) below, the District shall deliver to the Trustee a Written Certificate of the District certifying that the conditions precedent to the issuance of such Parity Housing Debt set forth in paragraphs (a) through (g) above have been satisfied and (ii) a written certificate of the City certifying that the condition precedent to the issuance of such Parity Housing Debt set forth in paragraph (g) has been satisfied.

(h) The condition set forth in paragraph (a) and (b) above shall not apply to the issuance or incurrence of any Parity Housing Debt the net proceeds of which will be used solely to refund all or any portion of the Series 2025B Housing Bonds or any other outstanding Parity Housing Debt, provided that debt service payable in each year with respect to the proposed Parity Housing Debt is less than the debt service otherwise payable in each year with respect to the Series 2025B Housing Bonds or Parity Housing Debt, or portion thereof, proposed to be refunded.

Subject to the conditions under the Housing Indenture, the City may incur or issue loans, advances or indebtedness, which are either (a) payable from, but not secured by a pledge of or lien upon, the Pledged Housing Increment; or (b) secured by a pledge of or lien upon the Pledged Housing Increment which is expressly subordinate to the pledge of and lien upon the Net Available Housing Increment and the Conditional City Housing Increment under the Housing Indenture for the security of the Housing Bonds. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE” attached hereto.

The District has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA’s promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. As of July 2025, \$27.5 million of the purchase price remained to be paid. According to the Subordinate Pledge Agreement, the District’s pledge to pay the purchase price is subordinate to any bonds issued by the District.

Limited Obligations

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City, the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The District has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

FORMATION OF THE DISTRICT AND THE INITIAL PROJECT AREAS

The District was formed by the City pursuant to the Law. The Law was enacted by the State of California (the “State”) Legislature to establish a long-term permanent program that provides local governments with tools and resources for among other things, public infrastructure, affordable housing, economic development and job creation, and environmental protection and remediation.

The Board of Supervisors, as the legislative body that formed an infrastructure and revitalization financing district, serves as the legislative body of the District. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Law, an infrastructure and revitalization financing district may issue tax increment revenue bonds.

Pursuant to the Law, the Board of Supervisors adopted the necessary ordinances and resolutions and conducted such proceedings and elections as are necessary under the Law to form the District and the Initial Project Areas, approve the “Infrastructure Financing Plan for the District, and authorize issuance from time to time of tax increment revenue bonds or other debt for the purpose of financing certain improvements described in the Infrastructure Financing Plan.

The District formation proceedings also established a process for the annexation of property to the District in the future, as described in “Future Annexation of Property to the District” below.

Initial Formation Proceedings. The proceedings undertaken by the Board of Supervisors to establish the District include the following:

(i) Resolution No. 512-16 adopted by the Board of Supervisors on December 6, 2016, pursuant to which the City (as the only taxing entity allocating tax increment revenue to the District under the Infrastructure Financing Plan) approved the Infrastructure Financing Plan and acknowledged that future project areas may be designated in the District and that territory on Yerba Buena Island and Treasure Island may be annexed to the District in the future;

(ii) Resolution No. 6-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City declared the results of a special election at which the qualified landowner electors, among other things, (A) approved the allocation of tax increment to the District as described in the Infrastructure Financing Plan and (B) authorized the issuance of bonds and other debt in the maximum amount of (1) \$780 million plus (2) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District;

(iii) Resolution No. 7-17 adopted by the Board of Supervisors on January 24, 2017, pursuant to which the City authorized issuance of bonds for the District and project areas therein, in an aggregate principal amount not to exceed \$780,000,000 (excluding refunding bonds from the calculation of such principal amount) (such resolutions referred to herein as the “Resolutions”); and

(iv) Ordinance No. 21-17 (the “Ordinance”) adopted by the Board of Supervisors on January 31, 2017, forming the District and the Initial Project Areas, adopting the Infrastructure Financing Plan, declaring that the District has the authority to issue bonds and other debt in the maximum amount of (A) \$780 million plus (B) the principal amount of bonds and other debt approved by the Board of Supervisors and the qualified electors of territory annexing to the District, and providing for designation of additional project areas in the future and annexation of territory on Yerba Buena Island and Treasure Island to the District in the future.

Judicial Validation. The Superior Court of the State of California, County of San Francisco, in a judgment entered on May 7, 2018 (Case No. CGC-17-557496) (the “Validation Judgment”), issued a judgment that:

(i) all proceedings by the City and the District in connection with the Infrastructure Financing Plan (under which the City allocated certain tax increment to the District) and related bonds and bond contracts, including the Resolutions and the Ordinance, were in conformity with applicable laws,

(ii) upon execution and delivery thereof, the related bonds (including the Facilities Bonds and the Housing Bonds) and bond contracts described therein (including the Facilities Indenture and the Housing Indenture) will be and are valid, legal and binding obligations of the parties thereto in accordance with their terms,

(iii) the allocation to the District by the Board of Supervisors of specific percentages of incremental property tax revenues from the Initial Project Areas as set forth in the Infrastructure Financing Plan are valid, legal, binding and irrevocable from and after the effective date of the Ordinance, and such incremental property tax revenues are available to be pledged to bonds and other debt, and

(iv) certain other propositions related to the District and the Project Areas.

The Validation Judgment permanently enjoins all persons from challenging the validity of, among other things, the District, the Facilities Bonds, the Housing Bonds, the Facilities Indenture, the Housing Indenture, the Infrastructure Financing Plan, the Resolutions and the Ordinance.

In issuing its approving opinions, Jones Hall LLP, Bond Counsel, will rely on the Validation Judgment, among other things.

Amendment Proceedings. Since formation of the District, the California State Board of Equalization notified the District and the City that the boundaries of the District and the Initial Project Areas needed to be revised to reflect the boundaries of the parcels in the District in order for the Board of Equalization to assign tax rate areas to the Initial Project Areas, and the District determined that there might

be a future need to further amend the District's boundaries to conform to final development parcels in the District.

Accordingly, in 2022, the District completed proceedings, including a landowner election, to add territory to the District, amend the Infrastructure Financing Plan, and establish a procedure by which certain future amendments may be approved by the Board of Supervisors, as legislative body of the District, without further hearings or approvals, as long as the amendments will not impair the District's ability to pay debt service on its bonds or, in and of themselves, reduce the debt service coverage on any bonds below the amount required to issue parity debt (the "2022 District Amendments"). Pursuant to Ordinance No. 29-22, adopted by the Board of Supervisors on February 15, 2022, the Board of Supervisors, as the legislative body of the District, declared that (i) territory has been added to the District and the boundaries of certain Initial Project Areas have been amended and (ii) adopted an amended Infrastructure Financing Plan for the District.

In the Validation Judgment, the Superior Court ruled that the Infrastructure Financing Plan, including any amendments of the original Infrastructure Financing Plan that are consistent with the Law, is legal, valid and binding. The Infrastructure Financing Plan, as amended in connection with the 2022 District Amendments, declares that the amendments of the original Infrastructure Financing Plan are consistent with the Law and, therefore, are legal, valid and binding.

As of the date of this Official Statement, there are five project areas in the District: Project Area A, Project Area B, Project Area C, Project Area D and Project Area E. Project Areas A, B and E are currently contributing increment. No assurance is given regarding the addition of contributing project areas in the District or the addition of territory to the District in the future. See "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS" herein.

Future Annexation of Property to the District. The Infrastructure Financing Plan describes the procedures for annexation of property to the District, and establishes the following principles:

(i) Annexing property may be added to one of the Initial Project Areas or may be added as a new Project Area with distinct limits on the allocation of tax increment to the District. If a new Project Area is created, it will have its own Commencement Year and termination date.

(ii) The annexation proceeding will provide for an additional principal amount of bonds and other debt that can be issued by the District, to reflect the additional tax increment that may be allocated to the District.

(iii) The Infrastructure Financing Plan will be supplemented to reflect the annexation.

(iv) When property is annexed into the District, a vote will be required of the qualified electors of the territory to be annexed only.

[A resolution of intention to initiate the process of adding additional territory to the District was adopted by the Board of Supervisors and signed by the Mayor on ____]. The proposed additional territory encompasses ____ acres and ____ planned residential units and will be outside the Initial Project Areas. Completion of the process of annexing additional territory is currently expected in spring 2026.] Although the City, the District and TICD anticipate that this proposed additional territory and other additional territory will annex into the District, no assurance is given regarding addition of project areas in the District or addition of territory to the District.

THE CITY

General. The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (previously defined as the “Bay”). Silicon Valley is about a 40-minute drive to the south and the Napa and Sonoma “wine country” is about an hour’s drive to the north. As of January 1, 2025, the State estimates the City’s population to be 842,027, among the largest in the country. See APPENDIX A – “DEMOGRAPHIC INFORMATION REGARDING THE CITY AND COUNTY OF SAN FRANCISCO” hereto.

The City benefits from a broad economic base, anchored by major technology companies. In addition, the City is near Silicon Valley, a region regarded as a global center for technology and innovation. San Francisco has historically ranked among the highest average income counties in the country. The City is served by two major airports: San Francisco International Airport and Oakland International Airport. There are multiple universities located in or near the City, such as University of California, Berkeley, Stanford University, University of San Francisco, San Francisco State University, University of California, San Francisco and UC Law San Francisco.

Beginning in late winter 2020, the City faced significant negative impacts resulting from the global COVID-19 pandemic and efforts to contain it. While public health restrictions have been loosened or eliminated in response to positive public health data on COVID-19, economic conditions have not fully recovered. Housing affordability, homelessness and crime, which have posed challenges in urban areas like the City in recent years, may also negatively impact economic activities. Certain segments of the real estate market have declined, and appeals of assessed values have increased.

See “RISK FACTORS – Real Estate Investment Risks,” “ – Public Health Emergencies” and “ – Reduction in Tax Base and Assessed Values” herein.

THE TREASURE ISLAND PROJECT

The following provides information with respect to development of the Treasure Island Project. TI Series 1 has provided the information with respect to the Treasure Island Project under the captions “ – Developer Entities,” “ – Planned Development,” “ – Infrastructure,” “ – Sea Level Rise and Adaptive Management Strategy,” “ – KSWM Litigation” and “ – Reassessment Covenant” below. No assurance can be given by the District that all such information is complete. The District has not independently verified such information and assumes no responsibility for its accuracy or completeness. Information under the caption “ – Recent Revisions of Project Agreements” was prepared jointly by the City and TI Series 1 (except statements therein expressly attributed to a party or parties were provided only by such party or parties). No assurance can be given that development of the property will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur. If planned development of the property is not completed or if assessed values in the Project Areas decline, Pledged Facilities Increment and Pledged Housing Increment could be lower than projected. See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2025AB Bonds.

Only the property subject to ad valorem property taxes in each Project Area in or after the respective Commencement Year and for 40 consecutive years thereafter will generate the Pledged Facilities Increment securing the Series 2025A Facilities Bonds and the Pledged Housing Increment

securing the Series 2025B Housing Bonds. The information below is intended to provide the overall context of the entire Treasure Island Project, of which the Initial Project Areas are a part.

Overview

The Treasure Island Project encompasses approximately 461 acres on Yerba Buena Island and Treasure Island, two adjacent islands (the “Islands”). The Islands are located in the San Francisco Bay and are connected by a causeway. The Islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station (“Naval Station Treasure Island” or “NSTI”). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority (“TIDA”) to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, a public benefit agency and instrumentality and an authority of the City and the State of California. TIDA’s board members are appointed by the Mayor of San Francisco.

The United States of America, acting through the Department of the Navy (the “Navy”), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement (“Navy MOA”) that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within the District and Major Phase 1. The bulk of the land the Navy still owns is comprised of Investigation/Remediation Site 12 (“IR Site 12”), which includes a substantial portion of the Major Phase 4 area, a small portion of the Major Phase 2 area, and shares a boundary with Major 3 as it is currently defined. The Navy has not yet received approval from applicable State and federal regulators to transfer IR Site 12 in the condition required by the Navy MOA. While the Navy continues its remediation work, the timeline for the transfer of this property is uncertain. Portions of IR Site 12 could be delayed for as much as 10 years, and in such event TIDA could invoke a redesign process under the Navy MOA if such delay impacts future phases of the development. However, the timing of such disposition does not affect development of the Initial Project Areas.

In 2003, TIDA selected Treasure Island Community Development LLC (“TICD”), a California limited liability company, to serve as master developer for the “Treasure Island Project.” The Treasure Island Project will be carried out by TICD in accordance with the Disposition and Development Agreement between TIDA and TICD, dated as of June 28, 2011 (as amended from time to time, the “DDA”), and the Development Agreement between the City and TICD dated as of June 28, 2011 (as amended from time to time, the “DA”), and related Treasure Island Project approvals (including the Mitigation Monitoring and Reporting Program adopted by TIDA and the City in reliance on the Treasure Island/Yerba Buena Island Environmental Impact Report, the Treasure Island/Yerba Buena Island Special Use District and a Design for Development that established design standards and guidelines).

The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed use neighborhood of up to 8,000 residential units, hotels, restaurants, retail, arts and entertainment, parks, and open space. The DDA provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Developer Entities

TICD is the master developer of the Treasure Island Project. TICD, and its subsidiaries including TI Series 1 and Treasure Island Series 2, LLC (“TI Series 2”), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders (each a “Merchant Builder”) for construction of residential and commercial development. Of the development pads sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA (each as defined below).

TICD is a joint venture, the members in which are (i) a joint venture (“TIH”) comprised of a subsidiary of Lennar Corporation (“Lennar”) and a subsidiary of Poly (USA) Real Estate Development Corporation, as a non-managing, third-party member, (ii) an indirect subsidiary of Lennar (“TICD Hold Co”), (iii) a joint venture (“KSWM”) comprised of affiliates of Stockbridge TI Fund LP (collectively, “Stockbridge”), Kenwood Investments (“Kenwood”) and WMS Treasure Island Development, LLC, an affiliate of Wilson Meany (“Wilson Meany”) and (iv) Stockbridge TI Co-Investors, LLC, an affiliate of Stockbridge (“Co-Investors”). TIH and TICD Hold Co. together own a fifty percent (50%) membership interest in TICD, and KSWM and Co-Investors together own a fifty percent (50%) membership interest in TICD. The responsibility for establishing the policies and operating procedures with respect to the business and affairs of TICD and for making all decisions as to all matters which TICD has authority to perform is vested in an Executive Committee, which is comprised of representatives of KSWM and of TIH, with equal power given to the KSWM and TIH representatives. KSWM and TIH are co-managing members of TICD, charged with conducting the business of TICD on a day-to-day basis; Wilson Meany and Lennar provide management services for KSWM and TIH, respectively. TICD’s subsidiary, Treasure Island Development Group, LLC (“TIDG”), leads many of the day-to-day activities of the Treasure Island Project under the direction of TICD’s co-managing members. Each of Wilson Meany and Lennar are deeply experienced in such projects, with seasoned and highly qualified personnel managing their respective roles in the Treasure Island Project, and TIDG’s team is also deeply experienced and highly qualified. Third party investors in Stockbridge and TIH hold limited and customary major decision approval rights related to certain high-level policies of TICD. Capital for the development of the Treasure Island Project comes from equity, the proceeds of land sales, debt financing, and reimbursements from public financing sources (including CFD bonds, District bonds and certain negotiated amounts of City certificates of participation). In addition, to the extent that TICD does not have capital in the amount or at the times required for budgeted expenses of the Treasure Island Project, TICD’s co-managing members have the right to call capital of TICD’s members, and the members are obligated to timely contribute their respective pro rata shares. The members of TICD are subject to customary and significant remedies in the event that they do not contribute such capital, and the other members are permitted to put in capital in the event that another member does not do so. In addition, see the caption “ - KSWM Litigation” below for a discussion of the litigation between Kenwood and entities of Stockbridge and Wilson Meany.

From time to time, TICD has admitted new members in connection with additional capital needs for the Treasure Island Project. In one such instance, in 2016, Co-Investors was admitted as a direct member to TICD in proportion to its capital contributions. At the same time, Stockbridge admitted a new, limited partner investor in its ownership structure, an affiliate of CITIC Capital Holdings Limited (“CITIC Capital”). CITIC Capital is a global alternative investment management and advisory company headquartered in Hong Kong. The firm manages over \$17 billion USD of capital through its multi-asset class platform covering private equity, real estate, structured investment and finance, asset management, and special situations.

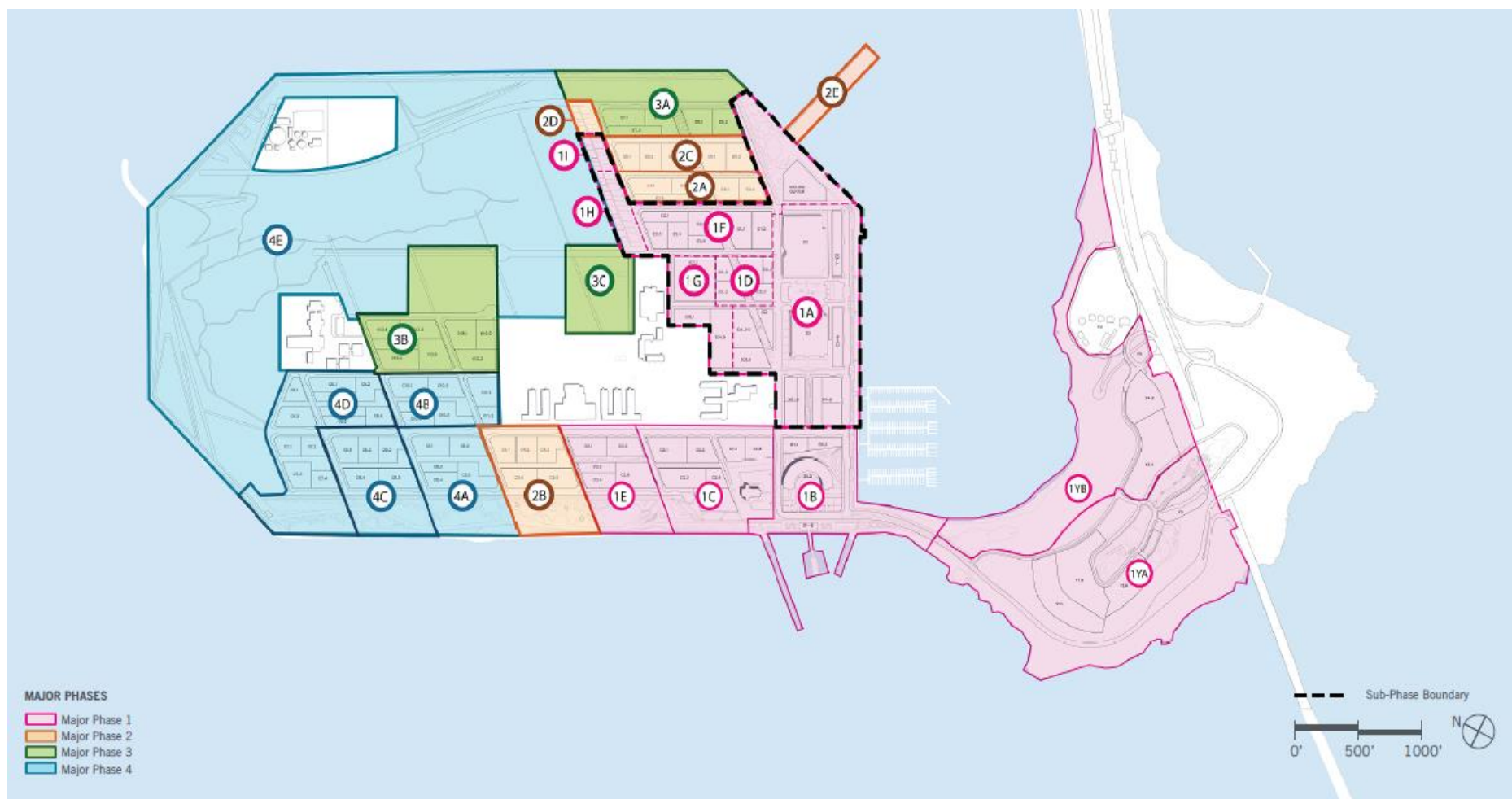
The Project Agreements (as defined herein) contemplate that TICD will sell property to builders to develop the vertical projects. The vertical projects were intended to be developed by a combination of (i) TICD members or affiliates; (ii) joint ventures in which TICD could be involved but would not have a

controlling interest; and (iii) third-party sales. As TICD sought to market the property to builders and developers, TICD determined that the market would be more receptive for the land at the pricing being sought if it were to first show “proof of concept.” To do this, TICD’s members determined it was in the Treasure Island Project’s interest to have affiliated entities acquire the land in the first phase of the Treasure Island Project to build the vertical improvements. All of the land sales that have occurred in the Initial Project Areas to date transacted at market prices in compliance with the DDA procedures governing the related-party sales. For example, the DDA requires that an appraisal must be commissioned and certain approvals obtained from various agencies prior to such sales.

Planned Development

The Treasure Island Project is planned for development of 5,827 market rate residential units, 2,173 below market rate affordable units, 551,000 square feet of commercial space, 500 hotel rooms, and approximately 290 acres of parks and open space. Development is planned to occur in four major phases, with each major phase including several sub-phases. The four major phases and the 11 sub-phases of Major Phase 1 (including 1YA, 1YB, 1B, 1C and 1E) are shown on the map below.

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Note: Area labels on the map above represent sub-phase designations, not Project Area designations. For Project Area designations, see map on page 47.

Table 1 below provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within the District.

Table 1
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Planned Development
Treasure Island Project and Portions Within Major Phase 1 and the District

	Treasure Island Project	Portion within Major Phase 1 ⁽¹⁾	Portion within District ⁽²⁾
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	<u>2,173</u>	<u>790</u>	<u>73</u>
Total Units	8,000	4,119	1,755 ⁽³⁾
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

⁽¹⁾ First of four major phases of the Treasure Island Project.

⁽²⁾ Portions of five out of 11 subphases of Major Phase 1.

⁽³⁾ Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in Fiscal Year 2025-26.

Infrastructure

All major backbone infrastructure required for development within the Initial Project Areas to receive certificates of occupancy has been completed. Completed infrastructure includes geotechnical work in Major Phase 1 (described below), critical utilities (water, sewer, gas, and electricity) serving the Initial Project Areas, reconstruction of the causeway connecting Yerba Buena Island and Treasure Island, and streetscape and landscaping of roads serving the Initial Project Areas.

Total horizontal infrastructure improvements and fees required for development of the larger Treasure Island Project are estimated to total approximately \$2.6 billion, as of July 1, 2025. As of July 1, 2025, TICD and related developers have expended approximately \$883 million on such costs (all related to Major Phase 1) (“Initial Project Costs”), and they expect to spend the remainder of such costs over the next 15 years.

A geotechnical mitigation program was implemented in the Initial Project Areas and elsewhere on Treasure Island in advance of infrastructure improvements and construction of buildings to make the Treasure Island perimeter seismically stable, strengthen the causeway that connects Treasure Island to Yerba Buena Island, densify the sandy fill to minimize seismic settlement within the development footprint, and compress the soft Bay Mud sediments to minimize future settlement from the addition of fill and buildings. The plan included densification of the sandy fill throughout the development and the shoreline using the direct power compaction (“DPC”) vibrocompaction improvement method, preloading new building parcels and City streets with surcharge, and strengthening the causeway and the portions of the shoreline with cement deep soil mixing. See “RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flooding Damage” for a description of Bay Mud. The geotechnical program for the Initial Project Areas and infrastructure serving it was completed and does not require ongoing maintenance work. Geotechnical work continues for portions of Treasure Island outside of the Initial Project Areas.

A portion of the Initial Project Costs have been reimbursed through the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (previously defined as, the “CFD”), established pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (section 53311 et seq. of the California Government Code). The City, on behalf of the CFD, has issued four series of special tax bonds to date backed by special taxes levied on taxable parcels within either Improvement Area No. 1 or Improvement Area No. 2, as applicable. Both Improvement Area No. 1 and Improvement Area No. 2 are within the Initial Project Areas. These bonds have generated approximately \$91 million in project funds to date. The special taxes supporting the CFD bonds are not available to pay the Facilities Bonds or the Housing Bonds, nor is tax increment from the Project Areas available to pay the CFD bonds.

See “THE INITIAL PROJECT AREAS – Planned Development” for information about infrastructure in the Initial Project Areas.

Transportation

Current transportation options serving the Islands include a ferry service between Treasure Island and the San Francisco Ferry Building (privately-managed by TICD) and MUNI bus service to and from mainland San Francisco. Vehicles have access to the San Francisco-Oakland Bay Bridge (which passes through Yerba Buena Island) from both the eastern and western sides of Yerba Buena Island. A planned “congestion pricing” auto toll is expected to be charged to certain drivers for each auto trip to and from Treasure Island. Additional transportation programs - including AC Transit bus service to Oakland and a fare-free on-islands shuttle - are planned for implementation as development proceeds on the Islands.

Sea Level Rise and Adaptive Management Strategy

The sea level rise and adaptive management strategy for Treasure Island includes a multi-phased approach to mitigation, with initial infrastructure designs to accommodate reasonable sea level rise scenarios as well as future monitoring and funding mechanisms to implement necessary improvements in the future. As part of the first phase of such strategy, the perimeter shoreline areas near the Initial Project Areas have been adjusted to function as a berm, and finished grades for the inland proposed building areas for some of the Initial Project Areas have been raised up to 6.0 feet. See “RISK FACTORS – Climate Change; Risk of Sea Level Rise and Flood Damage” herein.

Recent Revisions of Project Agreements

As discussed above, the Treasure Island Project is carried out by TICD in accordance with the DDA and the DA, and related Treasure Island Project agreements (collectively, the “Project Agreements”). The Project Agreements and related approvals control the overall design, development and construction of the Treasure Island Project and all infrastructure and improvements. The Treasure Island Project, as a complex, phased development of horizontal infrastructure and vertical development, requires coordination among TICD, TIDA and the various agencies of the City to map, permit, inspect, and construct the Treasure Island Project, and transfer to the City completed public infrastructure.

In the course of implementing the Treasure Island Project, disagreements have arisen between members of TICD on the one hand and TIDA and the City on the other. Areas of dispute included:

Budget Disputes. The DDA obligates TICD to pay certain costs incurred by City departments (“City Costs”), certain TIDA costs to the extent there are annual budgetary shortfalls (“Authority Costs”), and certain agreed-upon developer subsidies, which include certain costs for open space, transportation, community facilities, authority housing, school improvements, ramps/viaducts, fill, and job training programs (“Developer Subsidies”). TICD questioned the appropriateness and amount of City Costs and

Authority Costs, and whether costs are being appropriately tracked and credited against TICD's payment obligations under the Project Agreements specifically for Developer Subsidies. The City and TIDA have asserted that the City Costs and Authority Costs invoiced to TICD are appropriate.

Permit Disputes. TICD has also raised additional concerns from time to time regarding the time and manner in which the City has processed and conditioned the Treasure Island Project's permits and maps, and the scope, timing and acceptance of public infrastructure (collectively, the "Permit Disputes"). TICD claimed that because of construction cost inflation, the pandemic and the City and TIDA's period to review permits and permit costs, the Treasure Island Project's total projected costs have increased from \$1.5 billion to approximately \$2.6 billion and the time period for construction of the project has been extended.

Negotiations Related to Budget/Permit Disputes and Other Terms. In order to resolve the Budget Disputes and Permit Disputes, as well as to improve the speed of the Treasure Island Project's much-needed housing, the parties met and negotiated a series of amendments to the Project Agreements. The amendments to the Project Agreements ultimately culminated in an Amended and Restated Disposition and Development Agreement (the "A&R DDA"), an amendment to the Development Agreement (the "Amended DA"), changes to the Financing Plan, Housing Plan, Transportation Plan, Community Facilities Plan and Schedule of Performance, which are attachments to the A&R DDA and/or the Amended DA, changes to the project's Design for Development, and associated conforming changes to other ancillary and supporting documents. The amendments to the Project Agreement were approved by legislation of the San Francisco Board of Supervisors that was adopted on April 23, 2024 and signed by the Mayor on May 3, 2024. Notable changes to the Project Agreements include:

- To accelerate delivery of the next stage of infrastructure ("Stage 2"), which include areas expected to be annexed into the District, TIDA removed the obligation of TICD to back-fill TIDA operating costs. In addition, the City agreed to advance up to \$115 million in City-supported capital funds through the execution and delivery of certificates of participation (e.g. Certificates of Participation or "COP") in three tranches. The funds are to be used exclusively to reimburse TICD for the construction of Stage 2 infrastructure. In March 2025, the first such COPs were sold, generating \$50 million of capital funds for such purpose. Based on the current Stage 2 construction schedule, TICD and the City expect to sell the second tranche of COPs, generating \$50 million of capital funds, in [late summer 2026]. The final and third tranche of COPs, generating \$15 million of capital funds, is expected to sell no earlier than mid-2027. Related project amendments included streamlining the reimbursement process to allow for expedited review and payment of costs related to the Stage 2 construction.
- The status of all Developer Subsidies was confirmed and the allowable use of Developer Subsidies dollars clarified. In particular, the Developer Subsidies related to transportation capital and operations were revised to be more flexible.
- Changes were made to the Schedule of Performance to delay certain Developer obligations. For example, the requirement to construct a new police and fire station and provide funds for a public school were delayed from the 2,500th dwelling unit to the 4,000th dwelling unit.
- The terms of the DDA and the DA were extended from 30 to 40 years.

Horizontal infrastructure required in order to receive a certificate of occupancy for planned developments for the Initial Project Areas is complete. See "THE TREASURE ISLAND PROJECT – Infrastructure." **Neither TIDA, the City nor the Underwriter make any assurance that development of**

the remainder of the Treasure Island Project will be completed. See “RISK FACTORS - Real Estate Investment Risks” herein.

See also “ – Reassessment Covenant” below.

KSWM Litigation

There was litigation between certain entities holding indirect financial interests in the Stockbridge-Wilson Meany-Kenwood’s half of TICD (the “Stockbridge Ownership”), which is owned by Stockbridge TI Co-Investors, LLC (“Co-Investors”) and KSWM Treasure Island, LLC (“KSWM”). KSWM’s members are Stockbridge Treasure Island Investment Company, LLC (“STIIC”), affiliated with Stockbridge; Kenwood Investments, LLC (“Kenwood”); and WMS Treasure Island Development, LLC (“WMS”), a real estate development firm associated with Wilson Meany.

In November 2022, Kenwood alleged that STIIC and WMS had breached contractual and other duties in connection with an amendment (the “2016 Amendment”) to TICD’s operating agreement that brought in Co-Investors as an additional member of TICD without Kenwood’s consent. STIIC and WMS denied Kenwood’s allegations and, on April 3, 2023, filed a complaint against Kenwood in the Superior Court of California, County of San Francisco, seeking a declaration of their right to make a buy-sell offer to Kenwood pursuant to KSWM’s operating agreement. *Stockbridge Treasure Island Investment Company, LLC v. Kenwood Investments, LLC*, Case No. CGC-23-605537 (Superior Court, County of San Francisco) (the “Original Action”).

On April 4, 2023, Kenwood filed its own complaint in San Francisco Superior Court against Stockbridge Capital Partners, LLC (“SCP”), Co-Investors, and WMS, asserting claims for breach of contract, breach of the covenant of good faith and fair dealing, negligent misrepresentation, intentional misrepresentation, tortious interference with contract, and quantum meruit. *Kenwood Investments, LLC v. Stockbridge Capital Partners, LLC*, Case No. CGC-23-605626 (Superior Court, County of San Francisco). This action was consolidated with the Original Action for all purposes.

On November 12, 2024, Kenwood filed a new lawsuit in San Francisco Superior Court against Terry Fancher, Christopher Meany, and the following corporate entities (the “Corporate Defendants,” and together with Terry Fancher and Chris Meany, “Defendants”) that are involved in the development of certain land parcels for vertical development on Treasure Island: Stockbridge Capital Partners LLC, Stockbridge Capital Group LLC, Stockbridge Real Estate Fund LP, Stockbridge TI Member LLC, WM TI Rental JV I LLC, Stockbridge/Wilson Meany TI Lot 10 LLC, TI Lot 10 LLC, WM TI Condo JV I LLC, Stockbridge TI Series 2 Fund LP, Stockbridge TI Series 2 Member LLC, Stockbridge TI Series 2 Partners LLC, Stockbridge/Wilson Meany TI Lots 3-4 LLC, TI Lots 3-4 JV LLC, TI Lots 3-4 LLC, WM TI Condo JV 2 LLC, Stockbridge TI Series 3 Partners LLC, Stockbridge TI Series 3 Fund LP, Stockbridge TI Series 3 Member LLC, Stockbridge/Wilson Meany TI Lots 5-6 LLC, TI Lots 5-6 JV LLC, TI Lots 5-6 LLC, WM YBI JV LLC, Stockbridge YBI Partners LLC, Stockbridge YBI Fund LP, Stockbridge/Wilson Meany YBI Investors LLC, YBI Phase I Investors LLC, YBI Phase 2 Investors LLC, YBI Phase 3 Investors LLC, and YBI Phase 4 Investors LLC. On May 6, 2025, the new action was consolidated with the Original Action for all purposes.

On August 5, 2025, following a mediation, the parties entered into a confidential settlement agreement to resolve the litigation. Pursuant to the settlement, STIIC will acquire Kenwood’s interest in KSWM and the Treasure Island development, with the exception of Kenwood’s interest in the separate marina project, which is outside the Initial Project Areas.

Reassessment Covenant

Under the recently amended DDA (see “ - Recent Revisions of Project Agreements” above”), TICD agreed that, until the earlier of (A) the date on which (i) there are no authorized uses under the Infrastructure Financing Plan of the Net Available Increment or Conditional City Increment generated in the District and neither TICD nor the City expects there to be any further such authorized uses and (ii) the City has been repaid for the use of Conditional City Increment in accordance with the Infrastructure Financing Plan and (B) the final date for receiving Net Available Increment or Conditional City Increment under the Infrastructure Financing Plan, TICD will inform the Controller in writing of its intent to initiate a proceeding (a “Reassessment Proceeding”) under the California Revenue and Taxation Code to reassess the value of the parcels owned by TICD within the District at least 90 days prior to initiating the Reassessment Proceeding. Any such notice shall identify TICD’s opinion of the value of the property. The City expects to consider TICD’s initiation of Reassessment Proceedings when evaluating whether to issue additional Parity Housing Debt or Parity Facilities Debt.

Other parties that might come to own taxable property in the District, such as merchant builders and homeowners, are not subject to this covenant. The foregoing covenant does not affect reassessments not sought by the payor that the Assessor could grant unilaterally under Proposition 8. See also “TAX INCREMENT REVENUE AND DEBT SERVICE – Top Taxpayers” herein.

THE INITIAL PROJECT AREAS

TI Series 1 has provided the following information with respect to the Initial Project Areas. No assurance can be given by the District that all information is complete. The District has not independently verified this information and assumes no responsibility for its accuracy or completeness. If planned development of the property is not completed Pledged Facilities Increment and Pledged Housing Increment could be comparatively lower than if development is completed as planned. See the section of this Official Statement captioned “RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth herein, in evaluating an investment in the Series 2025AB Bonds.

Overview

The District encompasses portions of the first phase of development of the Treasure Island Project. The District is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E (the “Initial Project Areas”). The Initial Project Areas have a combined land area of approximately 33 acres. Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The maps below show the Initial Project Area boundaries and related Assessor parcel numbers. While the maps below also show other areas on the Islands, only ad valorem property taxes levied on taxable property inside the boundaries of the Initial Project Areas and any future Project Areas can generate Gross Tax Increment, from which the Pledged Facilities Increment securing the Series 2025A Facilities Bonds and the Pledged Housing Increment securing the Series 2025B Housing Bonds will be derived.

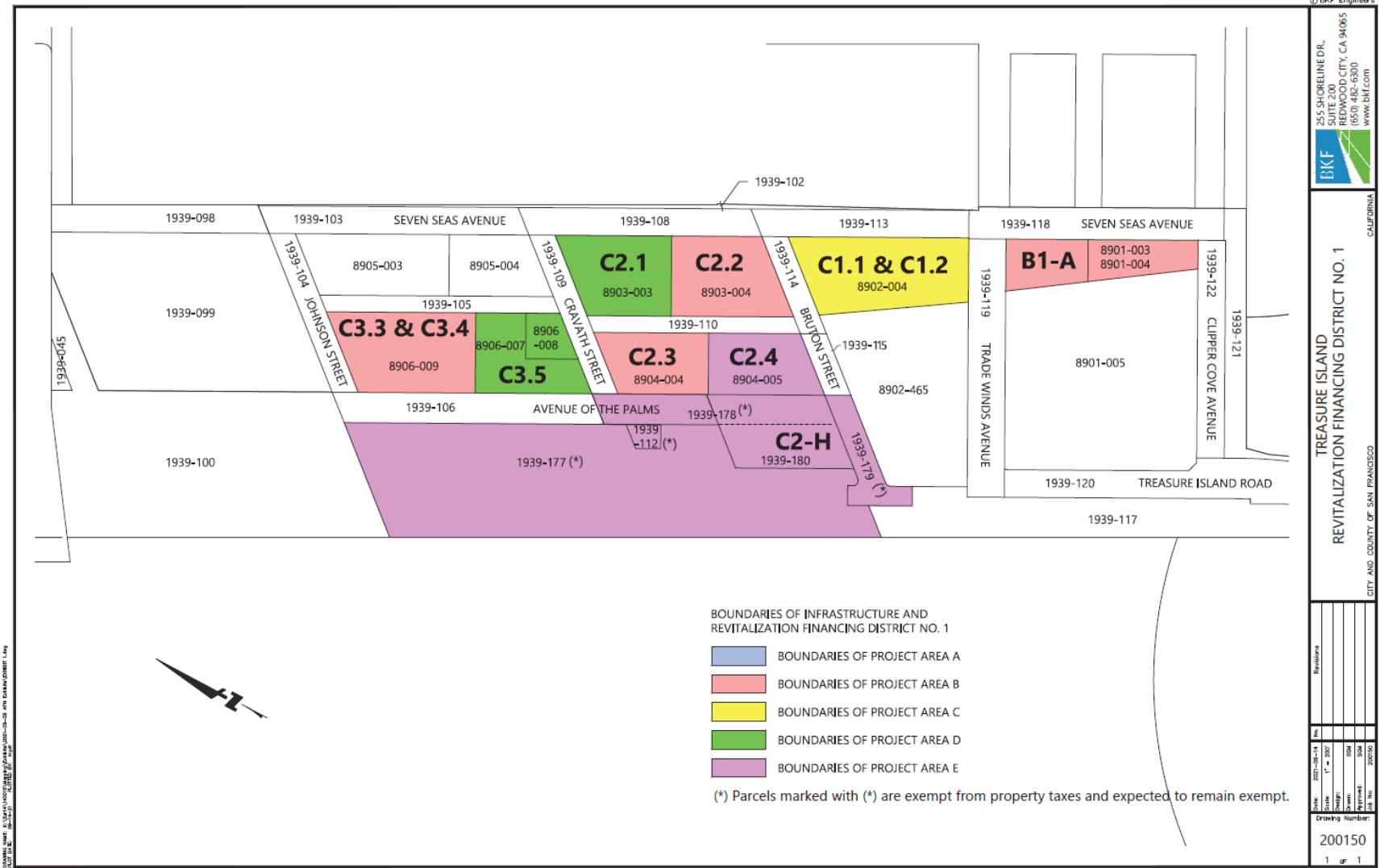
The District currently expects that territory will be added to the District in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. It is anticipated that additional territory will be added as additional Project Areas. See “THE TREASURE ISLAND PROJECT – Overview” herein.

The Commencement Year has occurred for Project Areas A, B and E, which total approximately 29 acres. The Trigger Amounts of taxes needed for the Commencement Year to occur in Project Areas C or D have not yet been reached. See Table 2 in APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for information about the areas within the Initial Project Areas that coincide with Improvement Areas of the CFD.

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**MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)**





Planned Development

The Initial Project Areas are planned for development of 1,755 residential units and two hotels, as well as some commercial and retail development. See Table 1 herein.

Table 2 below identifies the planned development by Project Area and identifies the development sub-blocks within each as of July 1, 2025. Construction of 583 residential units within the District is complete. Completed development includes 141 market rate for-sale units, 395 market rate rental units, and 47 below market rate affordable units. Vertical construction is underway on an additional 148 condominium units, of which seven are below market rate affordable units.

Table 2
Summary of Planned Development Within the District and Estimated Timing

Sub-Block	Use	Project Area ⁽¹⁾	Planned No. of Stories	Planned Residential Units				Planned Hotel Rooms	
				Market Rate		BMR	Total Units		average SF/Unit
				For sale	Rental				
<u>Construction Complete/Sales Ongoing</u>									
4Y (Portion)	Condo (Bristol)	A	6	110		14	124	1,196	0
4Y (Portion)	Townhome/Flats (The Residences-initial phase) ⁽²⁾	A	3 to 5	31			31	2,635	
C2.2	Rental (Hawkins)	B	6		169	9	178	795	
C2.4	Rental (Isle House)	E	22		226	24	250	830	
Subtotal Vertical Construction Completed				141	395	47	583		
<u>Vertical Construction Commenced</u>									
C3.3/4	Condo (490 Avenue of the Palms) ⁽³⁾	B	6	141		7	148	1,005	
Subtotal Vertical Construction Commenced				141		7	148		
<u>Site/Building Permit Issued</u>									
B1 ⁽⁴⁾	Rental	B	5		111	6	117	730	0
Subtotal Site/Building Permit Issued				0	111	6	117		
<u>Site/Building Permit Not Yet Issued</u>									
3Y	Townhome	A	3	11			11	3,376	50
4Y (portion)	Townhome/Flats ⁽²⁾	A	3 to 4	22			22	2,521	
C2.3 ⁽⁴⁾	Condo	B	6	80		5	85	1,242	
C3.5	Condo	D	20	152		8	160	1,208	
1Y	Townhome	A	3	32			32	3,270	
1Y	Flats	A	4	41			41	2,670	
1Y	Estate	A	TBD	5			5	TBD	
2Y-H	Hotel	A	TBD	n/a					
C1.1&2	Condo	C	Tower	286			286	1,584	
C2.1	Condo	D	31	265			265	1,152	
C2-H	Hotel	E	TBD						300
Subtotal Site/Building Permit Not Yet Issued				894	0	13	907		350
Total				1,176	506	73	1,755		350

Abbreviations used in this table: Estate = single family estate home sites, TBD = to be determined

⁽¹⁾ Project Areas C and D have not commenced collection of Tax Increment and may not reach the Trigger Amount for commencement of tax increment collection until construction of planned development in these Project Areas is underway.

(2) Represents a portion of the 53 total units within The Residences (4Y Townhomes and Flats).

(3) The 490 Avenue of the Palms developer projects that construction will be complete by the end of 2025.

(4) These projects are being reevaluated by the respective Merchant Builders. See “THE INITIAL PROJECT AREAS – Development Status” herein.

Source: Fiscal Consultant; Master Developer (for project start and projected completion timing).

Development Status

As of the date hereof, most of the real property in the Initial Project Areas is owned by TI Series 1, the various Merchant Builders or TIDA and is in various stages of development. The remaining real property is owned by purchasers of condominium units at The Bristol and the 4Y (Portion) Residences.

Horizontal Infrastructure. Critical utilities (water, sewer, gas, and electricity) and all additional infrastructure needed to secure certificates of occupancy within the Initial Project Areas have been completed. Since payment for work typically lags the work performed, a portion of the costs of this completed infrastructure remains to be spent. As of July 1, 2025, the estimated total costs for horizontal infrastructure necessary to allow for certificates of occupancy for property located within the Initial Project Areas have been expended. TI Series 1 expects these remaining costs will be financed through bond proceeds, cash on hand and remaining capital contributions. The remaining public improvement costs not required for a certificate of occupancy are primarily attributable to public parks.

For information about infrastructure development outside the Initial Project Areas, see “THE TREASURE ISLAND PROJECT – Infrastructure” herein.

Completed Vertical Construction

The Bristol. The 124-unit The Bristol condominium project, located on a portion of Sub-Block 4Y of Project Area A on Yerba Buena Island, commenced construction in 2019 and was completed in June 2022. The Bristol is six stories in height, has an average unit size of 1,196 square feet and includes 110 market rate units and 14 below market rate affordable units. Condominium sales and closings are underway. Move-ins began the first week of June 2022. TI Series 1 understands that, as of July 1, 2025, the sale of 77 units had closed, including 65 market rate units and 12 below market rate units, representing the sale of four additional units beyond those represented in the Fiscal Year 2025-26 roll data. Market rate sales prices have averaged approximately \$1.5 million per unit for units averaging approximately 1,180 square feet in size, which is below the overall average unit size for the project of 1,196 square feet. The remaining units are currently being marketed for sale.

The Merchant Builder for The Bristol financed costs for The Bristol through the proceeds of a loan from the Pacific Western Bank and CW YBI Capital Management, LLC of up to \$99 million (the “Bristol Construction Loan”), home sales and equity contributions. In August 2022, The Bristol’s Merchant Builder closed a \$79.3 million condo inventory loan (the “Bristol Condo Inventory Loan”) provided by Man GPM Pluto Designated Activity Company and repaid The Bristol Construction Loan. The Bristol Condo Inventory Loan currently matures in September 2026. As of July 1, 2025, \$30.9 million of The Bristol Condo Inventory Loan was outstanding and the loan was in good standing. The Bristol Condo Inventory Loan is paid down as condominium units are transferred to individual owners.

Phase 1 of The Residences – Immediately adjacent to The Bristol, Sub-Block 4Y Townhomes and Flats (permitted portion), includes a portion of the phased residential project known as The Residences. The project is in Project Area A. Construction is complete on four buildings including 31 of the 53 market-rate stacked flats and townhome units planned in this

development. Final certificates of occupancy for the buildings of The Residences were issued in February 2025. The stacked flats have an average unit size of 2,755 square feet and the townhomes have an average unit size of 2,537 square feet. As of July 1, 2025, six of the market rate units had been sold and closed escrow at an average price of approximately \$4.2 million.

The units are being developed by affiliates of Stockbridge and Wilson Meany. The Merchant Builder closed a construction loan in August 2021 provided by East West Bank (“Lender”) in the amount of \$55 million, for the construction of the first 31 units of The Residences and some of the site work for the remaining 22 units located in Sub-Block 4Y (the “4Y Loan”). In April 2023, the Merchant Builder secured a \$5 million loan increase in the 4Y Loan, for a total construction loan in the amount of \$60 million. The 4Y Loan currently matures in November 2026, and has one, six-month extension option. The 4Y Loan is secured by a deed of trust on Sub-Block 4Y. As of July 1, 2025, the 4Y Loan was outstanding in the amount of approximately \$35.4 million and was in good standing.

Isle House/Sub-Block C2.4 – Vertical construction of a 22-story high rise apartment development (known as “Isle House”) with 250 rental units, including 24 below market rate affordable units, commenced in November 2022 and achieved final completion in [September] 2024. As of July 2025, the property is 50% leased. The project has an average unit size of 830 square feet and is being developed by affiliates of Stockbridge and Wilson Meany. The property is in Project Area E. On August 12, 2022, Merchant Builder secured a \$122.8 million construction loan with the Union Labor Life Insurance Company (“ULLICO”) for a term of thirty-six months. The loan was extended for an additional 24 month period in July 2025. The loan is secured by a deed of trust on Sub-Block C2.4. As of July 1, 2025, \$120.0 million was outstanding and the loan is in good standing.

Hawkins/Sub-Block C2.2 – Vertical construction of this six-story apartment development with 178 rental units, including nine below market rate affordable units, commenced in September 2022. The project is in Project Area B and was completed in January 2025. The project has an average unit size of 795 square feet and was developed by a subsidiary of Lennar. The Merchant Builder used internal sources of funds to complete the project. As of July 1, 2025, Hawkins is approximately 16% leased, with 26 market rate leases and 2 below market rate leases.

Under Construction

490 Avenue of the Palms/Sub-Block C3.3/C3.4 – Vertical construction of a six-story, 148-unit planned condominium development (known as “490 Avenue of the Palms”), including seven below market rate affordable units, commenced in October 2022. The project is in Project Area B. Completion of the building is estimated for October 2025. The project has an average unit size of 1,005 square feet and is being developed by a joint venture development team that includes affiliates of Stockbridge, Wilson Meany and Lennar. Structural work on the foundation and podium level was completed in October 2023, wood framing was completed in April 2024, and façade completion is [estimated to be completed in August 2025]. The 490 Avenue of the Palms Merchant Builder closed a construction loan on September 23, 2022 in the amount of \$94.7 million with Pacific Western Bank for a term of approximately three years (the “C3.4 Loan”). The C3.4 Loan was then assigned by Pacific Western Bank to Odyssey Reinsurance Company, ISAO on June 8, 2023. The C3.4 Loan is in the process of being extended, and is secured by a deed of trust on Sub-Block C3.4. As of July 1, 2025, \$65.5 million of the construction loan has been drawn and the C3.4 Loan was in good standing. Sale of units in 490 Avenue of the Palms are currently expected to begin in [_____].

Permits Issued

Sub-Block B1 - A five-story apartment development planned for 117 rental units, including six below market rate affordable units, received site permit approval in December 2021. The project is in Project Area B. The project has an average unit size of 730 square feet and is being developed by Poly USA. This project is on hold as described below.

Additional Planned Developments. TI Series 1 has sold to Merchant Builders Sub-Blocks 1Y, 3Y, 4Y Townhomes and Flats (remaining portion not yet permitted), C2.3, and C3.5, which are collectively planned for 356 residential units. Of the 356 planned residential units, 343 are market rate for-sale units, and 13 are below market rate affordable units. TI Series 1 understands that none of these sold planned developments have yet established firm construction costs, secured construction financing or received site or building permits as of July 1, 2025. However, permitted grading and shoring activities for a portion of Sub-Block 3Y have been completed. TI Series 1 understands that the Merchant Builders for Sub-Blocks B1 and C2.3 currently have those projects on hold. No assurances can be given when construction of such projects will commence, whether financing will be available or whether the projects will be completed. In addition, TI Series 1 owns property in Sub-Blocks C1.1, C1.2, and C2.1, which are collectively planned for 551 market-rate for-sale residential units.

TIDA owns six parcels within the District that are currently exempt from property taxes. Of the six TIDA parcels, two (Sub-Blocks 2Y-H and C2-H) are planned for separate 50-room and 300-room hotels, respectively. The remaining four parcels consist of land planned for use as public right of way, parks, and open space. Development of the hotel projects has not begun. The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. While TIDA-owned parcels are not subject to taxation, if the parcel is leased to a private third-party such as a hotel developer, the leasehold interest would be taxable. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest. Timing for development of the hotels is to be determined and is not expected near-term.

The foregoing planned developments are in different stages of planning, financing, development, and construction. No assurance can be given that development of these properties will be completed. See “RISK FACTORS - Real Estate Investment Risks “ herein.

The District and the CFD

The District contains parcels within the CFD, as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within the District planned for a hotel, right of way and open space are not within any of Improvement Area Nos. 1, 2 or 3 of the CFD. The District includes additional parcels not within Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

TAX INCREMENT REVENUE AND DEBT SERVICE

General

As discussed above, the Pledged Facilities Increment securing the Existing Facilities Bonds, the Series 2025A Facilities Bonds and future Parity Facilities Bonds, and the Pledged Housing Increment securing the Existing Housing Bonds, the Series 2025B Housing Bonds and future Parity Housing Bonds are designated portions of the basic 1% of assessed value property tax levy in each Project Area after the Commencement Year for the Project Area. The Pledged Facilities Increment will represent 53.285270% of such taxes and the Pledged Housing Increment will represent 11.302936% of such taxes (less certain administrative costs).

The District has retained the Fiscal Consultant to provide historical information and projections of taxable assessed valuation and tax increment revenue from the Initial Project Areas.

Commencement Year and Time Limits for Each Project Area

Tax increment revenues generated in a Project Area begin to be allocated to the District only after the Commencement Year for the Project Area, the Commencement Year being the first Fiscal Year that follows the Fiscal Year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the Project Area and received by the City. Tax increment can only be collected in each component Project Area for 40 years beginning with its Commencement Year.

The Commencement Year occurred for Project Area A in Fiscal Year 2019-2020 and for both Project Area B and Project Area E in Fiscal Year 2022-23.

Table 3 below summarizes the tax increment allocation status of the Initial Project Areas.

Table 3
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Initial Project Areas Tax Increment Allocation Status

Project Area	Acreage⁽¹⁾	Trigger Amount for Commencement of Tax Increment Allocation	Commencement Year	Last Year of Tax Increment
A	15.6	\$150,000	Fiscal Year 2019-20	Fiscal Year 2058-59
B	4.4	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
C	1.6	300,000	To be determined	To be determined ⁽²⁾
D	2.1	300,000	To be determined	To be determined ⁽²⁾
E	9.5	150,000	Fiscal Year 2022-23	Fiscal Year 2061-62
Total⁽³⁾:	33.1			

⁽¹⁾ Aggregate land area of Assessor’s parcels within each Project Area in the District.

⁽²⁾ Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.

⁽³⁾ Project Areas A, B and E, for which the Commencement Year has occurred, total approximately 29.4 acres.

Source: Fiscal Consultant.

Historical Assessed Values

Fiscal Year 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within the District, following the transfer of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately \$1.1 million per developable acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the \$61.2 million sale price applicable to a sale by TI Series 1 to an affiliated Merchant Builder. The \$1.1 million value per acre was based on an Assessor analysis that considered the remaining improvements necessary for development to occur.

Taxable assessed values for the Initial Project Areas from the Fiscal Year 2016-17 Base Year through Fiscal Year 2025-26 are summarized in Table 4 below.

Table 4
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Assessed Values

Fiscal Year	Project Areas Active in Fiscal Year 2025-26			Total for Project Areas Active in Fiscal Year 2025-26 ⁽³⁾	Project Areas Not Yet Active		Total for All Project Areas ⁽³⁾	% Increase
	Project Area A	Project Area B	Project Area E		Project Area C	Project Area D		
2016-17 ⁽¹⁾	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7
2025-26	412,723,876	263,567,246	172,303,013	848,594,135	2,012,096	33,404,588	884,010,819	26.9

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ Fiscal Year 2016-17 is the Base Year.

⁽²⁾ Includes Fiscal Year 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the Fiscal Year 2021-22 assessment roll.

⁽³⁾ All figures in this table represent both total and Incremental Assessed Property Value, as the Base Year assessed value is \$0.

Source: Fiscal Consultant.

The Fiscal Consultant Report indicates that the increases in assessed value from Fiscal Year 2019-20 through Fiscal Year 2025-26 were primarily driven by:

- Sale of development pads by TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company;
- Completion of the 124-unit The Bristol condominium project in 2022; and
- Construction progress on Isle House (Sub-Block C2.4), 490 Avenue of the Palms (Sub-Block C3.3/C3.4), the Sub-Block 4Y Townhomes and Flats, and Hawkins (Sub-Block C2.2).

See APPENDIX F – “FISCAL CONSULTANT REPORT – 4.1 Historic Taxable Values.” See “RISK FACTORS – Reduction in Tax Base and Assessed Values” herein.

Land Uses

The aggregate assessed valuation in all of the Initial Project Areas and for Project Areas A, B and E for Fiscal Year 2025-26 by land use is set forth on the following Table 5. As shown in Table 5, 35% of aggregate Fiscal Year 2025-26 taxable assessed value for Project Areas A, B and E (which are the Project Areas that will collect tax increment in Fiscal Year 2025-26) is attributable to completed for-sale residential units developments, 30.5% is attributable to completed for-rent residential unit developments and approximately 17.9% is derived from a project actively under construction, with the remaining approximately 16.6% derived from vacant land and one project with a site permit previously issued. See “THE INITIAL PROJECT AREAS - Development Status” herein.

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Table 5
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Fiscal Year 2025-26 Taxable Assessed Value by Land Use

Land Uses Composition	All Initial Project Areas				Initial Project Areas Collecting Tax Increment in Fiscal Year 2025-26 (Project Areas A, B, E)			
	Planned Units	No. of Parcels	Fiscal Year 2025-26 Taxable Value	% of Total	Planned Units	No. of Parcels	Fiscal Year 2025-26 Taxable Value	% of Total
Residential Development Sites								
Completed For-Sale Units⁽¹⁾								
Private homeowners, investor	79	79	\$119,996,918	13.6%	79	79	\$119,996,918	14.1%
Developer-owned units	<u>76</u>	<u>76</u>	<u>177,032,640</u>	20.0	<u>76</u>	<u>76</u>	<u>177,032,640</u>	20.9
<i>Subtotal</i>	155	155	\$297,029,558	33.6%	155	155	\$297,029,558	35.0%
Completed Rental Units⁽²⁾	428	2	\$258,448,819	29.2%	428	2	\$258,448,819	30.5%
For-Sale Units Development Sites								
Vertical construction underway ⁽³⁾	148	1	\$151,696,475	17.2%	148	1	\$151,696,475	17.9%
Site permit not yet issued ⁽⁴⁾	<u>907</u>	<u>8</u>	<u>163,017,755</u>	<u>18.4</u>	<u>196</u>	<u>4</u>	<u>127,601,071</u>	<u>15.0</u>
<i>Subtotal</i>	1,055	9	\$314,714,230	35.6%	344	5	\$279,297,546	32.9%
Rental Units Development Sites								
Site permits issued ⁽⁵⁾	117	2	\$13,818,212	1.6%	117	2	\$13,818,212	1.6%
Owned by TIDA and non-taxable		6	\$0	0.0%		6	\$0	0.0%
GRAND TOTAL	1,755	174	\$884,010,819	100.0%	1,044	170	\$848,594,135⁽⁶⁾	100.0%

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ The 124-unit The Bristol condominium building completed in June 2022 and 31 units of the 4Y Townhomes and Flats (17 townhomes and 14 flats) completed in 2024. As of the Fiscal Year 2025-26 assessment roll, 76 units were identified as owned by affiliates of the developer while 79 units were owned by a combination of individual homeowners and an investor in the Treasure Island Project, LH YBI Holdings LLC, which owns 16 units. Based on sales data provided by the developer, four additional market rate units were subsequently sold, resulting in a split of 72 developer-owned units and 83 units owned by private homeowners and such investor.

⁽²⁾ Includes Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units completed in 2024, and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units that is substantially complete and received a temporary certificate of occupancy in January 2025.

⁽³⁾ For-sale units under construction include the 148-unit 490 Avenue of the Palms condominium building, of which seven units are below market rate.

⁽⁴⁾ Includes one parcel planned for use as a park.

⁽⁵⁾ Site permits issued for Sub-Block B1, owned by an affiliate of Poly USA, on December 2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced, and the project is currently on hold. See “THE INITIAL PROJECT AREAS – Development Status” herein.

⁽⁶⁾ Reflects \$326,119,977 of land assessed value, and \$519,908,475 of improvement assessed value and \$2,565,683 of personal property value. See APPENDIX F – “FISCAL CONSULTANT REPORT – Table 27” for additional information regarding land assessed value, improvement assessed value and personal property assessed value by parcel.

Sources: City and County of San Francisco Office of the Assessor-Recorder, TICD, City and County of San Francisco Department of Building Inspection (for permit issuance status).

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Top Taxpayers

The top taxpayers in the Initial Project Areas, by Fiscal Year 2025-26 assessed valuation, both in aggregate, and for Project Areas A, B and E for which collection of tax increment has commenced, are set forth below in Table 6. The first six taxpayers listed in Table 6 encompass all taxable property within the District other than newly constructed residential units within The Bristol and 4Y Townhomes and Flats that have been sold to private homeowners. These six taxpayers represent the vast majority of assessed value within Project Areas A, B and E. Within Project Areas A, B and E, these six taxpayers account for over 90% of Fiscal Year 2025-26 assessed valuation, with the balance attributable primarily to individual owners of units in The Bristol and 4Y Townhomes and Flats. See “RISK FACTORS – Concentration of Property Ownership” herein.

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Table 6
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Top Taxpayers for Fiscal Year 2025-26

Taxpayers Fiscal Year 2025-26		Planned No. of Res. Units ⁽⁹⁾	No. of Parcels	Project Area(s)	Assessed Value Fiscal Year 2025-26		% of Total and Incremental Assessed Value ⁽¹⁰⁾	
					All Project Areas	Active Project Areas ⁽¹¹⁾	All	Active Areas ⁽¹¹⁾
1	Stockbridge and Wilson Meany ⁽¹⁾	437	80	A and E	\$465,029,971	\$465,029,971	52.6%	54.8%
2	Stockbridge, Wilson Meany and Lennar Joint Venture ⁽²⁾	308	3	B and D	183,736,465	151,696,475	20.8	17.9
3	Lennar ⁽³⁾	178	1	B	86,145,806	86,145,806	9.7	10.2
4	LH YBI Holdings LLC ⁽⁴⁾	16	16	A	38,061,492	38,061,492	4.3	4.5
5	Poly USA ⁽⁵⁾	202	3	B	25,724,965	25,724,965	2.9	3.0
6	TI Series 1 ⁽⁶⁾	551	2	C and D	3,376,694	N/A	0.4	N/A
Top Taxpayers⁽⁷⁾		1,692	105		\$802,075,393	\$766,658,709	90.7%	90.3%
Private Homeowners⁽⁸⁾		63	63	A	\$ 81,935,426	\$ 81,935,426	9.3%	9.7%
TOTAL ALL TAXPAYERS		1,755	168		\$884,010,819	\$848,594,135	100.0%	100.0%

Columns that reflect inclusion of project areas not yet collecting tax increment in Fiscal Year 2025-26 are shown in gray.

⁽¹⁾ Includes the following separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC: TI Lot 10, LLC; YBI Phase 1 Investors, LLC; YBI Phase 2 Investors, LLC; YBI Phase 3 Investors, LLC and YBI Phase 4 Investors, LLC. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayers), being developed as a joint venture.

⁽²⁾ Includes properties being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of taxpayers). Includes the following affiliated legal entities: TI Lots 3-4 LLC and TI Lots 5-6 LLC.

⁽³⁾ Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 taxpayer).

⁽⁴⁾ LH YBI Holdings LLC is a limited partner in three of the Stockbridge and Wilson Meany developments and has purchased twelve units in The Bristol and four units in the Sub-Block 4Y Townhomes and Flats.

⁽⁵⁾ Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., B1 Treasure Island 048 Holdings, LLC and C23 Treasure Island 048 Holdings, LLC. Poly USA has an ownership interest in TI Series 1 (No. 6 taxpayer).

⁽⁶⁾ Treasure Island Series 1, LLC (previously defined as TI Series 1) is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. Four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA, each have an ownership interest in TI Series 1.

⁽⁷⁾ Does not include any private homeowners although one private homeowner has taxable assessed value exceeding that of TI Series 1.

⁽⁸⁾ Sales data provided by Stockbridge and Wilson Meany indicates that an additional four units in The Bristol were sold to private homeowners through July 21, 2025, which sales are not yet reflected in the Fiscal Year 2025-26 roll ownership information.

⁽⁹⁾ See Table 28 of the Fiscal Consultant Report for additional information regarding development block, status, and breakdown between for-sale and rental.

⁽¹⁰⁾ Percentages calculated based upon Fiscal Year 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year assessed value is zero).

⁽¹¹⁾ Includes Project Areas A, B, and E that will collect tax increment in Fiscal Year 2025-26.

Source: Fiscal Consultant.

Assessment Appeals and Reductions

No assessment appeals were filed for properties in the District from Fiscal Year 2018-19 through Fiscal Year 2022-23. One appeal was filed in Fiscal Year 2023-24 by an individual homeowner within The Bristol and was subsequently withdrawn. Six appeals were filed in Fiscal Year 2024-25 by individual

homeowners in The Bristol, all of which remain outstanding. The six Fiscal Year 2024-25 pending appeals seek a total reduction of value of \$1,615,808. In the Fiscal Consultant Report, these appeals are estimated to result in a net assessed value reduction of \$333,467 based on an assumed 3.1% historical average reduction applicable to certain resolved condominium appeal filings throughout the City. This estimated assessed value reduction results in a \$1,777 reduction in Pledged Facilities Increment and a \$377 reduction in Pledged Housing Increment. All appeals are within Project Area A.

Owners of individual residential units may submit a request for an informal review by the Assessor, without initiating a formal assessment appeal. Informal reviews by the Assessor may result in a reduction to assessed value under Proposition 8. Three units in The Bristol are estimated to have received such reductions in assessed value for purposes of the Fiscal Year 2025-26 roll.

Recent sales prices in The Bristol have trended below their Fiscal Year 2025-26 assessed values. Six units within The Bristol sold during the period from January 1, 2025 through July 2025 at sales prices averaging 31% below their Fiscal Year 2025-26 assessed values. Market values that are below Fiscal Year 2025-26 assessed values based on recent sales prices are an indication that additional assessed value reductions are possible, either through additional unit sales at similar pricing or through Assessor adjustments under Proposition 8. Subject to certain assumptions, the Fiscal Consultant Report estimates potential future assessed value reductions within The Bristol at approximately \$36.6 million. Actual future sales prices and actual adjustments by the Assessor may vary substantially from such assumptions. See APPENDIX H – “FISCAL CONSULTANT REPORT”

See “RISK FACTORS – Reduction in Tax Base and Assessed Values” herein.

Allocations of Tax Increment to District

Table 7 below indicates assessed values and allocations of tax increment to the District. As shown, actual amounts allocated to the District have ranged from 103.3% of the calculated levy in Fiscal Year 2024-25, to 110.9% in Fiscal Year 2021-22, and averaged 105.1% of the calculated levy over the initial four years of tax increment allocation.

Table 7
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Allocations of Tax Increment to District

		Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual Year to Date 2024-25	Estimated 2025-26
Assessed Value Increment, Active Project Areas⁽¹⁾		\$201,114,923	\$372,320,895	\$486,864,276	\$661,820,292	\$848,260,668
Active Project Areas		A	A, B, E	A, B, E	A, B, E	A, B, E
Calculated 1% Tax Increment	1% levy	\$2,011,149	\$3,723,209	\$4,868,643	\$6,618,203	\$8,482,607
Property Tax Administrative Costs⁽²⁾		\$5,113	\$9,387	\$8,511	TBD	\$24,001
Calculated District Tax Increment⁽⁴³⁾ (Net Available Increment + Conditional City Increment)						
Pledged Facilities Increment	53.285270%	\$1,067,428	\$1,976,178	\$2,587,248	\$3,526,527	\$4,500,179
Pledged Housing Increment	11.302936%	226,424	419,189	548,810	748,051	954,583
Total	64.588206%	\$1,293,852	\$2,395,367	\$3,136,058	\$4,274,579	\$5,454,763
Actual Amount Allocated by Controller⁽³⁾⁽⁴⁾						
Pledged Facilities Increment		\$1,183,713	\$2,101,219	\$2,693,252	\$3,644,929	TBD
Pledged Housing Increment		251,091	445,713	571,042	771,263	TBD
Total		\$1,434,803	\$2,546,932	\$3,264,293	\$4,416,193	TBD
Collections as % of Computed Levy⁽⁵⁾		110.9%	106.3%	104.1%	103.3%	TBD
Average, Fiscal Years 2021-22 to 2024-25	105.1%					

- (1) The Base Year assessed value is zero. See Table 19 of Fiscal Consultant Report for Fiscal Year 2025-26 estimated incremental assessed value net of appeals impact.
- (2) Administrative costs for division of taxes include Controller property tax administrative costs and a approximately 10% of Accounting Operations and Suppliers Division costs. The administrative cost of division of taxes is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.
- (3) Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service.
- (4) Includes \$6,119.02 tax increment distribution in Fiscal Year 2023-24 to compensate for under-distribution in Fiscal Year 2020-21 caused by a one-time legacy system migration issue.
- (5) Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.
- Source: Controller, Fiscal Consultant.

Revenue Projections

Projected tax increment revenues are shown below in Table 8, based on Fiscal Year 2025-26 assessed values in Project Areas A, B and E and held constant over the term of the projection through Fiscal Year 2058-59, assuming no change in the assessed values. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for a description of the assumptions underlying projected assessed values.

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Table 8
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Projection of Tax Increment (Based on Reported Fiscal Year 2025-26 Assessed Value)

	A	B	C	D	E	F	G	H	I	J	K
	Gross Tax Increment = 1% x Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment				Net Available Housing Increment					
Fiscal Year		Total	Prop Tax Admin. Cost ⁽¹⁾	After Prop Tax Admin.	Conditional City Facilities Increment	Pledged Facilities Increment	Total	Prop Tax Admin. Cost ⁽¹⁾	After Prop Tax Admin.	Conditional City Housing Increment	Pledged Housing Increment
		46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.	9.90294%	0.50%	=G.+H.	1.40000%	=I.+J.
25-26	\$8,482,607	\$3,960,128	(\$19,801)	\$3,940,327	\$559,852	\$4,500,179	\$840,027	(\$4,200)	\$835,827	\$118,756	\$954,583

⁽¹⁾ Administrative costs deductible from Gross Tax Increment are assumed at 0.5% of Net Available Increment. The Controller reported that expenses for division of taxes to the District were [\$___] for Fiscal Year 2024-25. This [\$___] expense equates to approximately [__%] of Fiscal Year 2024-25 Net Available Increment. Actual administrative costs may vary from year to year and are payable prior to debt service on Parity Facilities Bonds and Parity Housing Bonds. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto for additional information regarding administrative costs. [The two most recent years’ information about admin. costs are either TBD or estimated. For discussion.]

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Debt Service and Coverage

Table 9 provides the debt service schedule for the Series 2025A Facilities Bonds and outstanding Parity Facilities Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as Fiscal Year 205-26 Pledged Facilities Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Facilities Debt that could be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT” herein.

Table 9
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2025A Facilities Bonds and Parity Facilities Bonds

Year Ending ⁽¹⁾	Facilities Bonds Debt Service			Fiscal Year 2025-26 Pledged Facilities Increment ⁽²⁾	Coverage from Fiscal Year 2026-26 Pledged Facilities Increment ⁽³⁾
	Outstanding Parity Series Parity Facilities Bonds	Series 2025A Facilities Bonds	Total		
	\$	\$	\$	\$	%

Total	\$	\$	\$
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⁽¹⁾ Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.

⁽²⁾ Projected; rounded. Assumes no assessed value changes. Based on Fiscal Consultant Report projection. See “Revenue Projections” and Table 8 above. No assurance is given that assessed values will not decline. See “RISK FACTORS” herein.

⁽³⁾ Reflects Fiscal Year 2025-26 Pledged Facilities Increment divided by Annual Facilities Debt Service.

Table 10 provides the debt service schedule for the Series 2025B Housing Bonds and outstanding Parity Housing Bonds, assuming no redemptions other than mandatory sinking fund redemptions, as well as the Fiscal Year 2025-26 Pledged Housing Increment and related debt service coverage, assuming no changes in assessed values. The table does not present any future Parity Housing Debt that could be issued or incurred. See “SECURITY AND SOURCES OF PAYMENT” herein.

Table 10
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Debt Service and Coverage for Series 2025B Housing Bonds and Parity Housing Bonds

Year Ending ⁽¹⁾	Housing Bonds Debt Service			Fiscal Year 2025-26 Pledged Housing Increment ⁽²⁾	Coverage from Fiscal Year 2025-26 Pledged Housing Increment ⁽³⁾
	Outstanding Parity Series Parity Housing Bonds	Series 2025B Housing Bonds	Total		
	\$	\$	\$	\$	%

Total	\$	\$	\$
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⁽¹⁾ Debt service presented on a bond year ending on September 1, revenues presented on a fiscal year basis ending on June 30.

⁽²⁾ Projected; rounded. Assumes no assessed value change. Based on Fiscal Consultant Report projection. See “Revenue Projections” and Table 8 above. No assurance is given that assessed values will not decline. See “RISK FACTORS” herein.

⁽³⁾ Reflects Fiscal Year 2025-26 Pledged Housing Increment divided by Annual Housing Debt Service.

The following table presents the semi-annual debt service schedules for the Series 2025AB Bonds, assuming no redemptions other than mandatory sinking fund redemptions.

Table 11
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Semi-Annual Debt Service Schedules

Payment Date	Series 2025A Facilities Bonds			Series 2025B Housing Bonds		
	Principal	Interest	Total	Principal	Interest	Total
	\$	\$	\$	\$	\$	\$

LIMITATIONS ON TAX INCREMENT REVENUES

The Series 2025A Facilities Bonds and the Series 2025B Housing Bonds are secured by pledges of Pledged Facilities Increment and Pledged Housing Increment, respectively, as described in this Official Statement. The District does not have any independent power to levy and collect property taxes; accordingly, the amount of Pledged Facilities Increment and Pledged Housing Increment available to the District for payment of the principal of and interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, is affected by several factors, including but not limited to those discussed below. See also “RISK FACTORS” herein.

Property Tax Collection Procedure

Classifications. In California, property that is subject to ad valorem taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against the unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax that becomes a lien on secured property has priority over all other liens arising pursuant to State law on the secured property, regardless of the time of creation of the other liens.

Generally, ad valorem taxes are collected by a county (the “Taxing Authority”) for the benefit of the various entities (cities, school districts and special districts) that share in the ad valorem tax (each, a taxing entity) and redevelopment agencies eligible to receive tax increment revenues.

Collections. Secured property and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The Taxing Authority has four (4) ways of collecting unsecured personal property taxes in the case of delinquency: (i) initiating a civil action against the taxpayer; (ii) filing a certificate in the office of the clerk of the court specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder’s office to obtain a lien on certain property of the taxpayer; and (iv) seizing and selling the personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes for the amount of taxes that are delinquent.

Delinquencies. The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property become delinquent if not paid by August 31 and are subject to penalty; unsecured taxes added to the roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

Penalty. A ten percent (10%) penalty is added to delinquent taxes that have been levied with respect to property on the secured roll. In addition, on or about June 30 of the fiscal year, property on the secured roll on which taxes are delinquent is declared to be in default by operation of law and declaration of the tax collector. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of one and one-half percent (1.5%) per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county tax collector. A ten percent (10%) penalty also applies to the delinquent taxes on property on the unsecured roll, and further, an additional penalty of one and one-half percent (1.5%) per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction occurring subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Areas, tax increment available to pay debt service on the Series 2025AB Bonds may increase.

Property Tax Administrative Costs. State law allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. All costs incurred by a county in connection with the division of taxes pursuant to the Law for an infrastructure and revitalization financing district shall be paid by that district.

Teeter Plan

The City has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in Section 4701 et seq. of the State Revenue and Taxation Code. Generally, under the Teeter Plan, which applies to the property tax revenues, including tax increments generated in the Project Areas, each participating local agency, including cities, levying property taxes in its county may receive the amount of uncollected taxes credited to its fund in the same manner as if the amount credited had been collected. In return, the county would receive and retain delinquent payments, penalties and interest, as collected, that would have been due to the local agency. However, although a local agency could receive the total levy for its property taxes without regard to actual collections, funded from a reserve established and held by the county for this purpose, the basic legal liability for property tax deficiencies at all times remains with the local agency.

The Teeter Plan remains in effect in the City unless and until the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the City (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the City, in which event, the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the City. There can be no assurance that the Teeter Plan will remain in effect throughout the life of the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds. In the event the Teeter Plan within the Project Areas were discontinued, the amount of the levy of property tax revenue that can be allocated to the District would depend upon the actual collections of taxes within the Project Areas. Substantial delinquencies in the payment of property taxes could then impair the timely receipt by the District of Net Available Facilities Increment and the Conditional City Facilities Increment and the payment of debt service on the Series 2025A Facilities Bonds or of Net Available Housing Increment and the Conditional City Housing Increment and the payment of debt service on the Series 2025B Housing Bonds.

Taxation of Unitary Property

In California, certain properties are known as unitary property or operating nonunitary property. Such properties are properties of an assessee that are operated as a unit (consisting mostly of operational property owned by utility companies). Property tax revenue derived from assessed value attributable to unitary and operating nonunitary property that is assessed by the State Board of Equalization is to be allocated county-wide as follows: (i) each jurisdiction, including redevelopment project areas, will receive a percentage up to one hundred two percent (102%) of its prior year unitary and operating nonunitary revenue; (ii) if the amount of property tax revenue available for allocation is insufficient to make the allocation required by clause (i), above, the amount of revenue to be allocated to each jurisdiction will be

prorated; and (iii) if county-wide revenues generated for unitary and operating nonunitary property are greater than one hundred two percent (102%) of the previous year's unitary revenues, each jurisdiction will receive a percentage share of the excess unitary revenue based on such jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year.

No tax revenue derived from unitary property or operating nonunitary property is included in the projections of Pledged Facilities Increment and Pledged Housing Increment.

Tax Limitations – Article XIII A of California Constitution

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent (1%) of "full cash value," and provides that such tax will be collected by the counties and apportioned according to State statutes. Section 1(b) of Article XIII A provides that the one percent (1%) limitation does not apply to ad valorem taxes levied to pay interest or redemption charges on (1) indebtedness approved by the voters prior to July 1, 1978, and (2) any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

Section 2 of Article XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 Fiscal Year tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent (2%) per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIII A, which is \$1.00 per \$100 of assessed market value. The legislation further establishes the method for allocating the taxes collected by each county among the taxing agencies in the county.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age fifty-five (55) and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in property tax revenues.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the no more than two percent (2%) annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

The District cannot predict whether there will be any future challenges or changes to California's present system of property tax assessment or the effect of any such challenge or change on the District's receipt of Pledged Facilities Increment and Pledged Housing Increment.

Article XIII B of California Constitution

On November 6, 1979, California voters approved Proposition 4, which added Article XIII B to the California Constitution. Article XIII B has been subsequently amended several times. The principal effect of Article XIII B is to limit certain annual appropriations of the State and any local government, which includes any city, county, special district, or other political subdivision of or within the State, to the level of appropriations for the prior fiscal year, subject to certain permitted annual adjustments. Appropriations of local government subject to Article XIII B is defined to mean generally any authorization to expend the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Permitted adjustments to the annual appropriations limit include adjustments for changes in the cost of living, population and services rendered by the government entity.

Articles XIII C and XIII D of California Constitution

On November 5, 1996, California voters approved Proposition 218. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. The Series 2025AB Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218 and are outside of the scope of taxes that are limited by Proposition 26.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures or other legislation could be adopted, further affecting the availability of tax increment revenues or the District’s ability to expend tax increment revenue.

RISK FACTORS

The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2025AB Bonds. This discussion does not purport to be comprehensive or definitive, and other risk factors could arise in the future that could have a bearing on the Series 2025AB Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the Initial Project Areas to pay their property taxes when due. Such failures to pay property taxes could result in the inability of the District to make full and punctual payments of debt service on the Series 2025AB Bonds, or could otherwise affect the market price and liquidity of the Series 2025AB Bonds in the secondary market. In addition, the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the Initial Project Areas.

Reduction in Tax Base and Assessed Values

The amounts of Pledged Facilities Increment available to pay principal and interest on the Series 2025A Facilities Bonds and the amount of Pledged Housing Increment available to pay principal and interest on the Series 2025B Housing Bonds are based primarily on Gross Tax Increment (less certain administrative costs). The amount of Gross Tax Increment of a Project Area is allocated only after the

respective Commencement Year and for 40 consecutive years thereafter. A reduction of assessed value in the Project Areas caused by economic factors beyond the City's or the District's control, such as sale at a reduced price by one or more major property owners in the Project Areas, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other possibilities, earthquake or other natural disaster, could cause a reduction in the Gross Tax Increment from which Pledged Facilities Increment and Pledged Housing Increment are derived. Such reduction of assessed value and Gross Tax Increment could have an adverse effect on the District's ability to make timely payments of principal of and interest on the Series 2025AB Bonds.

Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Series 2025AB Bonds could reduce assessed value and available the Gross Tax Increment and, in turn, Pledged Facilities Increment and Pledged Housing Increment. See "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution" herein.

Appeals of assessed valuation or temporary reductions in assessed value under Proposition 8 may result in assessed value declines. Under Proposition 8, assessors in California additionally have authority to use criteria to apply reductions in valuation to classes of properties affected by any factors influencing valuation, including but not limited to adverse economic conditions.

Real property values in the City were impacted by the effects of COVID-19 commencing with the Fiscal Year 2021-22 assessment roll. The resulting impact was a nearly 4-fold increase in the total number of Proposition 8 reductions granted on the Fiscal Year 2021-22 assessment roll compared to the prior year (up from 2,059 to 8,212) and an increase of more than 8-times the value of such reductions (up from \$272 million to \$2.18 billion). For the January 1, 2025 lien date, the Assessor's Office completed 10,739 "decline-in-value" reviews. The count and value of Proposition 8 reductions for the 2025-26 Assessment Roll were 9,375 and \$4.84 billion, respectively. There are six Fiscal Year 2024-25 pending appeals on property within the District seeking a total reduction of value of \$1,615,808. See "TAX INCREMENT REVENUE AND DEBT SERVICE – Assessment Appeals and Reductions" herein.

No assurance is given that Proposition 8 reductions will not be granted in the future if certain conditions occur. Reductions may be based on similar factors to those that prompted past reductions or may include other or additional factors or events. See "THE CITY" herein.

Projections of Pledged Facilities Increment and Pledged Housing Increment; Plan Limits

To project Pledged Facilities Increment and Pledged Housing Increment, the Fiscal Consultant Report has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Initial Project Areas (including assuming that the Initial Contributing Project Areas will be limited to the Initial Project Areas) and continuation of the Teeter Plan. In addition, present land assessed values were established through the sale of land among related parties that may or may not reflect market value. See APPENDIX H – "FISCAL CONSULTANT REPORT" attached hereto. The District believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized.

To the extent that actual assessed valuation or percentages collected are less than these assumptions, the Pledged Facilities Increment and Pledged Housing Increment would be less than that projected and

might not generate sufficient amounts of such respective sources of payment to pay debt service on the related Series 2025AB Bonds.

Projected Pledged Facilities Increment and Pledged Housing Increment rely on assessed values that include assessed values of completed projects, but also values derived from construction in progress, horizontal development and from land sales between parties affiliated to TICD. The Fiscal Consultant Report projects that 65.5% of tax increment revenues in Fiscal Year 2025-26 will be derived from the completed projects, approximately 17.9% will be derived from a project actively under construction and the balance derived from vacant land and one project with a site permit. See “THE INITIAL PROJECT AREAS – Development Status” herein. Assessed values attributable to construction in progress or land values may be subject to more volatility than assessed values of completed buildings. Despite the construction investment made in a property, a recession or other economic factors could lead to later assessed values lower than the assessed values based on construction in progress.

The Infrastructure Financing Plan contains a limit on the total number of dollars of taxes that may be allocated to the District pursuant to the Infrastructure Financing Plan in the Initial Project Areas. The cumulative limit on receipt of Net Available Increment related to the Initial Project Areas is \$1.53 billion, and the cumulative limit on receipt of Conditional City Increment related to the Initial Project Areas is \$216 million, resulting in a combined \$1.746 billion limit for the Initial Project Areas. Such Plan Limits limit the total dollars available as Pledged Facilities Increment and Pledged Housing Increment as sources of payment for the Series 2025AB Bonds. While the District has made certain covenants under the Facilities Indenture and Housing Indenture, respectively, to manage its fiscal affairs in a manner which ensures that it will have sufficient Pledged Facilities Increment and Pledged Housing Increment, respectively, available under the Plan Limit in the amounts and at the times required to enable the District to pay the principal of and interest and premium (if any) on (1) the Outstanding Facilities Bonds and any outstanding Parity Facilities Debt and (2) the Outstanding Housing Bonds and any outstanding Parity Housing Debt, respectively, there can be no assurance that such management efforts will avoid imposing the Plan Limit’s restrictions on amounts available for debt service. See “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025A Facilities Bonds and Parity Facilities Debt – Plan Limit Covenant” and “SECURITY AND SOURCES OF PAYMENT – Security for the Series 2025B Housing Bonds and Parity Housing Debt – Plan Limit Covenant” herein. See also APPENDIX F – “FISCAL CONSULTANT REPORT – 2.3 Cumulative Limit on Allocation of Tax Increment Revenue” attached hereto.

Real Estate Investment Risks

Generally. The Bondowners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the District (including impacts on market value caused by less-favorable mortgage interest rates and other terms), the supply of or demand for competitive properties in such area, and the market value of properties and/or sites in the event of sale or foreclosure, (ii) changes in real estate tax rates, tariffs, interest rates and other operating expenses, government rules (including, without limitation, zoning laws and restrictions relating to threatened and endangered species) and trade policies and fiscal policies at the federal, state or local level (iii) natural disasters (including, without limitation, earthquakes, subsidence, floods and fires), which may result in uninsured losses, or natural disasters elsewhere in the country or other parts of the world affecting supply of building materials that may cause delays in construction, and (iv) the impacts of a public health emergency, such as the COVID-19 pandemic, on construction and sales activity, the national and regional economy and financial circumstances of property owners in the District.

The occurrence of one or more of the events discussed under “RISK FACTORS” herein could adversely affect the actual and estimated assessed values of property in the Project Areas, the ability or willingness of property owners in the Project Areas to pay their property taxes when due or prompt property owners to petition for reduced assessed valuation, in each case causing a reduction, or a delay or interruption in the receipt of, Gross Tax Increment from the Project Areas, and correspondingly the Pledged Facilities Increment and the Pledged Housing Increment. Such factors could also induce or exacerbate the risks described in “RISK FACTORS – Levy and Collection of Taxes,” and “– Bankruptcy and Foreclosure” herein.

Concentration of Property Ownership. The Initial Project Areas have a significant concentration of ownership. For Fiscal Year 2025-26, over 90% of incremental assessed value in Project Areas A, B and E for which collection of tax increment has commenced, are derived from property owned by four taxpayers, all related to TICD. See “THE INITIAL PROJECT AREAS” for information regarding property ownership and the status of development in the Initial Project Areas. Failure of any significant owner of property in the Project Areas to pay the annual property taxes when due could result in the rapid, total depletion of the 2022 Facilities Reserve Account and the 2022 Housing Reserve Account prior to replenishment from the resale of the property upon a foreclosure or otherwise or prior to delinquency redemption after a foreclosure sale, if any. In that event, there could be a default in payments of the principal of and interest on the Series 2025AB Bonds. The City has adopted the Teeter Plan and provides one hundred percent (100%) of tax revenues to the District regardless of delinquencies. See “LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan” herein. However, such plan may be discontinued at any time.

The property taxes are not a personal obligation of the owners of property in the District on which such property taxes are levied, and no assurances can be given that the holder of the taxed property will be financially able to pay the property taxes levied on such property or that they will choose to pay even if financially able to do so. Such risk is greater and its consequence more severe where ownership of property in the District is concentrated and may be expected to decrease when ownership of the property in the District is diversified. As of the July 2025 tax roll, nearly all of the property subject to property tax in the District are owned by TI Series 1 or the Merchant Builders of affiliates thereof, except for 63 units closed and transferred to private homeowners (61 units of The Bristol and two units of the 4Y Townhomes and Flats). Based on sales data provided by the developer, four additional market rate units at The Bristol were subsequently sold, resulting in a split of 88 developer-owned or developer affiliate-owned units and 67 private homeowners.

Failure to Develop Properties. As of the date hereof, construction of four vertical projects in the Initial Project Areas have been completed; one remains under construction. Based on Fiscal Year 2025-26 assessed values, approximately 65.5% of Gross Tax Increment is derived from completed buildings, approximately 17.9% from a project actively under construction and the rest from vacant land and one project with a site permit. See “THE INITIAL PROJECT AREAS – Development Status” herein. Further development of property in the Project Areas may not occur as currently proposed or at all. Development plans and expectations have been modified in the past for numerous reasons, including the COVID-19 pandemic, supply chain issues, inflationary increases in costs, and various delays caused by the foregoing. Previously projected revenues for the Treasure Island Project have been pushed out and reduced such that the projected values of, and expected returns on, developer interests are projected to be lower today than they were projected to be a few years ago. See “THE TREASURE ISLAND PROJECT - KSWM Litigation” herein.

Unimproved or partially improved land is inherently less valuable than land with a completed building on it, especially if there are restrictions on development, and provides less security to the Owners. Any delays in developing unimproved property, or the decision not to construct improvements on such

property, may affect the willingness and ability of the owners of property within the Project Areas to pay property taxes when due. See “LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan” herein.

Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. Failure to obtain any such agency approval or to satisfy such governmental requirements could adversely affect planned land development. In addition, there is a risk that future governmental restrictions, including, but not limited to, governmental policies restricting or controlling development within the Project Areas, will be enacted, and a risk that future voter approved land use initiatives could add more restrictions and requirements on development within the Project Areas.

Moreover, there can be no assurance that the means and incentive to conduct land development operations within the Project Areas will not be adversely affected by a deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, market conditions and other factors that may impair the ability to obtain long-term financing or refinancing, the income tax treatment of real property ownership, the national economy, or natural disasters that impact ferry or automobile access to the Project Areas.

The Project Agreements afford TICD effectively the right but not the obligation to develop the balance of the Treasure Island Project beyond the Initial Project Areas. Infrastructure in the Initial Project Areas is largely complete, and TICD has provided security for the completion of the public infrastructure in the Initial Project Areas. Also, TICD and TI Series 1 have confirmed that, as of the date of this Official Statement, they are actively proceeding with development of the Treasure Island Project in accordance with the terms and requirements of the DDA, and, at this time, have no plans to cease such development. However, neither TIDA, the City nor the Underwriter make any assurance that development of the Treasure Island Project will be completed or that the plans or projections detailed herein or in the Fiscal Consultant Report will actually occur.

Failure to Secure Sufficient Funding, Financing or Refinancing. Continued financing will be needed to complete the development of the property within the Project Areas and to refinance maturing construction loans, including from private sources and from issuance of future bonds for the CFD or by the District. Issuance of future bonds for the CFD or by the District will depend upon future property values, interest rates and market access and other factors; any delays may affect timing and pace of planned development. While four vertical projects have completed construction, one remains under construction, and firm construction costs for some of the other planned vertical development within the Initial Project Areas have not been established. Design development of certain buildings is ongoing. Projected costs may increase. No assurance can be given that the required funding will be secured or construction loans will be refinanced or that the proposed horizontal infrastructure and/or planned vertical development will be partially or fully completed. It is possible that cost overruns will be incurred that will require additional funding beyond what that currently projected, which may or may not be available or that development may not proceed as planned.

See “TAX INCREMENT REVENUE AND DEBT SERVICE – Assessed Value Projections” herein and APPENDIX H – “FISCAL CONSULTANT REPORT” attached hereto. No assurance is given that the development that is currently planned in the Initial Project Areas will be completed, or that it will be completed on the currently-expected timeline. If planned development of the property is not completed Gross Tax Increment could be comparatively lower than if development is completed as planned.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats, including the outbreak and spread of COVID-19. The spread of COVID-19 and actions to contain its spread had significant adverse health and financial impacts throughout the world, including in the City.

While COVID-19 case rates have significantly declined, vaccination rates have increased, certain emergency orders have been lifted, and the national and local economy has been improving, the economic effects of the COVID-19 pandemic are uncertain in many respects. The ultimate impact of COVID-19 on the operations and finances of the City, the District, TICD or the Merchant Builders and the real estate market and development within the City is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known. Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the operations and finances of the City, the District, TICD, TI Series 1 or the Merchant Builders. Adverse impacts to the development within the District as a whole could include, without limitation, one or more of the following: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction; (iv) extreme fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) permissive remote work policies reducing demand for commercial office spaces; (vii) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession, (viii) reduced demand for development projects; (ix) delinquencies in payment of property taxes and (x) the failure of government measures to stabilize the financial sector and introduce fiscal stimulus sufficient to counteract economic impacts of the public health emergency.

The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the revenues and the funds pledged therefor under the Housing Indenture. Information in this section about the potential impact of COVID-19 or other public health emergencies on the City's finances does not suggest that the City has an obligation to pay debt service on the Series 2025AB Bonds. See "SECURITY AND SOURCES OF PAYMENT – Limited Obligation" herein.

None of the District, the City, the Underwriter, TICD, TI Series 1 nor the Merchant Builders can predict the ultimate effects of the COVID-19 outbreak or other public health emergencies or whether any such effects will not have material adverse effect on the ability to develop the Treasure Island Project, including the Initial Project Areas, as planned and described herein, or the availability of Pledged Facilities Increment and Pledged Housing Increment in amounts sufficient to support, respectively, payment of debt service on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively.

Levy and Collection of Taxes

The District has no independent power to levy or collect property taxes. The implementation of any constitutional or legislative property tax decrease could reduce the Pledged Facilities Increment and Pledged Housing Increment, and accordingly, could have an adverse impact on the security for and the ability of the District to repay the Series 2025AB Bonds.

Likewise, delinquencies in the payment of property taxes by the owners of land in the Initial Project Areas, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the District's ability to make timely payments on the Series 2025AB Bonds. Any reduction in Pledged Facilities Increment and Pledged Housing Increment, whether for any of these reasons or any other reasons, could have an adverse effect on the District's ability to pay the principal of and interest on the Series 2025AB Bonds. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Exempt Property

The total assessed value in the Project Areas can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes, such as non-profit housing).

If a substantial portion of land within the Project Areas became exempt from property taxes, the Pledged Facilities Increment and Pledged Housing Increment might not be sufficient to support payment of principal of and interest on the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively, when due, the 2022 Facilities Reserve Account for the Series 2025A Facilities Bonds and the 2022 Housing Reserve Account for the Series 2025B Housing Bonds may become depleted, and a default could occur with respect to the payment of such principal and interest. See "LIMITATIONS ON TAX INCREMENT REVENUES – Teeter Plan" herein.

Natural Disasters

Real estate values can be adversely affected by a variety of natural events and conditions, including earthquakes, tsunamis, sea level rise and floods. The District expects that one or more of these conditions may occur from time to time, and such conditions may result in delays in development or damage to property improvements. Any damage resulting from a natural disaster may entail significant repair or replacement costs, and repair or replacement may never occur. Under any of these circumstances, the value of real estate within the Project Areas could depreciate substantially and owners of property may be less willing or able to pay property taxes.

Seismic Risks

General. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area. Seismic events may cause damage, or temporary or permanent loss of occupancy to buildings in the Project Areas, as well as to transportation infrastructure that serves the Project Areas. These faults include the San Andreas Fault, which passes within about three miles of the City's border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, as well as a number of other significant faults in the region. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City and the only automobile access to the Project Areas, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

California Earthquake Probabilities Study. In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more earthquakes of magnitude 6.7 (the magnitude of the 1994 Northridge earthquake) or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled The HayWired Earthquake Scenario, which estimates that property damage and direct business disruption losses from a magnitude 7.0 earthquake on the Hayward Fault would be more than \$82 billion (in 2016 dollars). Most of the losses are expected to be attributable to shaking damage, liquefaction, and landslides (in that order). Eighty percent of shaking damage is expected to be caused by the magnitude 7.0 mainshock, with the rest of the damage resulting from aftershocks occurring over a 2-year period thereafter. Such earthquakes could be very destructive. In addition to the potential damage to buildings subject to property tax, due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, infrastructure and residential and business real property values, including in the Project Areas.

A separate City report dated March 2020 cited to liquefaction maps by the United States Geological Survey for large past earthquakes. These maps show that Treasure Island and small portions of Yerba Buena Island had very high liquefaction susceptibility in connection with those earthquakes.

Earthquake Safety Implementation Plan ("ESIP"). ESIP began in early 2012, evolving out of the key recommendations of the Community Action Plan for Seismic Safety ("CAPSS"), a 10-year-long study evaluating the seismic vulnerabilities San Francisco faces. The CAPSS Study prepared by the Applied Technology Council looked at the impact to all of San Francisco's buildings and recommended a 30-year plan for action. As a result of this plan, San Francisco has mandated the retrofit of nearly 5,000 soft-story buildings housing over 111,000 residents by September 2021. As of June 30, 2025, 94% of these soft-story buildings have been brought into compliance. Currently, the City is implementing a façade ordinance requiring owners of 5-story or higher buildings to submit inspection reports every 10 years. The first set of inspections focus on pre-1910 buildings. Inspection reports for more recent buildings will be phased in over the next four years. Future tasks will address the seismic vulnerability of older nonductile concrete and concrete tilt-up buildings, which are at high risk of severe damage or collapse in an earthquake. This retrofit program is currently in development.

Tall Buildings Safety Strategy Report and Executive Directive. The City commissioned a first in the nation "Tall Buildings Study" by the Applied Technology Council to consider the impact of earthquakes on buildings taller than 240 feet. The Treasure Island development program has only four parcels zoned for buildings higher than 240 feet, of which two are planned on parcels in the District. However, none of the completed buildings or the other buildings currently under construction in the District (i.e., The Bristol, the 4Y (Portion) Residences, Isle House, Hawkins or 490 Avenue of the Palms) are currently planned to be taller than 240 feet. The final report following the study, released in January 2019, evaluates best practices for geotechnical engineering, seismic risks, standards for post-earthquake structural evaluations, barriers to re-occupancy, and costs and benefits of higher performance goals for new construction. The study estimates that for a tall building designed to current seismic standards, it might take two to six months to mobilize for and repair damage from a major earthquake, depending on the building location, geologic conditions, and the structural and foundation systems. The report identifies and summarizes sixteen recommendations for reducing seismic risk prior to earthquakes for new and existing buildings, reducing seismic risk following earthquakes, and improving the City's understanding of its tall building seismic risk. See "THE TREASURE ISLAND PROJECT – Infrastructure" herein.

On January 24, 2019, then-Mayor London N. Breed issued an executive directive instructing City departments to work with community stakeholders, develop regulations to address geotechnical and

engineering issues, clarify emergency response and safety inspection roles, and establish a Disaster Recovery Task Force for citywide recovery planning, including a comprehensive recovery plan for the financial district and surrounding neighborhoods by the end of the year. All of these tasks are currently underway. In November 2019, an exercise was conducted to test post-earthquake building safety inspection protocol and logistics. San Francisco was the first jurisdiction to test this statewide program. The City's Disaster Recovery Taskforce had its kick-off meeting in February 2020 to evaluate plans for development of a Disaster Recovery Framework and Downtown Resilience Plan, following several months of groundwork by a consultant team. In consultation with the Structural Engineers Association of Northern California ("SEAONC"), Administrative Bulletin AB-111 – "Guidelines for Preparation of Geotechnical and Earthquake Ground Motion Reports for Foundation Design and Construction of Tall Buildings" was adopted on June 15, 2020, which presented requirements and guidelines for developing geotechnical site investigations and preparing geotechnical reports for the foundation design and construction of tall buildings in the City.

Climate Change; Risk of Sea Level Rise and Flooding Damage

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution.

The *Fifth National Climate Assessment*, published by the U.S. Global Change Research Program in November 2023 ("NCA5"), which assessed the variability of climate impacts across individual regions of the United States, found that the City is vulnerable to impacts from sea level rise, with flooding potentially exacerbated by storm surges, extreme precipitation and high tides. Sea levels are anticipated to continue to rise due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting. The NCA5 utilizes a projected flood risk from 3 feet of sea level rise in the San Francisco Bay Area, consistent with an intermediate scenario of reductions in greenhouse gas emissions in the year 2100. Coastal areas, including the City, are vulnerable to floods impacting private development and public infrastructure, as well as roads, utilities, and emergency services.

Sea levels are expected to continue to rise in the future due to the increasing temperature of the oceans causing thermal expansion and growing ocean volume from glaciers and ice caps melting into the oceans. Between 1854 and 2016, sea level rose about nine inches according to the tidal gauge at Fort Point, a location underneath the Golden Gate Bridge. Weather and tidal patterns, including 100-year or more storms and king tides, may exacerbate the effects of climate related sea level rise. Coastal areas like the City are at risk of substantial flood damage over time, affecting private development and public infrastructure, including roads, utilities, emergency services, schools, and parks. As a result, the City could lose considerable tax revenues and many residents, businesses, and governmental operations along the waterfront could be displaced, and the City could be required to mitigate these effects at a potentially material cost.

Adapting to sea level rise is a key component of the City's policies. The City and its enterprise departments have been preparing for future sea level rise for many years and have issued a number of public reports. For example, in March 2016, the City released a report entitled "Sea Level Rise Action Plan," identifying geographic zones at risk of sea level rise and providing a framework for adaptation strategies to confront these risks. That study shows an upper range of end-of-century projections for permanent sea level rise, including the effects of temporary flooding due to a 100-year storm, of up to 108 inches above the 2015 average high tide. To implement this Plan, the Mayor's Sea Level Rise Coordinating Committee, co-chaired by the Planning Department and Office of Resilience and Capital Planning, joined the Port, the Public Utilities Commission and other public agencies in moving several initiatives forward. This included

a Citywide Sea Level Rise Vulnerability and Consequences Assessment to identify and evaluate sea level rise impacts across the City and in various neighborhoods that was released in February 2020.

In April 2017, the Working Group of the California Ocean Protection Council Science Advisory Team (in collaboration with several state agencies, including the California Natural Resources Agency, the Governor’s Office of Planning and Research, and the California Energy Commission) published a report, that was formally adopted in March 2018, entitled “Rising Seas in California: An Update on Sea Level Rise Science” (the “Sea Level Rise Report”) to provide a new synthesis of the state of science regarding sea level rise. The Sea Level Rise Report provides the basis for State guidance to state and local agencies for incorporating sea level rise into design, planning, permitting, construction, investment and other decisions. Among many findings, the Sea Level Rise Report indicates that the effects of sea level rise are already being felt in coastal California with more extensive coastal flooding during storms, exacerbated tidal flooding, and increased coastal erosion. In addition, the report notes that the rate of ice sheet loss from Greenland and Antarctic ice sheets poses a particular risk of sea level rise for the California coastline. The City has incorporated the projections from the 2018 report into its Guidance for Incorporating Sea Level Rise Guidance into ongoing Capital Planning. The Guidance requires that City projects over \$5 million consider mitigation and/or adaptation measures.

In March 2020, a consortium of State and local agencies, led by the Bay Area Conservation and Development Commission, released a detailed study entitled, “Adapting to Rising Tides Bay Area: Regional Sea Level Rise Vulnerability and Adaptation Study,” on how sea level rise could alter the Bay Area. The study states that a 48-inch increase in the bay’s water level in coming decades could cause more than 100,000 Bay Area jobs to be relocated, nearly 30,000 lower-income residents to be displaced, and 68,000 acres of ecologically valuable shoreline habitat to be lost. The study further argues that without a far-sighted, nine county response, the region’s economic and transportation systems could be undermined along with the environment. Runways at SFO could largely be under water.

Portions of the San Francisco Bay Area, including the Project Areas, are built on fill that was placed over saturated silty clay known as “Bay Mud.” This Bay Mud is soft and compressible, and the consolidation of the Bay Mud under the weight of the existing fill is ongoing. A report issued in March 2018 by researchers at UC Berkeley and the University of Arizona suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claims that the risk of subsidence is more significant for certain parts of the City built on fill.

Projections of the effects of global climate change on the City are complex and depend on many factors that are outside the City’s control. The various scientific studies that forecast climate change and its adverse effects, including sea level rise and flooding risk, are based on assumptions contained in such studies, but actual events may vary materially. Also, the scientific understanding of climate change and its effects continues to evolve. Accordingly, the City is unable to forecast when sea level rise or other adverse effects of climate change (e.g., the occurrence and frequency of 100-year storm events and king tides) will occur. In particular, the City cannot predict the timing or precise magnitude of adverse economic effects, including, without limitation, material adverse effects on the business operations or financial condition of the City and the local economy during the term of the Series 2025AB Bonds. While the effects of climate change may be mitigated by the City’s past and future investment in adaptation strategies, the City can give no assurance about the net effects of those strategies and whether the City will be required to take additional adaptive mitigation measures. If necessary, such additional measures could require significant capital resources.

[Update to come.] In September 2017, the San Francisco City Attorney filed a lawsuit on behalf of the People of the State of California in San Francisco Superior Court against the five largest investor-owned

oil companies seeking to have the companies pay into an abatement fund to help fund infrastructure for climate change adaptation. In July 2018, the United States District Court for the Northern District of California denied the People’s motion for remand to State court and then dismissed the lawsuit, which the City had joined as a plaintiff. The plaintiffs appealed these decisions to the United States Court of Appeals for the Ninth Circuit, which in May 2020 vacated the District Court’s order that found the case arose under federal law, remanding the case back to the District Court to determine if there were any other grounds for federal jurisdiction. In June 2021, the U.S. Supreme Court declined to review the Ninth Circuit’s decision. In October 2022, the District Court ordered the case remanded to State court and stayed the remand pending any appeals. In November 2022, the defendants appealed the District Court’s decision to the Ninth Circuit. In November 2023, the Ninth Circuit rejected defendants’ appeal of remand to state court. The City’s case has been remanded to and coordinated with similar municipal lawsuits and the State of California’s lawsuit in San Francisco Superior Court. In June 2024, the San Francisco City Attorney moved to file an amended complaint seeking abatement funds and damages. While the City believes that the claims in this lawsuit are meritorious, it can give no assurance regarding whether the lawsuit will be successful and obtain the requested relief from the courts, or contributions to the abatement fund from the defendant oil companies.

Treasure Island and Yerba Buena Island may be particularly susceptible to the impacts of sea level rise or other impacts of climate change or flooding because of their location and topography. An assessment and strategy report related to sea-level rise was issued in connection with the current permit issued by the San Francisco Bay Conservation and Development Commission (“BCDC”) for the Treasure Island Project. The BCDC permit, issued in 2016, requires an update on sea level rise every five years. The first such update was prepared for TIDG by an outside consultant and issued in October 2021. The update looked at changes in sea-level-rise policy and projections since the commencement of the Treasure Island Project and evaluated if the adopted sea-level-rise policy projections and adaptation measures remain applicable or need revision. The update also looked at (i) the amount of sea level rise that has occurred since the start of the project and (ii) whether the amount of sea level rise would draw into consideration any documented impacts to public access areas in the form of flooding and settlement. The update concluded that the 2016 assessment and strategy report remains consistent with the most recent sea-level rise projections. The update did not call for a change to the adopted approach to sea-level rise adaptation.

The City is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City, the local economy or, in particular, the assessed values of taxable property in the Project Areas and the ability of a property owner in the Project Areas to pay property taxes levied.

Other Natural Disasters and Other Events

In addition to earthquake and sea-level rise (discussed above), other natural or man-made disasters or events, such as flood, wildfire, tsunamis, toxic dumping, international conflicts, civil unrest or acts of terrorism, could also adversely impact persons and property within the City generally and/or specifically in the Project Areas, damage City and District infrastructure and adversely impact the City’s ability to provide municipal services.

In September 2010, a PG&E high pressure natural gas transmission pipeline exploded in San Bruno, California, with catastrophic results. PG&E owns, operates and maintains numerous gas transmission and distribution pipelines throughout the City. In August 2013, a massive wildfire in Tuolumne County and the Stanislaus National Forest burned over 257,135 acres (the “Rim Fire”), which area included portions of the City’s Hetch Hetchy Project. The Hetch Hetchy Project is comprised of dams (including O’Shaughnessy Dam), reservoirs (including Hetch Hetchy Reservoir which supplies 85% of San Francisco’s drinking water), hydroelectric generation and transmission facilities and water transmission

facilities. Hetch Hetchy facilities affected by the Rim Fire included two power generating stations and the southern edge of the Hetch Hetchy Reservoir. There was no impact to drinking water quality. The City's hydroelectric power generation system was interrupted by the fire, forcing the San Francisco Public Utilities Commission to spend approximately \$1.6 million buying power on the open market and using existing banked energy with PG&E. The Rim Fire inflicted approximately \$40 million in damage to parts of the City's water and power infrastructure located in the region. Certain portions of the Hetch Hetchy Project are old and deteriorating, and outages at critical points of the project could disrupt water delivery to significant portions of the region and/or cause significant costs and liabilities to the City.

Many areas of northern California have suffered from wildfires in more recent years, including the Tubbs fire which burned across several counties north of the Bay Area in October 2017 (part of a series of fires covering approximately 245,000 acres and causing 44 deaths and approximately \$14 billion in damage), the Camp fire which burned across Butte County, California in November 2018 (covering almost 240 square miles and resulting in numerous deaths and over \$16 billion in property damage) and Kincade Fire which burned across Sonoma County, California in late 2019 (covering over 77,000 acres). Spurred by findings that these fires were caused, in part, by faulty powerlines owned by PG&E, the power company subsequently adopted mitigation strategies which results in pre-emptive distribution circuit and high power transmission line shut offs during periods of extreme fire danger (i.e., high winds, high temperatures and low humidity) to portions of the Bay Area, including the City. In recent years, parts of the City experienced black out days as a result of PG&E's wildfire prevention strategy. Future shut offs are expected to continue and it is uncertain what effects future PG&E shut offs will have on the local economy.

In recent years, California experienced numerous significant wildfires. In addition to their direct impact on health and safety and property damage in California, the smoke from these wildfires has impacted, and future wildfires may impact, the quality of life in the Bay Area and the City and may have short-term and future impacts on commercial and tourist activity in the City, as well as the desirability of the City and the Bay Area as places to live, potentially negatively affecting real estate trends and values.

The California Geological Survey ("CGS"), in concert with the California Emergency Management Agency and the Tsunami Research Center at the University of Southern California, produced new statewide tsunami hazard zone maps in July 2021. CGS has identified much of the District and all of Treasure Island as being located in the San Francisco tsunami hazard zone.

Hazardous Substances

A serious risk in terms of the potential reduction in the value of a parcel within the Project Areas would be the discovery of a hazardous substance that was not discovered prior to the transfer of the parcels forming the Project Areas. See "THE TREASURE ISLAND PROJECT" and "THE INITIAL PROJECT AREAS – Overview" herein. In general, the owners and operators of a parcel within the Project Areas may be required by law to remedy conditions of such parcel relating to release or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but other California laws with regard to hazardous substances are also similarly stringent. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition of the property whether or not the owner or operator had anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the parcels within the Project Areas be affected by a hazardous substance, would be to reduce the marketability and value of such parcel by the costs of remedying the condition. Any prospective purchaser would become obligated to remedy the condition.

Further it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the current existence on the parcel of a substance currently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the current existence on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method in which it is handled. All of these possibilities could significantly affect the value of a parcel within the Project Areas that is realizable upon a delinquency.

Bankruptcy and Foreclosure

The payment of the property taxes from which Pledged Facilities Increment and Pledged Housing Increment are derived and the ability of the City to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure.

Foreclosures primarily affect assessed valuations at the point at which the property foreclosed upon is sold to a third party, with the often significantly lower sale price determining the property's new assessed value. As available foreclosure data does not track properties through to the point of sale to third parties, the actual impact on assessed valuation cannot be reasonably determined.

The various legal opinions to be delivered concurrently with the delivery of the Series 2025AB Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases. Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Series 2025AB Bonds.

Investment Risk

As provided in the Indenture, moneys in the funds and accounts under the Facilities Indenture and the Housing Indenture may be invested in Permitted Investments and moneys in the account(s) which will hold increment into which Pledged Facilities Increment and Pledged Housing Increment are deposited may be invested by the District in any obligations in which the District is legally authorized to invest its funds. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Facilities Indenture or the Housing Indenture could have a material adverse effect on the security for the Series 2025AB Bonds.

Ballot Initiatives and Legislative Measures

The State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing available Gross Tax Increment from which the, respective, repayment and security sources for the Series 2025AB Bonds are derived. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the Gross Tax Increment and adversely

affect the Pledged Facilities Increment and Pledged Housing Increment securing the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, respectively.

Measures qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature have in the past altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the Legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, the District or other local districts to increase revenues or to increase appropriations or on the ability of a landowner to complete the development of property.

Acceleration

If the District defaults on its respective obligations under the Facilities Indenture or the Housing Indenture, the Trustee has the right to accelerate the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds, as the case may be, under certain circumstances. However, in the event of a default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of such accelerated Series 2025AB Bonds.

Limitations on Remedies

Remedies available to the owners of Series 2025A Facilities Bonds and Series 2025B Housing Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2025AB Bonds. Bond Counsel has limited its opinions as to the enforceability of the Series 2025AB Bonds and of the Facilities Indenture and the Housing Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Owners.

Enforceability of the rights and remedies of the Owners of Series 2025A Facilities Bonds and Series 2025B Housing Bonds, and the obligations incurred by the District, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the applicable limitations on remedies against public agencies in the State. See "RISK FACTORS – Bankruptcy and Foreclosure" herein.

Limited Secondary Market

As stated herein, investment in the Series 2025AB Bonds poses certain financial risks which may not be appropriate for certain investors, and only persons with substantial financial resources who understand and appreciate the risk of such investments should consider investment in the Series 2025AB Bonds. The Series 2025AB Bonds have not been rated by any national rating agency, and the City has not undertaken to obtain a rating. See "NO RATING" herein. There can be no guarantee that there will be a secondary market for purchase or sale of the Series 2025AB Bonds or, if a secondary market exists, that the Series 2025AB Bonds can or could be sold for any particular price.

Cybersecurity

The City, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the City has been the subject of cybersecurity incidents which have resulted in or could have resulted in adverse consequences to the City’s Systems Technology and required a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the City invests in multiple forms of cybersecurity and operational safeguards. In November 2016, the City adopted a City-wide Cyber Security Policy (“Cyber Policy”) to support, maintain, and secure critical infrastructure and data systems. The objectives of the Cyber Policy include the protection of critical infrastructure and information, manage risk, improve cyber security event detection and remediation, and facilitate cyber awareness across all City departments. The City’s Department of Technology has established a cybersecurity team to work across all City departments to implement the Cyber Policy. The City’s Cyber Policy is reviewed periodically.

The City has also appointed a City Chief Information Security Officer (“CCISO”), who is directly responsible for understanding the business and related cybersecurity needs of the City’s 54 departments. The CCISO is responsible for identifying, evaluating, responding, and reporting on information security risks in a manner that meets compliance and regulatory requirements, and aligns with and supports the risk posture of the City.

While City cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could damage the City’s Systems Technology and cause material disruption to the City’s operations and the provision of City services. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the City to material litigation and other legal risks, which could cause the City to incur material costs related to such legal claims or proceedings.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate relating to the Series 2025A Facilities Bonds (the “2025A Disclosure Certificate”), the District has covenanted for the benefit of owners of the Series 2025A Facilities Bonds to provide certain financial information and operating data relating to the District (the “2025A Annual Report”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. Pursuant to a Continuing Disclosure Certificate, relating to the Series 2025B Housing Bonds (the “2025B Disclosure Certificate,” and together with the 2025A Disclosure Certificate, the “Disclosure Certificates”), the District has covenanted for the benefit of owners of the Series 2025B Housing Bonds to provide certain financial information and operating data relating to the District (the “2025B Annual Report” and together with the 2025A Annual Report, the “Annual Reports”) on an annual basis, and to provide notices of the occurrences of certain enumerated events. The Annual Reports and the notices of enumerated events will be filed with the MSRB on EMMA. Each Annual Report is to be filed not later than nine months after the end of the City’s fiscal year (which date shall be June 30 of each

year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026). The specific nature of information to be contained in the 2025A Annual Report or the notice of events is summarized in APPENDIX E-1 – “FORM OF SERIES 2025A CONTINUING DISCLOSURE CERTIFICATE” attached hereto. The specific nature of information to be contained in the 2025B Annual Report or the notice of events is summarized in APPENDIX E-2 – “FORM OF SERIES 2025B CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made by the District in order to assist the Underwriter in complying with the Rule.

As of May 6, 2021, the City was a party to certain continuing disclosure undertakings relating to municipal securities which require the City to file notice filings on EMMA within ten days in the event of the incurrence of financial obligations and certain other events, if material. On May 6, 2021, the City extended for two years certain liquidity facilities relating to series 1 and 1-T and series 2 and 2-T of its commercial paper program. On July 1, 2021, the City filed on EMMA an event notice relating to these extensions.

For fiscal year 2021-22, although the City’s Annual Comprehensive Financial Report was posted on EMMA, it was not linked to all of the CUSIP numbers for the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2022A and 2022B. The City has taken action to link such Annual Comprehensive Financial Report to the applicable CUSIP numbers.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Series 2025AB Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Series 2025AB Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the “Tax Code”) that must be satisfied subsequent to the issuance of the Series 2025AB Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series 2025AB Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a Series 2025AB Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a Series 2025AB Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “bond premium” for purposes of federal income taxes and State of California personal income taxes.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Series 2025AB Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between

compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2025AB Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2025AB Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2025AB Bonds who purchase the Series 2025AB Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2025AB Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2025AB Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Series 2025AB Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the Series 2025AB Bond (said term being the shorter of the Series 2025AB Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the Series 2025AB Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a Series 2025AB Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series 2025AB Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2025AB Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series 2025AB Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Series 2025AB Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Series 2025AB Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series 2025AB Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Series 2025AB Bonds, or as to the consequences of owning or receiving interest on the Series 2025AB Bonds, as of any future date. Prospective purchasers of the Series 2025AB Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Series 2025AB Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series 2025AB Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Series 2025AB Bonds, the ownership, sale or disposition of the Series 2025AB Bonds, or the amount, accrual or receipt of interest on the Series 2025AB Bonds.

Form of Opinion. The forms of opinions of Bond Counsel are set forth as Appendix F-1 and Appendix F-2 attached hereto.

UNDERWRITING

The District has sold the Series 2025AB Bonds to the California Statewide Communities Development Authority (“CSCDA”). Stifel, Nicolaus & Co. Incorporated (the “Underwriter”) simultaneously purchased the Series 2025A Facilities Bonds from CSCDA at a purchase price of \$_____, representing the principal amount of the Series 2025A Facilities Bonds less an Underwriter’s discount of \$_____ and plus [net] original issue [premium/discount] of \$_____ and the Series 2025B Housing Bonds at a purchase price of \$_____, representing the principal amount of the Series 2025B Housing Bonds less an Underwriter’s discount of \$_____ and less [net] original issue [premium/discount] of \$_____. The Underwriter intends to offer the Series 2025AB Bonds to the public initially at the prices set forth on the inside cover pages of this Official Statement, which prices may subsequently change without any requirement of prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2025AB Bonds to the public. The Underwriter may offer and sell the Series 2025AB Bonds to certain dealers (including dealers depositing Series 2025AB Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may reallow any such discounts on sales to other dealers.

The Underwriter and its affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

LEGAL OPINIONS AND OTHER LEGAL MATTERS

The legal opinions of Jones Hall LLP, San Francisco, California, as Bond Counsel, approving the validity of the Series 2025A Facilities Bonds and the Series 2025B Housing Bonds, in substantially the respective forms set forth in Appendix F-1 and Appendix F-2 attached hereto, will be made available to purchasers of the Series 2025AB Bonds at the time of original delivery. Bond Counsel has not undertaken on behalf of the Owners or the Beneficial Owners of the Series 2025AB Bonds to review the Official Statement and assumes no responsibility to such Owners and Beneficial Owners for the accuracy of the information contained herein. Certain legal matters will be passed upon for the District by the City Attorney, and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel, with respect to the issuance of the Series 2025AB Bonds.

Compensation paid to Jones Hall LLP, as Bond Counsel, and Norton Rose Fulbright US LLP, as Disclosure Counsel, is contingent on the issuance of the Series 2025AB Bonds.

Norton Rose Fulbright (US) LLP, Los Angeles, California has served as Disclosure Counsel to the City and the District, and in such capacity has advised City staff and District staff with respect to applicable securities laws and participated with responsible City and District officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Disclosure Counsel is not responsible for the accuracy or completeness of the statements or

information presented in this Official Statement and has not undertaken to independently verify any of such statements or information. Upon issuance and delivery of the Series 2025AB Bonds, Disclosure Counsel will deliver a letter to the District, and the Underwriter and its affiliates to the effect that, subject to the assumptions, exclusions, qualifications and limitations set forth therein (including without limitation exclusion of any information relating to The Depository Trust Company, Cede & Co., the book-entry system, the CUSIP numbers, forecasts, projections, estimates, assumptions and expressions of opinions and the other financial and statistical data included herein, and information in Appendices B and G hereof, as to all of which Disclosure Counsel will express no view), no facts have come to the attention of the personnel with Norton Rose Fulbright (US) LLP directly involved in rendering legal advice and assistance to the City which caused them to believe that this Official Statement as of its date and as of the date of delivery of the Series 2025AB Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No purchaser or holder, other than the addressee of the letter, or other person or party, will be entitled to or may rely on such letter of Disclosure Counsel.

[TRANSFER RESTRICTIONS]

Under the Facilities Indenture and the Housing Indenture, the Series 2025AB Bonds are only to be sold (including in secondary market transactions) to “Qualified Purchasers,” which is defined in the Indenture to include Qualified Institutional Buyers as defined in Rule 144A promulgated under the Securities Act of 1933 and institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933).

Neither the Underwriter nor any Holder or Beneficial Owner of the Series 2025AB Bonds shall deposit the Series 2025AB Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Underwriter nor any Holder or Beneficial Owner shall deposit the Series 2025AB Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2025AB Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers; provided that none of the Underwriter, Holders or Beneficial Owners shall have an obligation to independently establish or confirm that any transferee of a Series 2025AB Bond is Qualified Purchaser, however any actual transfer of a Series 2025AB Bond to any entity that is not a Qualified Purchaser shall be deemed null and void as provided in the Indenture.

Under the Facilities Indenture and the Housing Indenture, no transfer, sale or other disposition of any Series 2025AB Bond, or any beneficial interest therein, may be made except to an entity that is a Qualified Purchaser that is purchasing such Series 2025AB Bond for its own account for investment purposes and not with a view to distributing such Series 2025AB Bond. Neither the District nor the City shall have any responsibility or liability for any transfer to an entity that is not a Qualified Purchaser. Each purchaser of any Series 2025AB Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the District, the Underwriter and the Trustee as follows:

1. Respectively, that the Series 2025A Facilities Bonds are payable solely from Pledged Facilities Increment and from certain funds and accounts established and maintained pursuant to the Facilities Indenture or that the Series 2025B Housing Bonds are payable solely from Pledged Housing Increment and from certain funds and accounts established and maintained pursuant to the Housing Indenture;

2. That it is a Qualified Purchaser and that it is purchasing the Series 2025AB Bonds for its own account and not with a view to, or for offer or sale in connection with any distribution thereof in violation of the Securities Act of 1933 or other applicable securities laws;

3. That such purchaser acknowledges that the Series 2025AB Bonds and beneficial ownership interests therein may only be transferred to Qualified Purchasers;

4. That the District, the Trustee, the Underwriter and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements; and

If a holder of the Series 2025AB Bonds makes an assignment of its beneficial ownership interest in the Series 2025AB Bonds, the assignor will notify the assignee of the restrictions on purchase and transfer described herein.]

NO LITIGATION REGARDING SERIES 2025AB BONDS

A certificate of the District to the effect that no litigation is pending (for which service of process has been received) concerning the validity of the Series 2025AB Bonds will be furnished to the Underwriter and its affiliates at the time of the original delivery of the Series 2025AB Bonds. The District is not aware of any litigation pending or threatened which questions the existence of the District or contests the authority of the District to issue the Series 2025AB Bonds.

Ongoing Investigations. [Under consideration.]

NO RATING

The District has not made, and does not intend to make, any application to any rating agency for the assignment of a rating on the Series 2025AB Bonds. Ratings are obtained as a matter of convenience for prospective investors, and the assignment of a rating is based upon the independent investigations, studies, and assumptions of rating agencies. The determination by the District not to obtain a rating does not, directly or indirectly, express any view by the District of the credit quality of the Series 2025AB Bonds. The lack of a bond rating could impact the market price or liquidity for the Series 2025AB Bonds in the secondary market. See “RISK FACTORS – Limited Secondary Market” herein.

MUNICIPAL ADVISOR

The District has retained CSG Advisors Incorporated, as Municipal Advisor in connection with the issuance of the Series 2025AB Bonds. The Municipal Advisor has assisted in the District’s review and preparation of this Official Statement and in other matters relating to the planning, structuring, and sale of the Series 2025AB Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing the Series 2025AB Bonds.

Compensation paid to the Municipal Advisor is contingent upon the successful issuance of the Series 2025AB Bonds.

FISCAL CONSULTANT REPORT

In connection with the issuance of the Series 2025AB Bonds, the District has engaged Keyser Marston Associates, Inc., Berkeley, California, to prepare a Fiscal Consultant Report. See APPENDIX H – “FISCAL CONSULTANT REPORT” attached herein.

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MISCELLANEOUS

All of the preceding summaries of the Facilities Indenture, the Housing Indenture, other applicable legislation, agreements and other documents are made subject to the provisions of such documents and do not purport to be complete documents of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Series 2025AB Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been authorized by the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION
FINANCING DISTRICT NO. 1

By: _____
Director of the Office of Public Finance

APPENDIX A

DEMOGRAPHIC INFORMATION REGARDING THE CITY AND COUNTY OF SAN FRANCISCO

APPENDIX A

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY AND COUNTY OF SAN FRANCISCO

The information contained in this Appendix A is provided for informational purposes only. No representation is made that any of the information contained in this Appendix A is material to the holders from time to time of the Series 2025AB Bonds, and the City has not undertaken in its Continuing Disclosure Certificate to update this information. The Series 2025A Facilities Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025A Facilities Bonds are not payable from any other source of funds other than the Pledged Facilities Increment and the funds pledged therefor under the Facilities Indenture. The Series 2025B Housing Bonds are limited obligations of the District, secured by and payable solely from the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture. The Series 2025B Housing Bonds are not payable from any other source of funds other than the Pledged Housing Increment and the funds pledged therefor under the Housing Indenture.

Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds are a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political subdivisions (other than the District and only to the limited extent set forth in the Facilities Indenture and the Housing Indenture, respectively), and none of the City, the State or any of their political subdivisions other than the District is liable therefor. Neither the Series 2025A Facilities Bonds nor the Series 2025B Housing Bonds constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the City, or the District has pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the Series 2025A Facilities Bonds or the Series 2025B Housing Bonds. Although the District receives certain tax increment revenues, the District has no taxing power.

General

The City was established in 1850 and is the only legal subdivision of the State of California with the governmental powers of both a city and a county. The City’s legislative power is exercised through a Board of Supervisors, while its executive power is vested upon a Mayor and other appointed and elected officials. Key public services provided by the City include public safety and protection, public transportation, water and sewer, parks and recreation, public health, social services and land-use and planning regulation. The heads of most of these departments are appointed by the Mayor and advised by commissions and boards appointed by City elected officials.

Elected officials include the Mayor, Members of the Board of Supervisors, Assessor-Recorder, City Attorney, District Attorney, Public Defender, Sheriff, Superior Court Judges, and Treasurer. Since November 2000, the eleven-member Board of Supervisors has been elected through district elections. The eleven district elections are staggered for five and six seats at a time and held in even-numbered years. Board members serve four-year terms and vacancies are filled by Mayoral appointment.

COVID 19 Pandemic

The economic and demographic data contained in this appendix are the latest available, but include data as of dates and for periods before the economic impact of the COVID 19 pandemic and measures instituted to slow it. Accordingly, the data for such dates and periods are not indicative of the current financial condition or future prospects of the District, the City, and the region or of expected Pledged Facilities Increment or Pledged Housing Increment. See “RISK FACTORS – Public Health Emergencies” in the forepart of this Official Statement.

Population

The populations of the City and County of San Francisco for the last 10 years are shown in the following table.

POPULATION
City and County of San Francisco
2016 through 2025⁽¹⁾

Fiscal Year	Population
2016	871,613
2017	878,697
2018	885,716
2019	886,885
2020	873,965
2021	857,605
2022	840,348
2023	848,036
2024	845,355
2025	842,027

⁽¹⁾ For 2016-2019 and 2021-2025, population statistics are as of January 1. For 2020, population statistics are as of April 1.

Source: California Department of Finance.

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Employment

The following table summarizes employment in the City and County of San Francisco from 2020 through 2024. Trade, transportation and utilities, professional and business services, education/health services and leisure/hospitality are the largest employment sectors in the City.

EMPLOYMENT BY INDUSTRY City and County of San Francisco 2020 through 2024

Industry	Employment ⁽¹⁾				
	2020	2021	2022	2023	2024
All Farm	200	300	300	200	200
Mining, Logging and Construction	23,200	22,100	22,900	23,300	22,000
Manufacturing	13,400	11,700	11,900	12,600	10,900
Trade, Transportation & Utilities	73,200	70,100	70,600	66,400	64,400
Information	54,600	58,200	67,500	63,900	62,000
Financial Activities	60,300	61,000	61,700	59,200	54,800
Professional and Business Services	200,900	200,600	217,000	203,800	190,300
Education and Health Services	91,500	93,900	96,500	99,600	101,300
Leisure and Hospitality	59,100	57,000	75,600	82,000	81,500
Other Services	21,800	22,800	23,900	24,200	24,200
Government	98,200	101,300	106,500	108,500	110,600
Total Civilian Labor Force	696,500	699,000	517,200	517,200	510,400

⁽¹⁾ Employment is reported by place of work: it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not sum to totals due to rounding.

Source: California State Employment Development Department, Labor Market Information Division.

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The following tables summarize the civilian labor force, employment and unemployment in the City and County of San Francisco from 2015 to 2024.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
City and County of San Francisco
Annual Averages, 2015 through 2024
(not seasonally adjusted)

Year	Civilian Labor Force	Employed Labor Force ⁽¹⁾	Unemployed Labor Force ⁽²⁾	Unemployment Rate ⁽³⁾
2015	541,400	521,600	19,800	3.7
2016	512,900	494,500	18,400	3.6
2017	519,700	503,100	16,600	3.2
2018	527,100	513,500	13,600	2.6
2019	538,600	525,800	12,900	2.4
2020	518,700	474,500	44,200	8.5
2021	497,100	469,800	27,300	5.5
2022	517,200	502,900	14,300	2.8
2023	517,200	499,500	17,700	3.4
2024	510,400	490,600	19,800	3.9

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ Calculated using unrounded data.

Source: California State Employment Development Department, Labor Market Information Division.

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Major Private Employers

The following table shows the largest private employers located in the City and County of San Francisco as of January 2023. [To be updated.]

LARGEST PRIVATE EMPLOYERS City and County of San Francisco

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>
Salesforce Inc.	11,953	1
United Airlines	10,000	2
Sutter Health	6,134	3
Wells Fargo & Co.	5,886	4
Kaiser Permanente	4,676	5
Allied Universal	3,827	6
Uber Technologies Inc.	3,413	7
First Republic Bank	3,296	8
Accenture	2,353	9
Cisco Systems Inc.	<u>1,863</u>	10
Total	53,401	

Source: San Francisco Business Times, “Largest Employers in San Francisco” (published January 6, 2023).

Note: Since the publication date of the rankings above, JPMorgan Chase & Co. acquired the substantial majority of assets and assumed the deposits and certain other liabilities of First Republic Bank from the Federal Deposit Insurance Corporation.

Construction Activity

The level of construction activity in the City and County of San Francisco as measured by total building permits for residential units is shown in the following tables.

BUILDING PERMITS City and County of San Francisco 2020 through 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Units	2,004	2,519	2,044	1,136	770
Units in Single Family	21	33	38	29	27
Units in All Multifamily	1,983	2,486	2,006	1,107	743
Units in 2-Unit Multifamily	12	38	14	16	26
Units in 3 & 4-Unit Multifamily	16	17	37	15	12
Units in 5+-Unit Multifamily	1,955	2,431	1,955	1,076	705

Source: U.S. Department of Housing and Urban Development, HUD User, Office of Policy Development and Research, SOCDS (State of the Cities Data Systems) Building Permits.

Taxable Sales

Taxable sales in the City and County of San Francisco from 2020 through 2024 are shown in the following table.

TAXABLE SALES
2020 through 2024
(\$ in Thousands)

	2020	2021	2022	2023	2024
Clothing and Clothing					
Accessories Stores	\$864,972	\$1,255,102	\$1,392,914	\$1,238,983	\$1,171,932
General Merchandise	385,182	485,217	557,903	524,108	510,306
Food and Beverage Stores	744,356	719,662	764,720	786,623	780,844
Food Services and Drinking Places	2,071,669	2,933,192	4,240,766	4,516,227	4,589,017
Home Furnishings & Appliances	502,579	610,376	633,189	555,372	507,523
Building Material and Garden					
Equipment and Supplies Dealers	571,003	605,247	615,098	572,704	514,569
Motor Vehicle and Parts Dealers	572,165	604,300	553,866	579,657	572,689
Gasoline Stations	298,092	428,203	608,298	551,446	492,117
Other Retail Stores	<u>1,087,824</u>	<u>1,295,718</u>	<u>1,440,393</u>	<u>1,323,510</u>	<u>1,275,213</u>
Total Retail and Food Services	\$7,097,841	\$8,937,018	\$10,807,147	\$10,648,630	\$10,414,210
All Other Outlets	<u>2,810,062</u>	<u>3,264,321</u>	<u>4,136,350</u>	<u>3,955,401</u>	<u>3,884,570</u>
Total All Outlets ⁽¹⁾	\$9,907,903	\$12,201,339	\$14,943,497	\$14,604,031	\$14,298,780

⁽¹⁾ Columns may not sum to totals due to rounding.

Source: California State Board of Equalization; and California Department of Tax and Fee Administration.

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Assessed Valuation of Taxable Property

Assessed valuations of taxable property in the City and County of San Francisco for fiscal years 2008-09 through 2023-24 are shown in the following table:

ASSESSED VALUATION OF TAXABLE PROPERTY Fiscal Years 2008-09 through 2023-24 (\$ in Thousands)

Fiscal Year	Net Assessed ⁽¹⁾ Valuation (NAV)	% Change from Prior Year	Total Tax Rate per \$100 ⁽²⁾	Total Tax Levy ⁽³⁾	Total Tax Collected ⁽³⁾	% Collected June 30
2008-09	\$141,274,628	8.7%	1.163	\$1,702,533	\$1,661,717	97.6%
2009-10	150,233,436	6.3%	1.159	1,808,505	1,764,100	97.5%
2010-11	157,865,981	5.1%	1.164	1,888,048	1,849,460	98.0%
2011-12	158,649,888	0.5%	1.172	1,918,680	1,883,666	98.2%
2012-13	165,043,120	4.0%	1.169	1,997,645	1,970,662	98.6%
2013-14	172,489,208	4.5%	1.188	2,138,245	2,113,284	98.8%
2014-15	181,809,981	5.4%	1.174	2,139,050	2,113,968	98.8%
2015-16	194,392,572	6.9%	1.183	2,290,280	2,268,876	99.1%
2016-17	211,532,524	8.8%	1.179	2,492,789	2,471,486	99.1%
2017-18	234,074,597	10.7%	1.172	2,732,615	2,709,048	99.1%
2018-19	259,329,479	10.8%	1.163	2,999,794	2,977,664	99.3%
2019-20	281,073,307	8.4%	1.180	3,509,022	3,475,682	99.0%
2020-21	299,686,811	6.6%	1.198	3,823,246	3,785,038	99.0%
2021-22	307,712,666	2.7%	1.182	3,864,100	3,832,546	99.2%
2022-23	331,431,694	7.7%	1.180	4,067,270	4,032,813	99.2%
2023-24	343,913,585	3.8%	1.178	4,261,226	4,215,823	98.9%

⁽¹⁾ Net Assessed Valuation (NAV) is Total Assessed Value for Secured and Unsecured Rolls, less Non-reimbursable Exemptions and Homeowner Exemptions.

⁽²⁾ Annual tax rate for unsecured property is the same rate as the previous year's secured tax rate.

⁽³⁾ The Total Tax Levy and Total Tax Collected through fiscal year 2022-23 is based on year-end current year secured and unsecured levies as adjusted through roll corrections, excluding supplemental assessments, as included in the statistical report received from the Office of the Treasurer and Tax Collector, City and County of San Francisco.

Source: Office of the Controller, City and County of San Francisco. City and County of San Francisco, Annual Comprehensive Financial Report Year ended June 30, 2024.

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Income

The following tables provide a summary of per capita personal income for the City and County of San Francisco, the State of California and the United States, and personal income and annual percent change for the City and County of San Francisco, for 2015 through 2024.

PER CAPITA PERSONAL INCOME 2015 through 2024

Year	San Francisco	California	United States
2015	105,711	54,546	48,725
2016	112,804	56,560	49,613
2017	119,208	58,804	51,550
2018	128,812	61,508	53,786
2019	130,464	64,919	56,250
2020	141,134	70,647	59,765
2021	160,749	76,614	64,143
2022	155,190	76,741	66,096
2023	164,807	80,771	69,418
2024	-	85,518	72,425

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transportation

The City is reliant on a complex multimodal infrastructure consisting of roads, bridges, highways, rail, tunnels, airports, and bike and pedestrian paths. The development, maintenance, and operation of these different modes of transportation are overseen by various agencies, including the California Department of Transportation (“Caltrans”) and San Francisco Municipal Transportation Agency (“SFMTA”). The Metropolitan Transportation Commission plays a role in the planning and funding of the City’s transportation. These and other organizations collectively manage several interstate highways and state routes, two subway networks, two commuter rail agencies, trans-bay bridges, transbay ferry service, local bus service, international airports, and an extensive network of roads, tunnels, and bike paths.

SFMTA is a department of the City responsible for the management of all ground transportation in the City. The SFMTA has oversight over the Municipal Railway (Muni) public transit, as well as bicycling, paratransit, parking, traffic, walking, and taxis. The SFMTA is governed by a Board of Directors who are appointed by the Mayor and confirmed by the San Francisco Board of Supervisors. The SFMTA Board provides policy oversight, including budgetary approval, and changes of fares, fees, and fines, ensuring representation of the public interest. The San Francisco Municipal Railway, known as Muni, is the primary public transit system of the City and operates a combined light rail and subway system, the Muni Metro, as well as large bus and trolley coach networks. Additionally, it runs a historic streetcar line, which runs on Market Street from Castro Street to Fisherman's Wharf. It also operates the famous cable cars, which have been designated as a National Historic Landmark and are a major tourist attraction.

Bay Area Rapid Transit (“BART”), a regional Rapid Transit system, connects San Francisco with the East Bay through the underwater Transbay Tube. The line runs under Market Street to Civic Center where it turns south to the Mission District, the southern part of the city, and through northern San Mateo County, to the San Francisco International Airport, and Millbrae. Another commuter rail system, Caltrain, runs from San Francisco along the San Francisco Peninsula to San Jose and Gilroy. Amtrak California

Thruway Motorcoach runs a shuttle bus from three locations in San Francisco to its station across the bay in Emeryville. Additionally, BART offers connections to San Francisco from Amtrak's station in Richmond.

San Francisco Bay Ferry operates from the Ferry Building and Pier 39 to points in Oakland, Alameda-Bay Farm Island, South San Francisco, and north to Vallejo in Solano County. The Golden Gate Ferry is the other ferry operator with service between San Francisco and Marin County. SolTrans runs supplemental bus service between the Ferry Building and Vallejo. To accommodate the large amount of San Francisco citizens who commute to the Silicon Valley daily, companies like Google and Apple provide private bus transportation for their employees, from San Francisco locations to their corporate campuses on the peninsula. See also “THE TREASURE ISLAND PROJECT – Transportation” in the forepart of the Official Statement.

See “RISK FACTORS – Public Health Emergencies” in the forepart of this Official Statement.

Public Education

San Francisco Unified School District (“SFUSD”) established in 1851, is the only public school district within the City and is among the largest school district in California. SFUSD administers both the school district and the San Francisco County Office of Education, making it a “single district county.”

The University of California, San Francisco (“UCSF”) is the sole campus of the University of California system entirely dedicated to graduate education in health and biomedical sciences and operates the UCSF Medical Center which is a major local employer. A 43-acre Mission Bay campus was opened in 2003, complementing its original facility in Parnassus Heights and contains research space and facilities to foster biotechnology and life sciences entrepreneurship. UCSF operates approximately 20 facilities across the City.

The University of California, Hastings College of the Law, founded in Civic Center in 1878, is the oldest law school in California. San Francisco's two University of California institutions have formed an official affiliation in the UCSF/UC Hastings Consortium on Law, Science & Health Policy.

San Francisco State University is part of the California State University system and is located near Lake Merced. The school awards undergraduate, master's and doctoral degrees in over 100 disciplines.

The City College of San Francisco, with its main facility in the Ingleside district, is one of the largest two-year community colleges in the country and offers an extensive continuing education program.

See “RISK FACTORS – Public Health Emergencies” in the forepart of this Official Statement.

APPENDIX B
INFRASTRUCTURE FINANCING PLAN

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE FACILITIES INDENTURE

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE HOUSING INDENTURE

APPENDIX E-1

FORM OF SERIES 2025A CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

§
**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025A
(FACILITIES INCREMENT)**

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance of the above captioned Bonds (the “Bonds”). The Bonds are issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025 (the “2025 Bond Resolution,” and together with the Original Resolution of Issuance, as supplemented, the “Resolution”), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriter or purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which date shall be June 30 of each year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the “City”) prepared in accordance with generally accepted accounting principles

applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledged Facilities Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Facilities Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Facilities Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Facilities Reserve Account and the then-current Reserve Requirement for the 2022 Related Facilities Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Facilities Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 9 in the Official Statement, reflecting Pledged Facilities Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Facilities Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or

18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

[Remainder of page intentionally left blank.]

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2025

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

Anna Van Degna
Director of the Office of Public Finance

Approved as to form:

DAVID CHIU
CITY ATTORNEY

By: _____
Deputy City Attorney

CONTINUING DISCLOSURE CERTIFICATE EXHIBIT A

**FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

Name of Bond Issue: City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series
2025A (Facilities Increment)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has
not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the
Continuing Disclosure Certificate of the District and County of San Francisco, dated _____, 2025. The
District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

By: _____ [to be signed only if filed]
Title: _____

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APPENDIX E-2

FORM OF SERIES 2025B CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

§
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
(TREASURE ISLAND)
TAX INCREMENT REVENUE BONDS,
SERIES 2025B
(HOUSING INCREMENT)

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance of the above captioned Bonds (the “Bonds”). The Bonds are issued pursuant to Chapter 2.6 of Part 1 of Division 2 of Title 5 (section 53369 et seq.) of the Government Code of the State of California, as amended (the “Law”), Resolution No. 7-17, adopted by the Board of Supervisors as the legislative body of the District on January 24, 2017, and signed by the Mayor on February 3, 2017 (“Original Resolution of Issuance”), approving the issuance and sale of tax increment revenue bonds in one or more series, in an aggregate principal amount not to exceed \$780 million (excluding refunding bonds), and Resolution No. []-25, adopted by the Board of Supervisors as the legislative body of the District on [], 2025 (the “2025 Bond Resolution,” and together with the Original Resolution of Issuance, as supplemented, the “Resolution”), and the provisions of an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” means “financial obligation” as such term is defined in the Rule.

“Holder” shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

“Listed Events” shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean the original underwriter or purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (which date shall be June 30 of each year), commencing with the report for the 2024-25 Fiscal Year (which is due not later than March 31, 2026), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the District, the District shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to such date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the District are not available by the date required above for the filing of the Annual Report, the District shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB as required by Section 5(c).

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District), file a report with the District certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City and County of San Francisco (the “City”) prepared in accordance with generally accepted accounting principles

applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

The City's annual financial statement is provided solely to comply with the Securities Exchange Commission staff's interpretation of rule 15c2-12. The Bonds are limited obligations of the District, secured by and payable solely from the Pledge Housing Increment and the funds pledged therefor under the Indenture. The Bonds are not payable from any other source of funds other than Pledged Housing Increment and the funds pledged therefor under the Indenture. The General Fund of the City is not liable for the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

(b) the principal amount of the outstanding Housing Bonds by series as of September 2 preceding the date of the Annual Report;

(c) the balance in the 2022 Housing Reserve Account and the then-current Reserve Requirement for the 2022 Related Housing Bonds as of September 2 preceding the date of the Annual Report;

(d) an update to Table 3 in the Official Statement, including subsequently annexed Project Areas, if any;

(e) an update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed Project Areas, if any

(f) the top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value and improvement value indicated; however, the District may redact the name of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas;

(g) Pledged Housing Increment actual levy and collections for the most recently completed Fiscal Year; and

(h) an updated debt service coverage table, substantially in the form of Table 10 in the Official Statement, reflecting Pledged Housing Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Housing Bonds.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-10 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the District; or
10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events numbered 11-18 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

11. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
12. Modifications to rights of Bond holders;
13. Unscheduled or contingent Bond calls;
14. Release, substitution, or sale of property securing repayment of the Bonds;
15. Non-payment related defaults;
16. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an

action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

17. Appointment of a successor or additional trustee or the change of name of a trustee; or

18. Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights or similar terms of Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice (substantially in the form of Exhibit A) of a failure to provide the annual financial information on or before the date specified in Section 3.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(13) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the District Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the District Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Remedies. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the District and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

[Remainder of page intentionally left blank.]

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 2025

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

Anna Van Degna
Director of the Office of Public Finance

Approved as to form:

DAVID CHIU
CITY ATTORNEY

By: _____
Deputy City Attorney

CONTINUING DISCLOSURE CERTIFICATE EXHIBIT A

**FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1 (TREASURE ISLAND)

Name of Bond Issue: City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series
2025B (Housing Increment)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the District has
not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the
Continuing Disclosure Certificate of the District and County of San Francisco, dated _____, 2025. The
District anticipates that the Annual Report will be filed by _____.

Dated: _____, 20__

CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT
NO. 1 (TREASURE ISLAND)

By: _____ [to be signed only if filed]
Title: _____

stop

APPENDIX F-1

FORM OF SERIES 2025A FACILITIES BOND COUNSEL OPINION

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District
No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

OPINION: \$_____ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [_____] , 2025 (Resolution No. [____]-25), and (iii) an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled “City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto,” Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.
2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.
3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.
4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Facilities Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.
5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.
6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX F-2

FORM OF SERIES 2025B HOUSING BOND COUNSEL OPINION

_____, 2025

City and County of San Francisco
Infrastructure and Revitalization Financing District
No. 1 (Treasure Island)
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

OPINION: \$_____ City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment)

Members of the Board of Supervisors:

We have acted as bond counsel to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the “District”) in connection with the issuance by the District of the bonds captioned above, dated the date hereof (the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, opinions and other documents as we have deemed necessary to render this opinion.

The Bonds are issued pursuant to (i) Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”), (ii) resolutions of the Board of Supervisors, as legislative body of the District, adopted on January 24, 2017 (Resolution No. 7-17) and [____], 2025 (Resolution No. [____]-25), and (iii) an Indenture of Trust, dated as of September 1, 2022, as previously supplemented and as supplemented by a Second Supplemental Indenture, dated as of December 1, 2025 (as supplemented, the “Indenture”), each by and between the District and Zions Bancorporation, National Association, as trustee.

Regarding questions of fact material to our opinion, we have relied on representations of the District contained in the Indenture, and on certified proceedings and other certifications of public officials furnished to us, without undertaking to verify the same by independent investigation. Regarding certain questions of law material to our opinion, we have assumed the correctness of certain legal conclusions contained in the written opinions of the general counsel to the District, and others, without undertaking to verify the same by independent investigation, and we have relied on the default judgment rendered on May 7, 2018, by the Superior Court of the State of California, County of San Francisco, in the validation action entitled “City and County of San Francisco, City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), and Treasure Island Development Authority v. All Persons Interested in the Matter of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Initial Project Areas Therein and the Infrastructure Financing Plan Therefor and Amendments Thereof, Pursuant to Which Tax Increment Will be Allocated to Infrastructure and Revitalization Financing District No. 1 (Treasure Island), Including the Adoption of Resolutions and an Ordinance and the Authorization of the Matters Therein, Ownership of Public Improvements by Treasure Island Development Authority and all Bonds, Debt, Contracts and Other Matters and Proceedings Related Thereto,” Case No. CGC-17-557496.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The District is an infrastructure and revitalization financing district and a legally constituted governmental entity established pursuant to the Law, with the power to execute and deliver the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been duly executed and delivered by the District and constitutes the valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, subject to no prior lien granted under the Law, except as provided therein.

4. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District payable on a parity with any Parity Housing Debt (as such term is defined in the Indenture), solely from the sources provided therefor in the Indenture.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds, and the enforceability of the Bonds and the Indenture, are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above. Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

A Professional Law Corporation

APPENDIX G

BOOK-ENTRY SYSTEM

The information in this section concerning DTC; and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2025AB Bonds. The Series 2025AB Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the each issue of the Series 2025AB Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *Information on such website is not incorporated by reference herein.*

Purchases of Series 2025AB Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025AB Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025AB Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025AB Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025AB Bonds, except in the event that use of the book-entry system for the Series 2025AB Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025AB Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025AB Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025AB Bonds: DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025AB Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025AB Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025AB Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2025AB Bond documents. For example, Beneficial Owners of Series 2025AB Bonds may wish to ascertain that the nominee holding the Series 2025AB Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2025AB Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025AB Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025AB Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2025AB Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025AB Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

APPENDIX H
FISCAL CONSULTANT REPORT



KEYSER MARSTON ASSOCIATES

DRAFT

FISCAL CONSULTANT REPORT

Prepared for:

**CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING
DISTRICT NO. 1 (TREASURE ISLAND)**

Prepared by:

Keyser Marston Associates, Inc.

August 21, 2025

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1.0 INTRODUCTION

Keyser Marston Associates, Inc. ("KMA") has been retained as fiscal consultant to the City and County of San Francisco ("City") to prepare a review of assessed values and a projection of revenues available for payment of debt service on bonds proposed to be issued by the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) ("IRFD No. 1"), including the proposed:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025A (Facilities Increment) ("2025A Bonds"); and
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025B (Housing Increment) ("2025B Bonds").

Together the 2025A Bonds and 2025B Bonds are referred to as the "Bonds."

Treasure Island and Yerba Buena Islands are located in the San Francisco Bay and are connected by a causeway. The islands are accessible to San Francisco and the greater San Francisco Bay Area via the San Francisco-Oakland Bay Bridge, which passes through Yerba Buena Island, and by ferry to Downtown San Francisco.

Treasure Island was previously the site of a United States Naval Station ("Naval Station Treasure Island" or "NSTI"). In 1993, Congress selected NSTI for closure and disposition by the Base Realignment and Closure Commission. In 1997, the San Francisco Board of Supervisors authorized the creation of the Treasure Island Development Authority ("TIDA") to serve as the entity responsible for the reuse and development of the NSTI. TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California. TIDA's board members are appointed by the Mayor of San Francisco. The United States of America, acting through the Department of the Navy (the "Navy"), and TIDA entered into an Economic Development Conveyance Memorandum of Agreement ("Navy MOA") that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. To date, the Navy has made five separate conveyances to TIDA, including all of the property within IRFD No. 1.

In 2003, TIDA selected Treasure Island Community Development LLC ("TICD"), a California limited liability company to serve as master developer for the "Treasure Island Project." The Treasure Island Project encompasses portions of both Treasure Island and Yerba Buena Island and is planned for a new mixed-use neighborhood of up to 8,000 homes, hotels, restaurants, retail, arts and entertainment, parks, and open space. In 2011, TIDA entered into a Disposition and Development Agreement (Treasure Island / Yerba Buena Island) with TICD ("DDA"), which

provides for the phased transfer of properties planned for private development from TIDA to TICD for development of the Treasure Island Project.

Map 1. Vicinity Map of Treasure and Yerba Buena Islands



Note: IRFD No. 1 boundaries are a portion of the circled area. See Map 2 for additional information.

Exhibit EE to the DDA establishes a financing plan (“DDA Financing Plan”) that calls for the formation of an infrastructure financing district to finance the facilities and affordable housing costs of the Treasure Island Project. Pursuant to the DDA Financing Plan, IRFD No. 1 was formed by the City in 2017.

The Infrastructure Financing Plan adopted in connection with formation of IRFD No. 1 governs the financial assistance to be provided by IRFD No. 1.

IRFD No. 1 receives an allocation of property tax revenues that are generated from growth in the taxable assessed values of properties within its boundaries above the base year assessed value of zero. The existing boundaries of IRFD No. 1 include private development parcels within the initial sub-phases of the Treasure Island Project, as further described below. The boundaries of IRFD No. 1 could be expanded in the future through annexation of territory (“Annexation Territory”), such that the ultimate boundaries of the IRFD would encompass all of the private development parcels within the Treasure Island Project, except certain parcels planned for affordable housing and expected to be exempt from property taxes, as contemplated by the DDA Financing Plan.

The DDA Financing Plan provides that TICD may request issuance of debt by IRFD No. 1 from time to time. Pursuant to a request by TICD under the DDA Financing Plan, IRFD No. 1 is proposing to issue its 2025A Bonds to finance facilities costs and its 2025B Bonds to finance

affordable housing costs of the Treasure Island Project. The Bonds will be secured on a parity with bonds previously issued by IRFD No. 1, including its:

- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (“2022A Bonds”);
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (“2022B Bonds”);
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) (“2023A Bonds”); and
- City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023B (Housing Increment) (“2023B Bonds”).

The proposed 2025A Bonds are secured on a parity with the 2022A and 2023A Bonds and the proposed 2025B Bonds are secured on a parity with the 2022B and 2023B Bonds. Additional parity debt may be incurred under the respective indentures for the Bonds.

This Fiscal Consultant Report provides a projection of tax increment revenues available for payment of debt service on the Bonds and parity bonds. Projections reflect reported fiscal year (“FY”) 2025-26 assessed values. This report also provides information regarding the IRFD No.1 historic assessed values, distribution of assessed values by land use types, top property taxpayers, assessment appeals, a history of tax increment revenues allocated to IRFD No. 1, and a summary of planned future development.

1.1 Infrastructure Finance and Revitalization Districts

Establishment of Infrastructure and Revitalization Financing Districts (IRFDs) is authorized by Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53369) (“IRFD Law”). IRFDs are authorized to receive an allocation of property taxes calculated based on growth in assessed values over a base year assessed value established at the time of IRFD adoption (“tax increment”). IRFDs may receive the percentage share of tax increment that is attributable to taxing agencies that agree to participate in financing the IRFD, as specified in an adopted Infrastructure Financing Plan (“IFP”).

1.2 IRFD No. 1

IRFD No. 1 was formed and the IFP for IRFD No. 1 was approved by adoption of Ordinance 21-17 of the Board of Supervisors of the City (“Board of Supervisors”), which was signed by the Mayor on February 9, 2017. The Board of Supervisors had previously approved the IFP by adoption of Resolution No. 512-16, which was signed by the Mayor on December 16, 2016.

In a judicial validation action brought by TIDA and the City under California Code of Civil Procedure 860 et seq (Case No. CGC-17-557496), the Superior Court issued a judgment on May 9, 2018, that the IRFD had been properly formed, the IFP and future amendments of the IFP consistent with the IRFD Law were valid, the City’s allocation of tax increment to IRFD No. 1 under the IFP was legal, valid, and binding, and the bonds to be issued by IRFD No. 1 were valid.

The IFP for IRFD No. 1 and the boundaries of IRFD No. 1 were amended by Ordinance 29-22 of the Board of Supervisors, as legislative body of the IRFD, which was signed by the Mayor on February 25, 2022. Under Ordinance 29-22, territory was added to the IRFD, certain project area boundaries were modified to conform to assessor’s parcels, and the percentage allocation of tax increment was adjusted to conform to existing law.

Tax increment funds allocated by the City to IRFD No. 1 are available to fund the facilities and affordable housing costs specified in the IFP for IRFD No. 1, to pay debt service on bonds issued to finance these costs and fund the administrative expenses of the IRFD.

IRFD No. 1 encompasses portions of the first phase of development of the Treasure Island Project. IRFD No. 1 is currently comprised of five component project areas: Project Area A, Project Area B, Project Area C, Project Area D, and Project Area E. As of FY 2025-26, only Project Area A, Project Area B and Project Area E are allocated tax increment. Project Area C and Project Area D will not receive tax increment unless the thresholds for commencement of tax increment described in Section 2.1 are exceeded. The five project areas have a combined land area of approximately 33 acres.

Project Area A encompasses development parcels of the Treasure Island Project that are located on Yerba Buena Island.

Project Areas B, C, D, and E encompass a portion of the development parcels of the Treasure Island Project that are located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

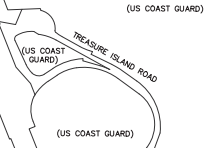
Map 2 shows the IRFD No. 1 Project Area boundaries.

As described above, territory could be added to IRFD No. 1 in the future as property transfers from the Navy to TIDA and development of subsequent phases and subphases of the Treasure Island Project proceeds. Additional territory could be added as additional IRFD No. 1 project areas. [A resolution of intention to initiate the process of adding additional territory to IRFD No. 1 was adopted by the Board of Supervisors and signed by the Mayor on _____. The proposed additional territory encompasses ____ acres and ____ planned residential units. Completion of the process of annexing additional territory is currently expected in spring 2026.]






IRFD No. 1 contains parcels within the City and County of San Francisco Community Facilities District 2016-1 (Treasure Island) ("the CFD"), as follows:

- Project Area A contains parcels within Improvement Area No. 1 of the CFD;
- Project Areas B and E contain parcels within Improvement Area No. 2 of the CFD; and
- Project Areas C and D contain parcels within Improvement Area No. 3 of the CFD.

Certain parcels within IRFD No. 1 planned for a hotel, right of way and open space are not within either Improvement Area No. 1, 2 or 3 of the CFD.



BOUNDARIES OF INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1

	BOUNDARIES OF PROJECT AREA A
	BOUNDARIES OF PROJECT AREA B
	BOUNDARIES OF PROJECT AREA C
	BOUNDARIES OF PROJECT AREA D
	BOUNDARIES OF PROJECT AREA E



**MAP 2. BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)
DETAIL FOR PROJECT AREAS LOCATED ON TREASURE ISLAND (B, C, D, E)**

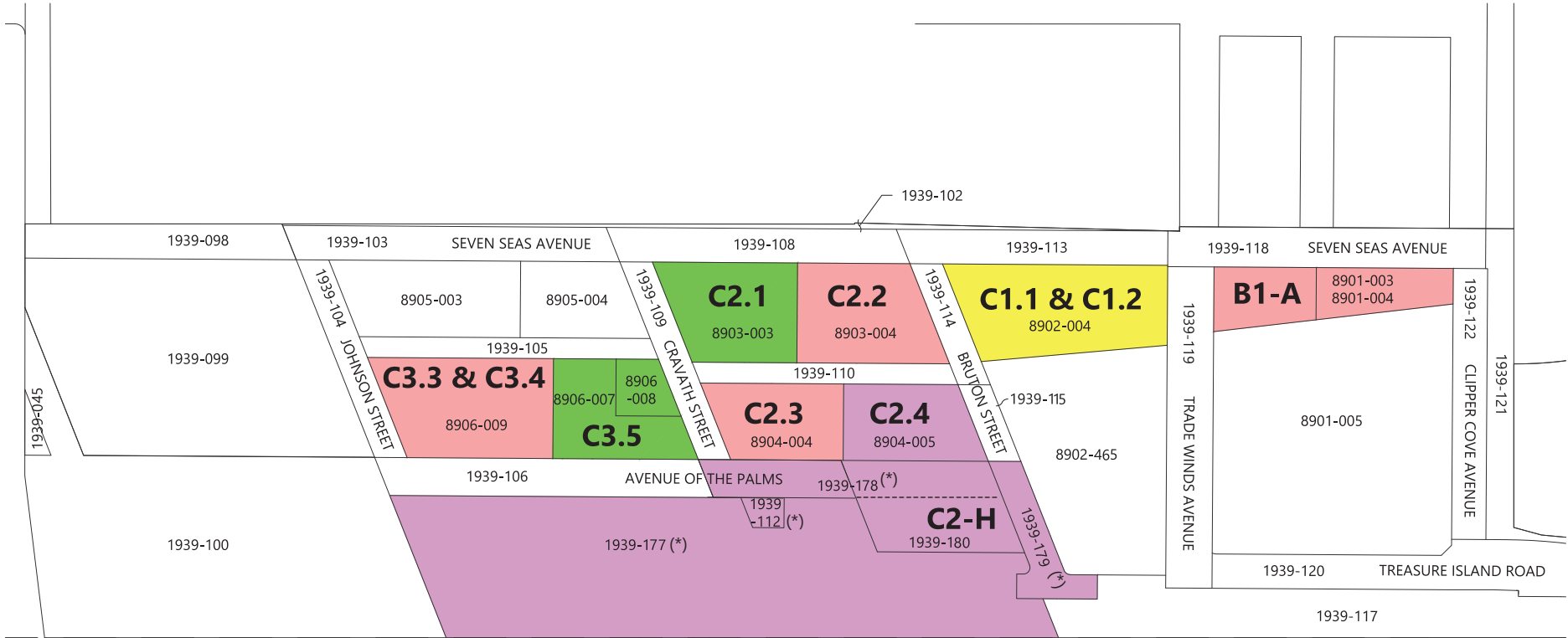
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CALIFORNIA

**TREASURE ISLAND
REVITALIZATION FINANCING DISTRICT NO. 1**

CITY AND COUNTY OF SAN FRANCISCO



BOUNDARIES OF INFRASTRUCTURE AND
REVITALIZATION FINANCING DISTRICT NO. 1

- BOUNDARIES OF PROJECT AREA A
- BOUNDARIES OF PROJECT AREA B
- BOUNDARIES OF PROJECT AREA C
- BOUNDARIES OF PROJECT AREA D
- BOUNDARIES OF PROJECT AREA E

(*) Parcels marked with (*) are exempt from property taxes and expected to remain exempt.



Revisions	
No.	
Date	2021-09-14
Scale	1" = 200'
Design	SPM
Drawn	SPM
Approved	SPM
Job No.	200150

Drawing Number:
200150

1 of 1

1.3 Treasure Island Project

The Treasure Island Project consists of 461 acres and encompasses much of Treasure and Yerba Buena Islands. The Treasure Island Project is planned for development of 5,827 market rate residential units, 2,173 below market rate affordable units, 551,000 square feet of commercial space, 500 hotel rooms, and approximately 290 acres of parks and open space.

The Treasure Island Project is being developed by TICD, master developer for the project, pursuant to the DDA and a Development Agreement with the City. TICD is a joint venture incorporated as a California limited liability company and comprised of various affiliates of Lennar Corporation ("Lennar"), Stockbridge TI Fund, LP ("Stockbridge"), Kenwood Investments ("Kenwood"), Wilson Meany, and Poly USA Real Estate Development Corporation ("Poly USA"). TICD, and its subsidiaries including Treasure Island Series 1, LLC ("TI Series 1"), Treasure Island Series 2, LLC ("TI Series 2"), and Treasure Island Series 3, LLC ("TI Series 3"), are completing the backbone infrastructure improvements of the Treasure Island Project and then selling development pads to vertical builders for construction of residential and commercial development. Of the development pads sold to vertical builders to date, all were sold to entities that are affiliated with one or more members of the TICD joint venture, including Stockbridge, Wilson Meany, Lennar, and Poly USA.

The Treasure Island Project is divided into four major phases. Major Phase 1 has been approved by TIDA and includes plans for approximately 3,329 market rate residential homes, 790 below market rate units, 551,000 square feet of commercial space, and 500 hotel rooms. Major Phase 1 includes eleven sub-phases.

IRFD No. 1 currently encompasses development parcels within five of the eleven sub-phases of Major Phase 1 including 1YA, 1YB, 1B, 1C, and 1E, shown on Map 3. Portions of the Treasure Island Project that are within the boundaries of IRFD No. 1 are planned for development of 1,755 residential units and two hotels. Of the total number of residential units, 1,682 are market rate units and 73 are below market rate affordable units.

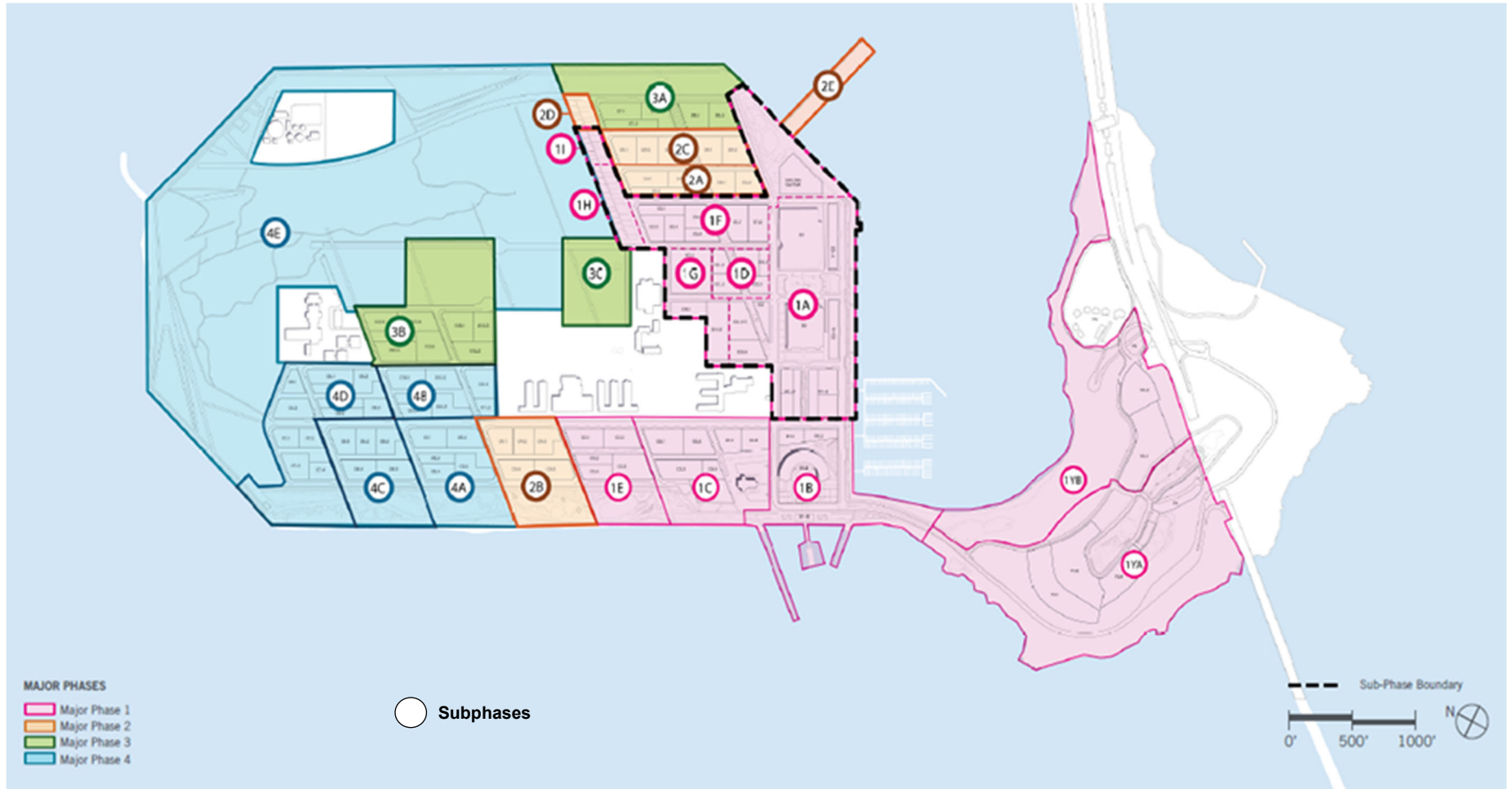
Table 1 provides a summary of the Treasure Island Project, Major Phase 1 of the Treasure Island Project, and the portions of Major Phase 1 that are within IRFD No. 1. A map of the Treasure Island Project is provided on the subsequent page.

Table 1. Treasure Island Project and Portions Within Major Phase 1 and IRFD No. 1

	Treasure Island Project	Portion within Major Phase 1	Portion within IRFD No. 1
Description		First of four major phases of the Treasure Island Project	Portions of five out of eleven subphases of Major Phase 1
Planned Residential Units (up to)			
Market Rate Units	5,827	3,329	1,682
Below Market Rate Units	<u>2,173</u>	<u>790</u>	<u>73</u>
Total Units	8,000	4,119	1,755*
Planned Non-Residential Development (up to)			
Adaptive Reuse Commercial Square Feet	311,000	311,000	0
New Retail Square Feet	140,000	140,000	8,000
New Office Square Feet	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	551,000	551,000	8,000
Hotel Rooms	500	500	350

*Of the total 1,755 planned units, 1,044 are within Project Areas A, B, and E that are collecting tax increment in FY 2025-26.

Map 3. Treasure Island Project, Major Phases and Subphases



1.4 Planned Development Within IRFD No. 1

Table 2 provides a summary of planned development of the Treasure Island Project within each IRFD No. 1 Project Area.

Table 2. Planned Development by IRFD No. 1 Project Area						
Location	Applicable Major Phase 1 Subphases	Project Area ⁽¹⁾	CFD Improvement Area ⁽²⁾	Development Blocks	Planned Development	
					Residential Units	Hotel Rooms
Yerba Buena Island	1YA, 1YB	A	No. 1	1Y, 2Y-H, 3Y, 4Y	266	50
Treasure Island	1B, 1C, 1E	B	No. 2	B1, C2.2, C2.3, C3.3/C3.4	528	
		C ⁽¹⁾	No. 3	C1.1/C1.2	286	
		D ⁽¹⁾	No. 3	C2.1, C3.5	425	
		E	No. 2 ⁽²⁾	C2.4, C2-H	250	300
Total:					1,755	350

(1) Only Project Areas A, B, and E receive tax increment as of FY 2025-26. Project Areas C and D will not receive tax increment until thresholds for commencement described in Section 2.1 are met.

(2) IRFD No. 1 includes additional parcels not within Improvement Areas No. 1, 2 or 3, including development parcel C2-H and parcels planned for right of way and open space.

Planned development within IRFD No. 1 and development status by block is summarized in Table 3. Construction of 583 residential units within IRFD No. 1 is complete. Completed development includes 141 market rate for-sale units, 395 market rate rental units, and 47 below market rate affordable units. Vertical construction is underway on an additional 148 condominium units, of which seven are below market rate affordable units.

Table 3. Planned Development Within IRFD No. 1 by Block and Development Status									
Block	Use	IRFD Area ⁽³⁾	Planned No. of Stories	Residential Units				average	Hotel Rooms
				Market Rate		BMR	Total Units		
				For-sale	Rental			SF/Unit ⁽⁴⁾	
Construction Complete / Sales & Lease-up On-going									
4Y(portion)	Condo (Bristol)	A	6	110		14	124	1,196	
4Y(portion)	4Y Townhome/Flats, Phase 1	A	3 to 5	31			31	2,635	
C2.2	Rental (Hawkins)	B	6		169	9	178	795	
C2.4	Rental (Isle House)	E	22		226	24	250	830	
Subtotal Construction Complete				141	395	47	583		
Under Construction									
C3.3/4	Condo (490 Avenue of the Palms) ⁽¹⁾	B	6	141		7	148	1,005	50

Abbreviations used in this table: TBD = to be determined.

(1) The 490 Avenue of the Palms developer projects that construction will be complete by the end of 2025.

(2) A site permit for vertical construction was issued in December 2021 but the project is currently on hold.

(3) Project Areas C and D have not commenced collection of Tax Increment and may not reach the Trigger Amount for commencement of tax increment collection until construction of planned development in these Project Areas is underway.

(4) Average unit sizes were provided by TI Series 1 and affiliated vertical developers.

Completed development within IRFD No. 1 includes:

- **The Bristol** (part of the “Residences at Yerba Buena Island,” located on Block 4Y) – A condominium development with 124 for-sale residential units, including 14 below market rate units, was completed in 2022. Sale of 77 units¹ had closed escrow as of July 21, 2025, including 65 market rate units and 12 below market rate units. Twelve of the 77 closed unit sales were purchased by an investor in the project. Sales and closings of the remaining

¹ Includes four sales reported by the developer for which transfer of ownership was not reflected on the FY 2025-26 assessment roll.

units are underway.

- **Block 4Y Townhomes and Flats, Phase 1** (part of the “Residences at Yerba Buena Island”) – The first phase of the Block 4Y Townhomes and Flats, consisting of 31 units in five buildings, was completed in 2024. Through July 21, 2025, two units had been sold to individual homeowners and four units were purchased by an investor in the project. Sales and closings of the remaining units are underway.
- **Isle House** (Block C2.4) – An apartment development with 250 rental units, including 24 below market rate affordable units, was completed in 2024. The project includes a seven-level podium component and a 22-story high-rise tower component.
- **Hawkins** (Block C2.2) – A six-story apartment development with 178 rental units, including nine below market rate inclusionary units, was substantially completed and a temporary certificate of occupancy was issued in January 2025. Initial lease-up is underway.

Development that is currently under construction includes:

- **490 Avenue of the Palms** (formerly “Portico”, Block C3.3/C3.4) – A six-story 148-unit condominium development with seven below market rate affordable units, received site permit approval in January 2022 and commenced construction in October 2022. Completion is estimated by the end of 2025.

Future planned development within IRFD No. 1 that has not yet commenced construction as of July 2025 includes 1,024 residential units and 350 hotel rooms planned for Blocks 1Y, 3Y, 4Y (22-unit Phase 2 of the Block 4Y Townhomes and Flats), 2Y-H, B1, C1.1, C1.2, C2.1, C2.3, C2-H, and C3.5. Of the 1,024 planned residential units, 1,005 are market rate for-sale units and 19 are below market rate affordable units. Infrastructure and utilities necessary for the planned and under construction developments within the existing boundaries of IRFD No. 1 to receive certificates of occupancy is complete.

2.0 TAX INCREMENT ALLOCATION TO IRFD NO. 1

As described above, the IRFD Law provides for the allocation of incremental property taxes to IRFDs by non-education taxing entities pursuant to an IFP. The IRFD Law requires the IFP to include a financing section that contains, among other things:

- A specification of the maximum portion of the incremental tax revenue of the city and of each affected taxing entity proposed to be committed to the IRFD for each year during which the IRFD will receive incremental tax revenue.
- A limit on the total number of dollars of taxes that may be allocated to the district pursuant to the plan.
- A date on which the district shall cease to exist, by which time all tax allocation to the district will end. The date shall not be more than 40 years from the date on which the ordinance forming the district is adopted pursuant to California Government Code Section 53369.23, or a later date, if specified by the ordinance, on which the allocation of tax increment will begin.

The IFP for IRFD No. 1 provides for the allocation by the City of certain tax increment to IRFD No. 1, as described below.

2.1 Thresholds for Commencement of Tax Increment Allocation to IRFD No. 1

Each IRFD No. 1 project area has its own limitations under the IRFD Law. The base year for each project area within IRFD No. 1 is FY 2016-17, established at adoption of the IFP, but the tax increment revenues will be allocated to each project area commencing in its own unique commencement year (the “Commencement Year”).

The Commencement Year for each project area is the first fiscal year that follows the fiscal year in which a certain amount of tax increment (i.e., the “Trigger Amount”) is generated in the project area and received by the City. Tax increment allocation to the project area ends 40 years thereafter (or such longer period, if permitted by the IRFD Law and approved by the Board of Supervisors). The Trigger Amounts for the five current project areas are identified in Table 4.

Collection of tax increment in Project Area A commenced in FY 2019-20 because the Trigger Amount was met in FY 2018-19. For Project Area B and Project Area E, the \$150,000 Trigger Amounts for commencement of tax increment collection were exceeded in FY 2021-22 and tax increment collection commenced in FY 2022-23.

Trigger Amounts for commencement of tax increment allocation have not yet been reached in Project Area C or D.

Table 4 summarizes the tax increment allocation status for each area.

Table 4. IRFD No. 1 Project Areas				
Project Area	Acreage	Trigger Amount for Commencement of Tax Increment Allocation	First Year of Tax Increment Allocation to IRFD No. 1	Last Year of Tax Increment
A	15.6	\$150,000	FY 2019-20	FY 2058-59
B	4.4	\$150,000	FY 2022-23	FY 2061-62
C	1.6	\$300,000	To Be Determined	To Be Determined ⁽¹⁾
D	2.1	\$300,000		
E	9.5	\$150,000	FY 2022-23	FY 2061-62
Total – All Project Areas:	33.1			
Total - Project Areas A, B, E for which TI is commenced	29.4			

(1) Last year for collection of tax increment in Project Areas C and D will be 40 years following the Commencement Year.

Tax increment in each component project area ends 40 years following the Commencement Year, which is FY 2058-59 for Project Area A, FY 2061-62 for Project Areas B and E, and a future fiscal year that remains to be determined for Project Areas C and D.

Tax increment funds derived from all component project areas of IRFD No. 1 are aggregated and pledged for payment of the Bonds; although, as previously noted, tax increment allocation has not yet commenced in Project Area C and Project Area D.

2.2 Tax Increment Allocation to IRFD No. 1

Tax increment allocable to IRFD No. 1 is calculated based on growth in assessed value, within those project areas for which tax increment collection has commenced, over a FY 2016-17 base year assessed value established at the time the IFP for IRFD No. 1 was adopted. The base year assessed value is \$0 for each of the current IRFD No. 1 project areas. The \$0 base year assessed value was a result of ownership by TIDA, a non-profit public benefit agency exempt from property taxes, as of the January 1, 2016 lien date for the base year assessment roll. The \$0 base year assessed value is fixed and is not subject to change. In accordance with the IFP for IRFD No. 1, the base year assessed value for any Annexation Territory is also FY 2016-17, which would allow Annexation Territory to have a \$0 base year assessed value due to public ownership as of the FY 2016-17 assessment roll.

Allocation of tax increment to IRFD No. 1 is determined based on a percentage share of the basic 1% of assessed value property tax levy under Article XIII A of the California Constitution, as specified in the IFP. Percentage shares correspond to amounts that are otherwise allocable to the taxing agencies that have dedicated their property tax shares to IRFD No. 1 pursuant to the IFP. The City is the only taxing agency that has allocated its property tax increment to IRFD

No. 1. As both a City and County, the City receives a total of 64.588206% of the property tax revenues and contributes its share to IRFD No. 1 in two district components:

(1) Net Available Increment - IRFD No. 1 receives 56.588206% of the 1% tax increment within those project areas for which collection of tax increment to IRFD No. 1 has commenced ("Net Available Increment"). Pursuant to the IFP, Net Available Increment is divided into two components:

- **"Net Available Facilities Increment"** calculated as 82.5% of Net Available Increment (equal to 46.685270% of gross tax increment) and available for facilities costs; and
- **"Net Available Housing Increment"** calculated as 17.5% of Net Available Increment (equal to 9.902936% of gross tax increment) and available for affordable housing costs (and other costs detailed in the IFP for IRFD No. 1).

(2) Conditional City Increment - IRFD No. 1 is additionally allocated up to 8% of the 1% tax increment to the extent necessary to pay for debt service ("Conditional City Increment"). Conditional City Increment is divided into two components for purposes of the pledge under the Indentures for the 2025A and 2025B Bonds and parity bonds under the indenture:

- **"Conditional City Facilities Increment,"** calculated as 82.5% of Conditional City Increment (equal to 6.6% of gross tax increment), is available if necessary for debt service related to facilities costs; and
- **"Conditional City Housing Increment,"** calculated as 17.5% of Conditional City Increment (equal to 1.4% of gross tax increment), is available if necessary for debt service related to housing costs authorized under the IFP.

"Pledged Facilities Increment" is equal to the sum of (1) Net Available Facilities Increment and (2) Conditional City Facilities Increment (together representing 53.285270% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Facilities Increment is pledged for payment of debt service on the 2025A Bonds and parity bonds.

"Pledged Housing Increment" is equal to the sum of (1) Net Available Housing Increment and (2) Conditional City Housing Increment (together representing 11.302936% of gross tax increment), less an allocable share of the administrative costs of allocating taxes to the IRFD described in Section 3.1. Pledged Housing Increment is pledged for payment of debt service on the 2025B Bonds and parity bonds.

Table 5 provides a summary.

Table 5. Percentage Allocation of 1% Property Tax Increment to IRFD No. 1

	Combined Total	Pledged Facilities Increment (82.5% share)	Pledged Housing Increment (17.5% share)
Allocated to IRFD No. 1			
(1) Net Available Increment	56.588206%	46.685270%	9.902936%
(2) Conditional City Increment [released to City if not required for debt service ⁽¹⁾]	8.000000%	6.600000%	1.400000%
Pledged Increment [= (1) + (2), less cost of allocating taxes ⁽²⁾]	64.588206%	53.285270%	11.302936%
Not Allocated to IRFD No. 1			
Other 1% Taxing Agencies (<u>not</u> available to IRFD No. 1)	35.411794%		
Total Tax Increment	100.000000%		

(1) Conditional City Increment is required to be allocated and held for payment of debt service until after each annual principal payment date but is subject to release to the City thereafter to the extent not required for debt service.

(2) The cost of allocating taxes to IRFD No. 1, described in Section 3.1, is deducted in determining the amount of Pledged Facilities Increment and Pledged Housing Increment, but the deduction for these expenses is not illustrated in Table 5.

2.3 Cumulative Limit on Allocation of Tax Increment Revenue

The IFP for IRFD No. 1 establishes a cumulative limit on receipt of Net Available Increment from Project Area A, Project Area B, Project Area C, Project Area D and Project Area E of \$1.53 billion and a cumulative limit on receipt of Conditional City Increment of \$216 million, resulting in a combined \$1.746 billion limit for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E, as shown in Table 6 ². Through June 2025, approximately \$11,174,000 in Net Available Increment and \$1,579,000 of Conditional City Increment were allocated, representing 0.73% of the respective cumulative limits.

Table 6. Cumulative Limits on Receipt of Tax Increment – Project Areas A to E

	Cumulative Limit on Receipt of Revenue for IRFD No. 1, Project Areas A to E	Cumulative Amount Allocated through June 2025, Project Areas A to E ⁽¹⁾
Net Available Increment	\$1,530,000,000	\$11,174,247
Conditional City Increment	\$216,000,000	\$1,578,624
Total	\$1,746,000,000	\$12,752,871

(1) Based on the records of the City Office of the Controller.

Based upon the growth assumptions incorporated into the Table 22 and Table 23 revenue projections, incorporating the 2% maximum annual inflation increase under Proposition 13, approximately \$209.5 million of Net Available Increment and \$29.6 million of Conditional City Increment would be allocable to IRFD No. 1 from the five existing project areas through the

² Property taxes collected by the City prior to commencement of tax increment allocation to IRFD No. 1 in a particular project area does not constitute Net Available Increment or Conditional City Increment and is not included in the amount collected toward the cumulative limits summarized in Table 6.

2055 final maturity for the Bonds, representing 13.7% of the cumulative tax increment limits under the IFP. For the cumulative tax increment limits for Project Area A, Project Area B, Project Area C, Project Area D and Project Area E to be reached prior to the final debt service payment in 2055, the FY 2025-26 assessed values for IRFD No. 1 identified in Table 7 would need to grow at a compound annual growth rate more than approximately 13.2% per year. The tax increment projections incorporated into the IFP, which reflect buildout of the development proposed within IRFD No. 1, result in collection of approximately 61% of the respective cumulative tax increment limits through the 2055 final maturity of the Bonds.

As described above, additional territory could be annexed into IRFD No. 1 over time following transfers of additional property by the Navy to TIDA and from TIDA to TICD. Annexation is not simultaneous with property transfers but is generally expected to precede vertical construction. As of the date of this report, additional parcels outside the existing boundaries of IRFD No. 1 had transferred to a TICD affiliate for which annexation into IRFD No. 1 had not yet occurred. It is expected that any such annexations will result in the allocation of additional tax increment revenue by the City to IRFD No. 1 and corresponding increases to the tax increment revenue limits, or establishment of additional separate limits for the annexation areas, such that the analysis of the cumulative tax increment revenue limit set forth in the previous paragraph will change.

2.4 Maximum Principal Amount of Bonds Issued by IRFD No. 1

The IFP establishes a limit on the maximum principal amount of bonds and other debt that may be issued by IRFD No. 1 of (i) \$780 million for Project Areas A, B, C, D and E, plus (ii) the amount approved by the Board Supervisors and the qualified electors of the Annexation Territory in connection with each annexation of Annexation Territory to the IRFD. The total principal amount of previously issued bonds is \$38.6 million, including the 2022A Bonds, 2022B Bonds, 2023A Bonds, and 2023B Bonds, leaving \$741.4 million remaining within the limit on the maximum principal amount of bonds to be issued for Project Areas A, B, C, D, and E.

As further described in Section 3.4, the IRFD has agreed in a Subordinate Pledge Agreement dated May 29, 2015, to pledge the Net Available Increment as security for TIDA's promise to pay the Navy the purchase price of \$55 million, plus interest, for the property constituting the project site of the Treasure Island Project. According to the Subordinate Pledge Agreement, the IRFD's pledge to pay the purchase price is subordinate to any bonds issued by the IRFD. The Subordinate Pledge Agreement is assumed not to utilize any of the \$780 million limitation on indebtedness under the IFP because it pledges Net Available Increment only as a secondary source of payment to provide additional security for the Navy, and no payments are currently anticipated to be required.

3.0 IRFD NO. 1 OBLIGATIONS

The following section describes obligations payable from IRFD No. 1 Net Available Increment.

Obligations of IRFD No. 1, other than the statutorily permitted property tax administrative cost described in Section 3.1, are paid on a subordinate basis to the Bonds and are not deducted for purposes of the Table 20 to 23 tax increment revenue projections.

3.1 Administrative Cost for Division of Taxes

Section 53369.31 of the California Government Code provides that costs incurred by a county in connection with the division of taxes to an IRFD are paid by the IRFD. The San Francisco Office of the Controller (“Controller”) reported that expenses for division of taxes to IRFD No. 1 were [\$___] for FY 2024-25. This [\$___] expense equates to approximately [__%] of FY 2024-25 Net Available Increment. Property tax-related administrative costs are assumed to equal [0.5%] of Net Available Increment in future years, proportionately allocated to Net Available Facilities Increment and Net Available Housing Increment. The estimated administrative expense of [0.5 %] of Net Available Increment equates to an FY 2025-26 cost of approximately [\$24,000].

The administrative expenses incurred in connection with the division of taxes to IRFD No. 1 are deducted when calculating Pledged Facilities Increment and Pledged Housing Increment. IRFD No. 1 also incurs additional administrative expenses that are payable on a subordinate basis to the Bonds, which are not deducted in determining Pledged Facilities Increment and Pledged Housing Increment.

3.2 IRFD No. 1 2022 and 2023 Bonds

The IRFD No. 1 previously issued its 2022A Bonds, 2023A Bonds, 2022B Bonds, and 2023B Bonds. The proposed Series 2025A Bonds are secured on a parity with the 2022A Bonds and 2023A Bonds and the proposed Series 2025B Bonds are secured on a parity with the 2022B Bonds and 2023B Bonds. Additional parity debt may be incurred under the respective indentures.

3.3 Subordinate Use of Net Available Increment Under DDA Financing Plan

The DDA Financing Plan for the Treasure Island Project provides for the use of Net Available Increment of IRFD No. 1 to pay IRFD debt issued in accordance with the DDA Financing Plan, including the Bonds, to repay the City for the use of any Conditional City Increment, to pay debt service on IRFD debt, and to the extent any Net Available Increment remains, to pay other authorized expenses. This subordinate use of Net Available Increment is not deducted for purposes of the Table 20 to 23 tax increment revenue projections.

3.4 Subordinate Pledge Agreement Securing Payments to Navy

As described above, the Navy and TIDA are parties to the Navy MOA that provides for transfer of NSTI from the Navy to TIDA in phases as the Navy completes environmental remediation. In consideration for such transfer, TIDA agreed to pay the Navy \$55 million of “Initial Consideration” in equal \$5.5 million annual installments over a ten-year period, plus additional consideration based on net cash flow generated by development of the private portions of the property. The schedule for making annual installment payments has been extended beyond the original ten years based on terms of the Navy MOA that provide for tolling of payment obligations in the event of delays in meeting specified cleanup and property transfer milestones by the Navy.

Under the DDA Financing Plan, TICD agreed to pay the \$55 million Initial Consideration in installments, as required under the Navy MOA, and had paid \$27.5 million as of June 2025, leaving a remaining balance of \$27.5 million. The remaining \$27.5 million in payments due to the United States Navy, plus interest, due in connection with the transfer of Treasure and Yerba Buena Islands to TIDA, are secured by a subordinate pledge of Net Available Increment. Payments from Net Available Increment are required only to the extent required payments to the Navy are not made by TICD, as required under the DDA Financing Plan. This subordinate pledge is established in a Subordinate Pledge Agreement dated May 29, 2015. The pledge of Net Available Increment under the Subordinate Pledge Agreement is expressly subordinate to the Bonds and is not deducted for purposes of the Table 20 to 23 revenue projections.

The Subordinate Pledge Agreement affirms that it does not place a limit on incurrence of debt secured by a pledge of Net Available Increment and does not include any specific remedies for the Navy in the event of a default other than those that are generally available “in law or at equity.”

4.0 ASSESSED VALUES

The assessed values for IRFD No. 1 are prepared annually by the San Francisco Office of the Assessor-Recorder (“Assessor”) and reflect a lien date on the January 1st which precedes the beginning of the applicable fiscal year. Each property assessment is assigned a unique Assessor Parcel Number (“APN”) that corresponds to assessment maps prepared by the Assessor. Each APN is assigned to a Tax Rate Area (“TRA”) which are geographic sub-areas with a common distribution of taxes. Each component project area of IRFD No. 1 corresponds to a TRA, as follows:

<u>Project Area</u>	<u>Tax Rate Area</u>
A	001-028
B	001-029
C	001-030
D	001-031
E	001-032

The Controller is responsible for aggregation of assessed values assigned by the Assessor to properties within the boundaries of each component project area of IRFD No. 1. This results in the reported total current year assessed value and becomes the basis for determining the tax increment allocated to IRFD No. 1. For project areas for which tax increment allocation is not yet commenced, the Controller also annually reviews property tax revenues to determine if thresholds for commencement of tax increment allocation have been exceeded.

4.1 Historic Taxable Values

Aggregated taxable assessed values for IRFD No. 1 from the FY 2016-17 base year through FY 2025-26 are summarized in Table 7. Further detail, including a breakout between land and improvement assessed values, is provided in Table 8 for current year assessed values, and in Table 26 for both current and prior years.

Table 7. Historic Assessed Values

Fiscal Year	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26 ⁽¹⁾	Project Areas Not Yet Active		Total All Project Areas ⁽¹⁾	Percent Change
	Area A	Area B	Area E		Area C	Area D		
2016-17 ⁽¹⁾	-	-	-	-	-	-	-	n/a
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4%
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7%
2025-26	\$412,723,876	\$263,567,246	\$172,303,013	\$848,594,135	\$2,012,096	\$33,404,588	\$884,010,819	26.9%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

FY 2018-19 is the first fiscal year for which taxable assessed value was included on the roll within IRFD No. 1 and was added following the sale of property within Major Phase 1 to TICD subsidiary TI Series 1, resulting in the properties becoming subject to property taxes. The Assessor established initial assessed values based on an estimated unimproved land value of approximately \$1.1 million per developable acre, except for three parcels totaling 6.8 acres on Yerba Buena Island which were assessed based upon the \$61.2 million sale price applicable to a sale by TI Series 1 to an affiliated vertical builder. The \$1.1 million value per acre was based on an Assessor analysis that considered the remaining improvements necessary for development to occur.

Increases in assessed value from FY 2019-20 through FY 2025-26 were primarily driven by:

- Sale of development pads by TI Series 1 to separate vertical builders, each of whom have an ownership interest in TICD, its parent company;
- Completion of the 124-unit Bristol condominium project in 2022; and
- Construction progress on Isle House (Block C2.4), 490 Avenue of the Palms (Block C3.3/C3.4), the Block 4Y Townhomes and Flats, and Hawkins (Block C2.2).

4.2 Current Year Assessed Values for IRFD No. 1

Table 8 provides additional detail regarding the FY 2025-26 taxable assessed values for IRFD No. 1. Of the \$884,010,819 in aggregate FY 2025-26 taxable assessed value for IRFD No. 1, including Project Areas A, B, C, D and E, \$361,536,661 is land assessed value, \$519,908,475 is improvement assessed value, and \$2,565,683 is personal property assessed value. These amounts are net of exemptions that apply to publicly owned TIDA properties. The below market rate affordable units within IRFD No. 1 are not expected to qualify for a welfare

exemption from property taxes because they are not owned by a qualifying organization, are not receiving government financing, and affordability restrictions for some units are at income levels that exceed the maximum level eligible to qualify for a welfare exemption.

For Project Areas A, B, and E, for which collection of tax increment has commenced as of FY 2025-26, aggregate FY 2025-26 taxable assessed value is \$848,594,135, of which \$326,119,977 is land assessed value, \$519,908,475 is improvement assessed value and \$2,565,683 is personal property assessed value.

Secured property includes property for which taxes levied by the County become a lien on that property.

Unsecured property typically includes the value of tenant improvements, trade fixtures, and personal property. Unsecured property also includes possessory interests constituting a right to the possession and use of property for a period less than perpetuity. As of FY 2025-26, there is no unsecured property assessed value within IRFD No. 1. (the \$2,565,683 in personal property assessed value is included on the secured roll).

Table 26, at the end of this report, provides a breakout between land, improvement, and personal property assessed values by project area for FY 2018-19 through FY 2025-26 and Table 27 identifies the FY 2025-26 assessed values by parcel.

Table 8. FY 2025-26 Taxable Assessed Values, IRFD No. 1

	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26	Project Areas Not Yet Active		Total All Project Areas
	Area A	Area B	Area E		Area C	Area D	
Assessed Value							
Secured Land	\$208,928,276	\$70,455,009	\$46,736,692	\$326,119,977	\$2,012,096	\$33,404,588	\$361,536,661
Secured Improvements	203,795,600	193,112,237	123,000,638	519,908,475	-	-	519,908,475
Personal Property	-	-	2,565,683	2,565,683	-	-	2,565,683
Total and Incremental Assessed Value ⁽¹⁾	412,723,876	263,567,246	172,303,013	848,594,135	2,012,096	33,404,588	\$884,010,819
Parcel count	159	5	6	170	1	3	174
TI Commencement							
Calculated IRFD TI ⁽²⁾	\$2,665,709	\$1,702,334	\$1,112,874	\$5,480,917	\$12,996	\$215,754	N/A ⁽²⁾
TI Commencement Threshold	\$150,000	\$150,000	\$150,000		\$300,000	\$300,000	
Threshold Reached	FY 18-19	FY 21-22	FY 21-22		No	No	

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Incremental assessed value equals total assessed value because the base year assessed value is zero.

(2) Calculated as 1% X incremental assessed value X 64.588206%, includes Conditional City Increment.

(3) Tax Increment Allocation is only applicable to active project areas.

Source: Assessor. AV = Assessed Value.

The volatility ratio applicable to each of the IRFD No. 1 project areas is zero due to the zero base year value for all project areas. The volatility ratio is a metric used to assess sensitivity to changes in assessed value and is computed as base year assessed value divided by current year assessed value. A ratio of zero indicates the least sensitivity and a ratio of 1.0 indicates the greatest sensitivity to assessed value changes.

4.3 Real and Personal Property

Real property assessed value is comprised of land and improvement assessed values on both the secured and unsecured assessment rolls. Annual increases in the assessed value of real property are limited to an annual inflationary increase of up to 2%, as governed by Article XIII A of the California Constitution and known as the Proposition 13 inflation factor. Real property values also increase or decrease as a result of a property's change of ownership or new construction activity. As of FY 2025-26, 99.7% of taxable assessed value within IRFD No. 1 is real property assessed value.

The Proposition 13 inflation factor is tied to the change in the California Consumer Price Index ("CCPI") and may be less than 2% if CCPI increases by less than 2%. The CCPI adjustment is based on the change in the CCPI from October to October of the following year. The Proposition 13 inflation factor for FY 2025-26 is 2%. The annual Proposition 13 factor has been less than 2% twice in the last 10 fiscal years. A 10-year history of Proposition 13 inflation factors is provided in Table 9.

Table 9. Proposition 13 Inflation Factors, Ten-Year History	
2016-17	1.525%
2017-18	2.00%
2018-19	2.00%
2019-20	2.00%
2020-21	2.00%
2021-22	1.036%
2022-23	2.00%
2023-24	2.00%
2024-25	2.00%
2025-26	2.00%

Assessed value of real property may be adjusted downward if market value declines, either through the assessment appeals process described in Section 5 or through an adjustment by the Assessor. In the event of a decline in market value, values are then subject to restoration over time as market values increase, up to the Proposition 13 base year assessed value that is established for the property upon completion of construction or transfer of ownership, as increased for annual inflationary increases under Proposition 13 of up to 2%.

The assessed value of Personal Property is not subject to the maximum 2% inflationary increase and is subject to annual appraisal, either upward or downward.

4.4 Values by Property Use

A distribution of FY 2025-26 taxable assessed values by land use category is summarized in Table 10, for all project areas combined and for project areas that will collect tax increment in FY 2025-26. Identification of land uses is based on information provided by the City and TI Series 1 affiliates regarding property uses. FY 2025-26 taxable assessed value for IRFD No. 1 is comprised of completed residential units, residential units under construction, and land for residential development³.

³ Completed and planned residential developments on Blocks B1, C2.2, and C2.4 also include approximately 8,000 square feet of retail/commercial space.

Table 10. FY 2025-26 Taxable Assessed Value by Land Use

Land Uses Composition, FY 2025-26	All IRFD No. 1 Project Areas				Project Areas Collecting Tax Increment in FY 2025-26 (Project Areas A, B, E)			
	Planned Units	No. of Parcels	2025-26 Taxable Value	% of Total	Planned Units	No. of Parcels	2025-26 Taxable Value	% of Total
Completed For-Sale Units ⁽¹⁾								
Private Homeowners, Investors	79	79	\$119,996,918	13.6%	79	79	\$119,996,918	14.1%
Developer-Owned Units	<u>76</u>	<u>76</u>	<u>177,032,640</u>	<u>20.0%</u>	<u>76</u>	<u>76</u>	<u>177,032,640</u>	<u>20.9%</u>
Subtotal	155	155	297,029,558	33.6%	155	155	297,029,558	35.0%
Completed Rental Units ⁽²⁾	428	2	258,448,819	29.2%	428	2	258,448,819	30.5%
For-Sale Units Development Sites								
Vertical construction underway ⁽³⁾	148	1	151,696,475	17.2%	148	1	151,696,475	17.9%
Site permit not yet issued ⁽⁴⁾	<u>907</u>	<u>8</u>	<u>163,017,755</u>	<u>18.4%</u>	<u>196</u>	<u>4</u>	<u>127,601,071</u>	<u>15.0%</u>
Subtotal	1,055	9	314,714,230	35.6%	344	5	279,297,546	32.9%
Rental Units Development Site, site permit issued ⁽⁵⁾	117	2	13,818,212	1.6%	117	2	13,818,212	1.6%
Owned by TIDA and non-taxable		6	0	0.0%		6	0	0.0%
Total	1,755	174	\$884,010,819	100%	1,044	170	\$848,594,135	100%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

Sources: City and County of San Francisco Office of the Assessor-Recorder, T1 Series 1, City and County of San Francisco Department of Building Inspection for status of permit issuance.

(1) Includes the 124-unit Bristol condominium building completed in June 2022 and 31 units of the Block 4Y Townhomes and Flats (17 townhomes and 14 flats) completed in 2024. As of the FY 2025-26 assessment roll, 76 units were identified as owned by affiliates of the developer while 79 units were owned by a combination of individual homeowners and an investor, LH YBI Holdings LLC, that holds 16 units. Based on sales data provided by the developer, four additional market rate units were subsequently sold, resulting in a split of 72 developer-owned units and 83 units owned by private homeowners and investors.

(2) Includes Isle House, a 250-unit high-rise rental development that includes 24 below market rate affordable units completed in 2024, and Hawkins, a 178-unit mid-rise rental development with nine below market rate affordable units that is substantially complete and received a temporary certificate of occupancy in January 2025.

(3) For-sale units under construction include the 148-unit 490 Avenue of the Palms condominium building, of which seven units are below market rate.

(4) Includes one parcel planned for use as a park.

(5) Site permits issued for Block B1, owned by Poly USA, in December 2021 for a 117-unit mid-rise rental development that includes six below market rate affordable units. Vertical construction has not commenced.

4.5 Top Taxpayers

The top taxpayers for IRFD No. 1 are summarized in Table 11 for all project areas and separately for those project areas that will collect tax increment in FY 2025-26. The six top taxpayers listed in Table 11 encompass all taxable property within IRFD No. 1 other than newly constructed residential units within the Bristol and Block 4Y Townhomes and Flats that have been sold to individual private homeowners.

The Table 11 summary of the top taxpayers includes taxpayer name, planned number of units, parcel count, assessed value, and percentage share of the total reported and incremental assessed value for each of the top taxpayers⁴.

Multiple legal entities affiliated with a single ownership are aggregated; for example, Poly USA Real Estate Development Corporation includes two separate legal entities that are aggregated for purposes of the analysis of top taxpayers. Assessed value is separately reported by legal entity in Table 28, at the end of this report.

Inclusive of all IRFD No. 1 project areas, the top taxpayers for FY 2025-26 represent 90.7% of total and incremental assessed value.

Including IRFD No. 1 Project Areas A, B and E for which collection of tax increment has commenced, the top taxpayers for FY 2025-26 represent 90.3% of total and incremental assessed value.

Taxable assessed value of five of the six largest taxpayers (all except No. 4 taxpayer LH YBI Holdings LLC) is comprised of property owned by TI Series 1, a wholly-owned subsidiary of master developer TICD, and affiliates of four separate vertical builders that each have an ownership interest in TICD.

⁴ Given the base year assessed value for IRFD No. 1 is zero, the percent of total and percent of incremental assessed value are the same.

Table 11. Top Taxpayers for IRFD No. 1, FY 2025-26

Taxpayers FY 2025-26	Planned Number of Units	No. of Parcel	Proj. Area(s)	Assessed Value FY 2025-26		% Total and Incr. AV ⁽¹⁰⁾	
				All Project Areas	Active Areas ⁽¹¹⁾	All	Active ⁽¹¹⁾
1. Stockbridge and Wilson Meany ^{(1) (8)}	437	80	A and E	\$465,029,971	\$465,029,971	52.6%	54.8%
2. Stockbridge, Wilson Meany, and Lennar Joint Venture ⁽²⁾	308	3	B and D	183,736,465	151,696,475	20.8%	17.9%
3. Lennar ⁽³⁾	178	1	B	86,145,806	86,145,806	9.7%	10.2%
4. LH YBI Holdings LLC ⁽⁴⁾	16	16	A	38,061,492	38,061,492	4.3%	4.5%
5. Poly USA ⁽⁵⁾	202	3	B	25,724,965	25,724,965	2.9%	3.0%
6. TI Series 1 ⁽⁶⁾	551	2	C&D	3,376,694	N/A	0.4%	N/A
Total Top Taxpayers ⁽⁷⁾	1,692	105		802,075,393	766,658,709	90.7%	90.3%
Private Homeowners ⁽⁸⁾	63	63	A	81,935,426	81,935,426	9.3%	9.7%
Total, All Taxpayers	1,755	168		884,010,819	848,594,135	100%	100%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Includes the following separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC: TI Lot 10, LLC, YBI Phase 1 Investors, LLC, YBI Phase 2 Investors, LLC, YBI Phase 3 Investors, LLC, and YBI Phase 4 Investors, LLC. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 top taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayers), being developed as a joint venture.

(2) Includes properties being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of top taxpayers). Includes the following affiliated legal entities: TI Lots 3-4 LLC and TI Lots 5-6 LLC.

(3) Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(4) LH YBI Holdings LLC is a limited partner in three of the Stockbridge and Wilson Meany developments and has purchased twelve units in the Bristol and four units in the Block 4Y Townhomes and Flats.

(5) Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., B1 Treasure Island 048 Holdings, LLC and C23 Treasure Island 048 Holdings, LLC. Poly USA has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(6) Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA each have an ownership interest in TI Series 1.

(7) Does not include any private homeowners although one private homeowner has taxable assessed value exceeding that of TI Series 1.

(8) Sales data provided by Stockbridge and Wilson Meany indicates that an additional four units in The Bristol were sold to private homeowners through July 21, 2025, which sales are not yet reflected in the FY 2025-26 roll ownership information.

(9) See Table 28 for additional information regarding development block, status, and breakdown between for-sale and rental.

(10) Percentages calculated based upon FY 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year AV is zero).

(11) Includes Project Areas A, B, and E that will collect tax increment in FY 2025-26.

The following provides a description of the top taxpayers for IRFD No. 1.

- Stockbridge TI Fund, LP (“Stockbridge”) and Wilson Meany, LP (“Wilson Meany”)** are vertical developers that, as of the FY 2025-26 roll, own 326 completed residential units and development sites planned for an additional 111 units, comprised of:

- The Bristol, completed 2022, includes 124 total condominium units. As of the FY 2025-26 roll information, 51 units⁵ remained in the ownership of developer YBI Phase 1 Investors LLC and were being marketed for-sale. Twelve units were purchased by LH YBI Holdings, LLC (the number four top taxpayer) and the remaining 61 units in the Bristol had been sold to individual homebuyers.

⁵ Sales data provided by the developer indicates an additional four units had been sold through July 21, 2025, which transfers of ownership were not reflected on the FY 2025-26 roll.

- Isle House, completed 2024, is a 250-unit rental development with a seven-level podium component and 22-story high-rise component.
- The Block 4Y Townhomes and Flats includes 53 total units, of which a five-building 31-unit first phase has been completed and received certificates of occupancy in February 2025. The remaining 22 units in the Block 4Y Townhomes and Flats have not yet commenced construction. Through July 21, 2025, two units had been sold to individual homeowners, and four units were purchased by LH YBI Holdings LLC (the number four top taxpayer).
- Development sites planned for 89 units, including a mix of condominiums, townhomes, flats, and single family home-sites. The units have received land use approvals but permits for construction are not yet issued.

Stockbridge and Wilson Meany also have an ownership interest in the number two top taxpayer, which is comprised of two joint venture developments with Lennar (number three on the list of top taxpayers). If the properties that are part of the joint venture were instead included under the list of properties under Stockbridge and Wilson Meany ownership, Stockbridge and Wilson Meany would have represented a combined 73.4% of assessed value, rather than the 52.6% listed in Table 11, without the joint venture properties.

Stockbridge and Willson Meany are members of TICD, master developer of the Treasure Island Project.

2. **Stockbridge, Wilson Meany, and Lennar Joint Venture** consists of two joint venture developments between the number one top taxpayer (Stockbridge and Wilson Meany) and the number three top taxpayer (Lennar). The Stockbridge, Wilson Meany, and Lennar Joint Venture is the vertical developer for two projects within IRFD No. 1 planned for a combined 308 residential units. Of the planned residential units:

- 148 units are condominium units within a six-story building (490 Avenue of the Palms). Vertical construction commenced in October 2022 and completion is expected by the end of 2025.
- 160 units are planned future condominium units in a 20-story tower. The units have received land use approvals but permits for construction are not yet issued.

3. **Lennar Homes of California, Inc.** (“Lennar”) is a subsidiary of homebuilder Lennar Corporation which is publicly listed on the New York Stock Exchange. Lennar and its wholly owned subsidiary TI Lot 8, LLC is the vertical developer for 178 rental units in a six-story building (Hawkins). Vertical construction is substantially complete, and a

temporary certificate of occupancy was issued in January 2025, initial lease-up is underway.

Lennar also has an ownership interest in the number two top taxpayer, which is comprised of two joint venture developments with Stockbridge and Wilson Meany (number one on the list of top taxpayers). Lennar would move up to number two on the list of top taxpayers and represent a combined 30.5% of IRFD No. 1 assessed value if the joint venture properties were included under the Lennar ownership, instead of separately as number two on the list of top taxpayers.

Lennar is a member of TICD, master developer of the Treasure Island Project.

4. **LH YBI Holdings, LLC** owns 12 completed units in The Bristol and four completed units in the Block 4Y Townhomes and Flats. LH YBI Holdings LLC is an investor in both The Bristol and the Block 4Y Townhomes and Flats.
5. **Poly USA Real Estate Development Corporation** (“Poly USA”) is an indirect subsidiary of the Chinese property development company, Poly Developments and Holdings Group Co. Ltd. Poly USA and its affiliated legal entities are vertical developers that own three parcels within IRFD No. 1 which are planned for development of a combined 202 residential units. Of the planned residential units:
 - 117 rental units are within a five-story building with retail shell spaces on the ground floor for which a site permit for construction was issued in December 2021. Vertical construction has not commenced.
 - 85 condominium units are within a six-story building that has received land use approvals, but which has not yet received a site permit.

Poly USA is a member of TICD, master developer of the Treasure Island Project.

6. **Treasure Island Series 1, LLC** (“TI Series 1”) is a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. TI Series 1 retains two parcels planned for sale to vertical developers for development of two separate condominium towers with a combined 551 units. TICD, parent company of TI Series 1, is a joint venture comprised of various affiliates of Lennar, Stockbridge, Kenwood Investments, Wilson Meany, and Poly USA. Affiliates of the vertical builders comprising the top four taxpayers are all members of TICD.

Top taxpayers No. 1, 2, 3, and 5 each have an ownership interest in TI Series 1 parent company TICD. TI Series 1 is not a taxpayer within the three project areas that will collect tax increment in FY 2025-26.

The remaining taxpayers consist of private homeowners within the Bristol condominium project and the Block 4Y Townhomes and Flats.

TIDA owns six parcels within IRFD No. 1 which are exempt from property taxes. Of the six TIDA parcels, two are planned for separate 50-room and 300-room hotels, and four parcels consist of recently completed and under-construction public rights of way, parks, and open space.

The hotels are expected to be developed on ground leases with continued public ownership of the underlying land due to restrictions (Tidelands Trust) that preclude sale of a fee interest in the land to a private owner. The ownership structure is expected to result in the taxable assessed value of the hotel being placed on the assessment roll as a taxable possessory interest⁶. Timing for development of the hotels is to be determined and is not expected near-term. As described above, TIDA is a California non-profit public benefit corporation, public benefit agency and instrumentality and authority of the City and/or the State of California, which is dedicated to the economic development of former Naval Station Treasure Island.

⁶ A possessory interest is defined as a possession, a right to the possession, or a claim to a right of the possession of publicly owned real property that is independent, durable, and exclusive of rights held by others, and that provides a private benefit to the possessor.

5.0 ASSESSMENT APPEALS AND PROP 8 ASSESSED VALUE REDUCTIONS

Property values determined by the Assessor may be subject to an appeal by the property owner. Assessment appeals are filed annually with the Assessment Appeals Board for a hearing and resolution. A property owner can file for a regular assessment appeal of the current fiscal year assessed valuation between July 2 and September 15th. Revenue and Taxation Code §1604 allows up to two years for an assessment appeal to be decided unless this time limit is waived by the applicant⁷. If the appeal is not decided within the two-year statutory time frame and the time limit is not waived, the assessor is required to apply the applicant's opinion of value.

Assessed value reductions as a result of Proposition 8 ("Prop 8") appeals are subject to annual review by the Assessor and potential restoration over time based on future increases in market value. "Base year" appeals contest changes in assessed value arising from re-assessable events such as transfer of ownership or new construction. Assessed value reductions as a result of "Base Year" appeals affect the maximum assessed value under Proposition 13 on an on-going basis.

The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. To the extent appeals are filed in the future for properties within IRFD No. 1 and result in a reduction in taxable assessed value, the resulting taxpayer refunds would reduce tax increment allocated to IRFD No. 1 in the fiscal year in which the refund occurs. Successful assessment appeals may also result in a reduction in future year assessed values which would impact future year tax increment.

5.1 Historic Appeals Filing Outcomes: FY 2018-19 to FY 2024-25

Table 12 summarizes assessment appeal filing outcomes within IRFD No. 1 for appeals of FY 2018-19 to FY 2024-25 assessed values using data provided by staff for the Assessment Appeals Board⁸. As shown:

- No assessment appeals were filed from FY 2018-19 through FY 2022-23.
- One appeal was filed in FY 2023-24 by an individual homeowner within the Bristol and was subsequently withdrawn.
- Six appeals were filed in FY 2024-25 by individual homeowners in the Bristol, all of which remain outstanding.

⁷ A temporary extension of this two-year deadline was granted for certain appeals filed prior to March 4, 2020, as a result of the coronavirus pandemic, but such extension would not apply to appeals of current year assessed values.

⁸ Appeals data was provided on June 11th, 2025. Data on appeals of FY 2025-26 assessed values was not yet available.

Table 12. Assessment Appeal Filing Outcomes, IRFD No. 1: FY 2018-19 to FY 2024-25

Fiscal Year	Total Filings	Open Filings	Number of Resolved Appeals			Assessed Valuation: Resolved Appeals				
			Total	Denied or Withdrawn	Stipulated or Reduced	Assessor / Roll Value	Applicant Opinion of Value	Resolved Value	Net Reduction in Value	Average % Reduction
2018-19 to 2022-23	0	0	0	0	0	\$0	\$0	\$0	\$0	0.0%
2023-24	1	0	1	1	0	\$1,647,300	\$1,615,000	\$1,647,300	\$0	0.0%
2024-25	6	6	0	0	0	\$0	\$0	\$0	\$0	0.0%
Total	7	6	1	1	0	\$1,647,300	\$1,615,000	\$1,647,300	\$0	0.0%
% Total			100%	100%	0%					

Source: KMA Analysis of San Francisco Assessment Appeals Database.

5.2 Historic Appeals Filing Outcomes: Condo Appeals Throughout San Francisco

Due to limited appeal history within IRFD No. 1, appeal outcomes for condominium appeals throughout San Francisco were also reviewed. Table 13 summarizes the outcomes of 5,941 condominium property assessment appeal filings throughout San Francisco for the FY 2020-21 to FY 2024-25 period. The resolved condominium appeal filings in San Francisco resulted in a 3.1% average reduction in assessed value over the past five years.

Table 13. Historic Assessment Appeal Resolutions: Appeals for Condominium Properties Throughout San Francisco

Fiscal Year	Number of Resolved Records			Aggregate Assessed Values (\$Millions)				
	Resolved Filings	Denied or Withdrawn	Stipulated or Reduced	Assessor / Roll Value	Applicant Opinion of Value	Resolved Value	Net Reduction in Value	Average % Reduction
2020-21	435	345	90	\$681	\$508	\$665	\$15	2.3%
2021-22	532	477	55	\$1,162	\$817	\$1,146	\$16	1.4%
2022-23	767	647	120	\$1,244	\$899	\$1,215	\$30	2.4%
2023-24	2,824	1,969	855	\$4,396	\$3,167	\$4,182	\$215	4.9%
2024-25	1,383	1,307	76	\$2,212	\$1,629	\$2,192	\$20	0.9%
Total	5,941	4,745	1,196	\$9,696	\$7,021	\$9,399	\$296	3.1%
Percent	100%	80%	20%					

Source: KMA Analysis of San Francisco Assessment Appeals Database.

The appeal data summarized in Table 13 may understate the actual reduction in assessed values that result from condominium appeals. This is due to an approach used by the Assessor of sending letters to homeowners with pending appeals with a proposed reduced assessed value. Homeowners are given the option of accepting the Assessor's reduced value and withdrawing their appeal within a specified time frame or continuing to pursue the formal assessment appeals process. The resulting reductions in assessed values may not be reflected in the appeal database.

5.3 Pending Assessment Appeals

Table 14 summarizes the six pending assessment appeal filings within IRFD No. 1 and the projected assessed value impact from these pending appeals. The six FY 2024-25 pending

appeals are estimated to result in a net assessed value reduction of \$333,467 based on the 3.1% average reduction applicable to the 5,941 resolved condominium appeal filings summarized in Table 13. This estimated assessed value reduction results in a \$1,777 reduction in Pledged Facilities Increment and a \$377 reduction in Pledged Housing Increment. All appeals are within Project Area A.

Table 14. Projected Assessed Value Reduction from FY 2024-25 Pending Appeals

No. of Pending Appeal Filings, FY2024-25	6
Assessor Value	\$10,907,765
Applicant Opinion of Value	\$9,291,957
Applicant Requested Net Reduction in Value	\$1,615,808
Projected Resolved Value ⁽¹⁾	\$10,574,298
Projected Net Reduction in Value (\$Millions), Project Area A	(\$333,467)
Projected % Reduction from Contested Value	-3.1%

(1) Estimated based on the 3.1% historic average reduction in assessed values for appeal resolutions for condominium properties in San Francisco for the period FY 2020-21 through FY 2024-25 (as noted above, this 3.1% figure may understate the actual reduction in assessed value that occurred).

Resolution of appeals is determined by factors unique to the individual assessment, such as vacancy and rental rates, circumstances of hardship, and comparable sales. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value.

Although Prop 8 reductions resulting from successful assessment appeal filings or Assessor reviews may be restored over time as market valuations increase, for purposes of the revenue projections provided in Table 20 to Table 23, assessed value reductions are assumed to be permanent.

The methodology presented in Table 14 is utilized for purposes of the tax increment revenue projections presented in Table 20 to Table 23. Section 5.5 provides a separate analysis of potential assessed value declines in the Bristol based on a comparison of FY 2025-26 assessed values to recent sales prices.

5.4 Proactive Reductions in Assessed Value by the Assessor

The Assessor may proactively review and reduce assessed values pursuant to Prop 8 if market values decline, without an assessment appeal filing by the property owner. Assessor-initiated reviews typically cover broad categories of affected properties. The Assessor has conducted such proactive reviews for recent assessment roll years and may continue to do so as real estate market values warrant. In the event of a proactive reduction in assessed value by the Assessor, values are subject to restoration over time as market values increase, as with Prop 8 reductions that arise from appeals. The Assessor did not proactively review condominium or multifamily assessed values for purposes of the FY 2025-26 roll.

Owners of individual residential units may submit a request for an informal review by the Assessor, without initiating a formal assessment appeal. Informal reviews by the Assessor may result in a reduction to assessed value under Prop 8. Three units in the Bristol are estimated to have received such reductions in assessed value for purposes of the FY 2025-26 roll.

5.5 Estimated Exposure to Assessed Value Reductions in The Bristol

Recent sales prices in the Bristol have trended below their FY 2025-26 assessed values. Six units within the Bristol sold during the period from January 1, 2025 through July 2025 at sales prices averaging 31% below their FY 2025-26 assessed values. Market values that are below FY 2025-26 assessed values based on recent sales prices are an indication that additional assessed value reductions are possible, either through additional unit sales at similar pricing or through Assessor adjustments under Prop 8.

Table 15 estimates the exposure to future assessed value reductions within the Bristol is approximately \$36.6 million. This estimate assumes:

- remaining developer-owned units are sold at an average price per square foot consistent with 2025 sales prices, or receive a Prop 8 adjustment to a comparable value; and
- homeowners that are estimated to be eligible for a Prop 8 reduction in assessed value receive one, with values reduced to the assessed value per square foot applicable to existing units estimated to have received Prop 8 reductions on the FY 2025-26 roll.

Actual future sales prices and actual adjustments by the Assessor may vary substantially from assumptions utilized in Table 15.

Table 15. Bristol FY 2025-26 Assessed Values and Estimated Exposure to Potential Future AV Reductions								
Category	No. Unit	Unit SF	2025-26 Assessed Value		Adjusted Value Estimate			Potential AV Reduction
			Total	PSF	AV	PSF	Basis	
<u>Homeowners</u>								
2022 purchase	23	24,138	\$35,307,767	\$1,463	\$29,917,000	\$1,239	AV PSF / Prop 8 adjusted	(\$5,390,767)
2023 purchase	3	3,463	\$5,438,805	\$1,571	\$4,292,000	\$1,239	AV PSF / Prop 8 adjusted	(\$1,146,805)
2024 purchase	9	10,130	\$10,635,747	\$1,050	\$10,635,747	\$1,050	Existing AV	\$0
2025 purchase	6	6,427	\$9,266,874	\$1,442	\$6,366,000	\$991	Actual 2025 Sale Price	(\$2,900,874)
Below Market Rate	12	14,370	\$4,120,767	\$287	\$4,120,767	\$287	Existing AV	\$0
With Pending Appeals	6	8,034	\$11,125,916	\$1,385	\$9,957,000	\$1,239	AV PSF / Prop 8 adjusted	(\$1,168,916)
Base Year Transfer ⁽¹⁾	3	3,698	\$3,688,186	\$997	\$3,688,186	\$997	Existing AV	\$0
Prop 8 Adjusted ⁽²⁾	<u>3</u>	<u>3,460</u>	<u>\$4,288,332</u>	<u>\$1,239</u>	<u>\$4,288,332</u>	<u>\$1,239</u>	Existing AV	<u>\$0</u>
	65	73,720	\$83,872,394	\$1,138	\$73,265,032	\$994		(\$10,607,362)
<u>Developer Affiliates</u>								
LH YBI Holdings LLC	12	17,638	\$23,650,000	\$1,341	\$17,471,000	\$991	2025 Avg Price PSF	(\$6,179,000)
YBI Phase 1	45	55,314	\$74,584,430	\$1,348	\$54,789,000	\$991	2025 Avg Price PSF	(\$19,795,430)
Below Market Rate	<u>2</u>	<u>1,635</u>	<u>\$991,470</u>	<u>\$606</u>	<u>\$991,470</u>	<u>\$606</u>	Existing AV	<u>\$0</u>
	59	74,587	\$99,225,900	\$1,330	\$73,251,470	\$982		(\$25,974,430)
Total	124	148,307	\$183,098,294	\$1,235	\$146,516,502	\$988		(\$36,581,792)

(1) Qualifying homeowners, including those over 55, can transfer their current assessed value under Proposition 13 to a new property (if the new property has a higher market value, the amount in excess of the original property's market value is added to the transferred assessed value, subject to certain thresholds). This category identifies homeowners estimated to have done so based on a review of the assessed value history of the unit compared to its sales price.

(2) Includes units with FY 2025-26 assessed values below the factored based year value established upon sale and not otherwise estimated to have transferred their Proposition 13 assessed value from another property.

5.6 Appeals by TICD Affiliates Outside of IRFD No. 1

In addition to the appeals filed within IRFD No. 1, an affiliate of TICD, Treasure Island Series 2 LLC, has filed appeals for properties within the Treasure Island Project outside of IRFD No. 1. Appeals relate to the assessed value of unimproved land established upon transfer of the property to private ownership. Appeal filings encompass seven parcels with an aggregate FY 2024-25 Assessor roll value of \$66,933,119 and a property owner opinion of value of \$1,311,180. Appeals applicable to five of the seven parcels were filed for multiple assessment roll years from FY 2019-20 through FY 2024-25 and appeals for two parcels were filed in FY 2023-24 and FY 2024-25. As these appeals do not relate to IRFD No. 1 assessed values, no adjustment to IRFD No 1 assessed value is reflected for purposes of the Table 20 to 23 revenue projections.

6.0 CONSTRUCTION-IN-PROGRESS AND TRANSFERS OF OWNERSHIP

[This section remains a work-in-progress. KMA has submitted a set of questions to the Assessor related to this section. This section will be updated and revisions to the revenue projection in Section 8 may be considered depending on the responses.]

Table 16. Placeholder

Table 17. Placeholder

7.0 TAX ALLOCATION AND DISBURSEMENT

7.1 Tax Rates

The tax rates which are applied to taxable values consist of two components: the basic levy of \$1.00 per \$100 of taxable assessed value and the override tax rate which is levied to pay voter approved indebtedness. The basic levy may not exceed 1% (\$1.00 of \$100 taxable value) in accordance with Article XIII A of the California Constitution. Tax increment is comprised of a share of this basic 1% property tax levy from properties that are within IRFD No. 1. Accordingly, a one percent levy is applied in the revenue projections presented in Table 20 to Table 23.

7.2 Allocation of Taxes

The Controller is responsible for the aggregation of taxable values assigned by the Assessor as of the lien date for property within the boundaries of IRFD No. 1. This results in the reported total current year IRFD No. 1 taxable value and becomes the basis for determining the revenue to be allocated to IRFD No. 1.

Secured property taxes are due in two equal installments and become delinquent if not paid by December 10 and April 10. Taxes on unsecured property become delinquent if not paid by August 31.

The Controller allocates secured property taxes in accordance with the City's Teeter Plan, which provides for distribution of property taxes based on 100% of the calculated property tax levy, without regard to delinquencies. This allocation method results in allocation of 100% of the calculated tax increment attributed to secured assessed values to IRFD No. 1. Taxes on unsecured property are not part of the Teeter Plan and are allocated to the extent of actual collection of unsecured property taxes; however, as of FY 2025-26 there is no unsecured assessed value within IRFD No. 1.

7.3 Unitary Tax Revenues

Most public utility properties are currently assessed as a single unit on a countywide basis, with assessed value identified on a unitary roll assessed by the California State Board of Equalization. Revenues from unitary property tax assessments are distributed in the following manner: (1) each taxing entity receives the same amount of unitary revenue as in the previous year plus an increase for inflation of up to 2%; (2) if unitary tax revenues are not sufficient to provide the same amount of revenue as the previous year, revenues are allocated in proportion to the prior year unitary revenues; (3) if unitary revenues exceed 102% of the prior year's allocation, the excess is allocated proportionate to each jurisdiction's secured property tax revenue. Unitary revenues are not included in the Table 20 to 23 revenue projections.

7.4 Historic Allocations of Tax Increment to IRFD No. 1.

A summary of historic allocations of tax increment for FY 2021-22 through FY 2024-25 is presented in Table 18. As shown, actual amounts allocated to IRFD No. 1 have ranged from 103.3% of the calculated levy in FY 2024-25, to 110.9% in FY 2021-22, and averaged 105.1% of the calculated levy.

Table 18. Historic Allocations of Tax Increment to IRFD No. 1						
		Actual 2021-22	Actual 2022-23	Actual 2023-24	Actual YTD 2024-25	Estimated 2025-26
1. Assessed Value Increment, Active Project Areas⁽¹⁾		\$201,114,923	\$372,320,895	\$486,864,276	\$661,820,292	\$848,260,668
Active Project Areas		A	A, B, E	A, B, E	A, B, E	A, B, E
2. Calculated 1% Tax Increment	1% levy	\$2,011,149	\$3,723,209	\$4,868,643	\$6,618,203	\$8,482,607
3. Property Tax Admin Cost ⁽²⁾		\$5,113	\$9,387	\$8,511	TBD	\$24,001
4. Calculated IRFD Tax Increment ⁽³⁾						
Pledged Facilities Increment	53.285270%	\$1,067,428	\$1,976,178	\$2,587,248	\$3,526,527	\$4,500,179
Pledged Housing Increment	11.302936%	\$226,424	\$419,189	\$548,810	\$748,051	\$954,583
Total	64.588206%	\$1,293,852	\$2,395,367	\$3,136,058	\$4,274,579	\$5,454,763
5. Actual Amounts Allocated by Controller ^{(3) (4)}						
Pledged Facilities Increment		\$1,183,713	\$2,101,219	\$2,693,252	\$3,644,929	TBD
Pledged Housing Increment		\$251,091	\$445,713	\$571,042	\$771,263	TBD
Total		\$1,434,803	\$2,546,932	\$3,264,293	\$4,416,193	TBD
6. Collections as % of Computed Levy ⁽⁵⁾		110.9%	106.3%	104.1%	103.3%	TBD
Average 21-22 to 24-25	105.1%					

Source: San Francisco Office of the Controller, KMA.

(1) The base year assessed value is zero. See Table 19 for FY 2025-26 estimated incremental assessed value net of appeals impact.

(2) Administrative costs for division of taxes include Controller property tax administrative costs and a 10% allocation of Accounting Operations and Suppliers Division (AOSD) costs. The administrative cost of division of taxes on line 3 is deducted proportionately from Pledged Facilities Increment and Pledged Housing Increment.

(3) Includes Conditional City Increment required to be allocated and held for payment of debt service until after each annual principal payment date, but subject to release to the City thereafter to the extent not required for debt service.

(4) Includes \$6,119.02 tax increment distribution in FY 2023-24 to compensate for under-distribution in FY 2020-21 caused by a one-time legacy system migration issue.

(5) Collections as a percentage of the computed levy is the same for Pledged Facilities Increment and Pledged Housing Increment.

Table 18 identifies Pledged Facilities Increment and Pledged Housing Increment, inclusive of Conditional City Facilities Increment and Conditional City Housing Increment required to be allocated to IRFD No. 1 and held for payment of debt service until after each annual principal payment date, but thereafter available for release to the city to the extent not required for debt service.

8.0 REVENUE PROJECTION

The projection of tax increment is summarized in Tables 19 through 23 on the following pages with supporting projections of assessed value included in Tables 24 and 25.

Two versions of the projection are presented:

(1) “No Growth Projection” (Tables 20 and 21) holds constant the reported FY 2025-26 assessed values, as reduced by the estimated \$333,000 assessed value impact from pending assessment appeals described in Section 5.3, over the term of the projection. Table 20 presents the projection of Pledged Facilities Increment and Table 21 presents the projection of Pledged Housing Increment.

(2) “2% Growth Projection” (Table 22 and 23) reflecting application of the 2% maximum allowable inflationary increase under Proposition 13 to the FY 2025-26 reported assessed values, as reduced by the estimated \$333,000 assessed value impact from pending assessment appeals described in Section 5.3, in each future year. Table 22 presents the projection of Pledged Facilities Increment and Table 23 presents the projection of Pledged Housing Increment.

The projections extend through the time limits for collection of tax increment in Areas A, B and E. Time limits for Project Areas C and D remain to be determined. Table 19 presents a calculation of FY 2025-26 Pledged Facilities Increment and Pledged Housing Increment.

Table 19. Calculated FY 2025-26 Tax Increment Revenues, IRFD No. 1			
		<u>Basis</u>	<u>Amount</u>
FY 2025-26 Incremental Assessed Value			\$848,594,135
Less: Estimated Appeals Impact, Area A		See Section 5.3	(\$333,467)
Incremental Assessed Value after Appeals Impact			\$848,260,668
Gross Tax Increment	1%	of Incremental Assessed Value	\$8,482,607
Pledged Facilities Increment Calculation			
Net Available Facilities Increment	46.685270%	of Gross Tax Increment	\$3,960,128
Less: Prop Tax Admin Cost ⁽¹⁾	0.5%	of Net Available Facilities Increment	(\$19,801)
Net Available Facilities Increment after Prop Tax Admin			\$3,940,327
Conditional City Facilities Increment	6.600000%	of Gross Tax Increment	\$559,852
Pledged Facilities Increment			\$4,500,179
Pledged Housing Increment Calculation			
Net Available Housing Increment	9.902936%	of Gross Tax Increment	\$840,027
Less: Prop Tax Admin Cost ⁽¹⁾	0.5%	of Net Available Housing Increment	(\$4,200)
Net Available Housing Increment after Prop Tax Admin			\$835,827
Conditional City Housing Increment	1.400000%	of Gross Tax Increment	\$118,756
Pledged Housing Increment			\$954,583

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 20. Projection of Pledged Facilities Increment, No Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 24 Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment			Conditional City Facilities Increment	Pledged Facilities Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.
2025-26	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2026-27	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2027-28	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2028-29	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2029-30	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2030-31	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2031-32	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2032-33	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2033-34	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2034-35	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2035-36	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2036-37	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2037-38	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2038-39	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2039-40	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2040-41	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2041-42	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2042-43	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2043-44	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2044-45	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2045-46	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2046-47	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2047-48	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2048-49	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2049-50	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2050-51	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2051-52	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2052-53	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2053-54	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2054-55	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2055-56	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2056-57	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2057-58	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2058-59	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2059-60	4,358,703	2,034,872	(10,174)	2,024,698	287,674	2,312,372
2060-61	4,358,703	2,034,872	(10,174)	2,024,698	287,674	2,312,372
2061-62	4,358,703	2,034,872	(10,174)	2,024,698	287,674	2,312,372

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 21. Projection of Pledged Housing Increment, No Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 24 Incremental Assessed Value for areas Collecting TI	Net Available Housing Increment			Conditional City Housing Increment	Pledged Housing Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	9.90294%	0.50%	=B.+C.	1.40000%	=D.+E.
2025-26	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2026-27	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2027-28	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2028-29	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2029-30	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2030-31	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2031-32	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2032-33	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2033-34	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2034-35	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2035-36	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2036-37	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2037-38	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2038-39	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2039-40	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2040-41	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2041-42	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2042-43	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2043-44	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2044-45	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2045-46	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2046-47	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2047-48	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2048-49	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2049-50	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2050-51	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2051-52	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2052-53	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2053-54	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2054-55	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2055-56	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2056-57	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2057-58	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2058-59	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2059-60	4,358,703	431,640	(2,158)	429,481	61,022	490,503
2060-61	4,358,703	431,640	(2,158)	429,481	61,022	490,503
2061-62	4,358,703	431,640	(2,158)	429,481	61,022	490,503

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 22. Projection of Pledged Facilities Increment, 2% Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 25 Incremental Assessed Value for areas Collecting TI	Net Available Facilities Increment			Conditional City Facilities Increment	Pledged Facilities Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	46.68527%	0.50%	=B.+C.	6.60000%	=D.+E.
2025-26	8,482,607	3,960,128	(19,801)	3,940,327	559,852	4,500,179
2026-27	8,651,746	4,039,091	(20,195)	4,018,895	571,015	4,589,911
2027-28	8,824,267	4,119,633	(20,598)	4,099,035	582,402	4,681,437
2028-29	9,000,240	4,201,786	(21,009)	4,180,777	594,016	4,774,793
2029-30	9,179,731	4,285,582	(21,428)	4,264,154	605,862	4,870,017
2030-31	9,362,813	4,371,054	(21,855)	4,349,199	617,946	4,967,145
2031-32	9,549,556	4,458,236	(22,291)	4,435,945	630,271	5,066,215
2032-33	9,740,034	4,547,161	(22,736)	4,524,425	642,842	5,167,268
2033-34	9,934,321	4,637,865	(23,189)	4,614,675	655,665	5,270,341
2034-35	10,132,495	4,730,383	(23,652)	4,706,731	668,745	5,375,475
2035-36	10,334,632	4,824,751	(24,124)	4,800,627	682,086	5,482,713
2036-37	10,540,811	4,921,006	(24,605)	4,896,401	695,694	5,592,095
2037-38	10,751,114	5,019,187	(25,096)	4,994,091	709,574	5,703,664
2038-39	10,965,623	5,119,331	(25,597)	5,093,734	723,731	5,817,465
2039-40	11,184,423	5,221,478	(26,107)	5,195,370	738,172	5,933,542
2040-41	11,407,598	5,325,668	(26,628)	5,299,040	752,901	6,051,941
2041-42	11,635,237	5,431,942	(27,160)	5,404,782	767,926	6,172,708
2042-43	11,867,428	5,540,341	(27,702)	5,512,639	783,250	6,295,889
2043-44	12,581,363	5,873,644	(29,368)	5,844,275	830,370	6,674,645
2044-45	12,832,478	5,990,877	(29,954)	5,960,922	846,944	6,807,866
2045-46	13,088,614	6,110,455	(30,552)	6,079,903	863,849	6,943,751
2046-47	13,349,873	6,232,424	(31,162)	6,201,262	881,092	7,082,354
2047-48	13,616,358	6,356,833	(31,784)	6,325,049	898,680	7,223,729
2048-49	13,888,172	6,483,730	(32,419)	6,451,312	916,619	7,367,931
2049-50	14,165,422	6,613,165	(33,066)	6,580,100	934,918	7,515,017
2050-51	14,448,217	6,745,189	(33,726)	6,711,463	953,582	7,665,046
2051-52	14,736,668	6,879,853	(34,399)	6,845,454	972,620	7,818,074
2052-53	15,030,889	7,017,211	(35,086)	6,982,125	992,039	7,974,163
2053-54	15,330,993	7,157,316	(35,787)	7,121,529	1,011,846	8,133,375
2054-55	15,637,100	7,300,222	(36,501)	7,263,721	1,032,049	8,295,770
2055-56	15,949,329	7,445,987	(37,230)	7,408,757	1,052,656	8,461,413
2056-57	16,267,802	7,594,667	(37,973)	7,556,694	1,073,675	8,630,369
2057-58	16,592,645	7,746,321	(38,732)	7,707,590	1,095,115	8,802,704
2058-59	16,923,985	7,901,008	(39,505)	7,861,503	1,116,983	8,978,486
2059-60	9,176,312	4,283,986	(21,420)	4,262,566	605,637	4,868,202
2060-61	9,359,325	4,369,426	(21,847)	4,347,579	617,715	4,965,294
2061-62	9,545,998	4,456,575	(22,283)	4,434,292	630,036	5,064,328

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 23. Projection of Pledged Housing Increment, 2% Growth Projection

	A.	B.	C.	D.	E.	F.
Fiscal Year	Gross Tax Increment = 1% x Table 25 Incremental Assessed Value for areas Collecting TI	Net Available Housing Increment			Conditional City Housing Increment	Pledged Housing Increment
		Total	Prop Tax Admin Cost ⁽¹⁾	After Prop Tax Admin		
	1% x AV	9.90294%	0.50%	=B.+C.	1.40000%	=D.+E.
2025-26	8,482,607	840,027	(4,200)	835,827	118,756	954,583
2026-27	8,651,746	856,777	(4,284)	852,493	121,124	973,617
2027-28	8,824,267	873,862	(4,369)	869,492	123,540	993,032
2028-29	9,000,240	891,288	(4,456)	886,832	126,003	1,012,835
2029-30	9,179,731	909,063	(4,545)	904,518	128,516	1,033,034
2030-31	9,362,813	927,193	(4,636)	922,557	131,079	1,053,637
2031-32	9,549,556	945,686	(4,728)	940,958	133,694	1,074,652
2032-33	9,740,034	964,549	(4,823)	959,727	136,360	1,096,087
2033-34	9,934,321	983,790	(4,919)	978,871	139,081	1,117,951
2034-35	10,132,495	1,003,414	(5,017)	998,397	141,855	1,140,252
2035-36	10,334,632	1,023,432	(5,117)	1,018,315	144,685	1,163,000
2036-37	10,540,811	1,043,850	(5,219)	1,038,631	147,571	1,186,202
2037-38	10,751,114	1,064,676	(5,323)	1,059,353	150,516	1,209,868
2038-39	10,965,623	1,085,919	(5,430)	1,080,489	153,519	1,234,008
2039-40	11,184,423	1,107,586	(5,538)	1,102,048	156,582	1,258,630
2040-41	11,407,598	1,129,687	(5,648)	1,124,039	159,706	1,283,745
2041-42	11,635,237	1,152,230	(5,761)	1,146,469	162,893	1,309,362
2042-43	11,867,428	1,175,224	(5,876)	1,169,348	166,144	1,335,492
2043-44	12,581,363	1,245,924	(6,230)	1,239,695	176,139	1,415,834
2044-45	12,832,478	1,270,792	(6,354)	1,264,438	179,655	1,444,093
2045-46	13,088,614	1,296,157	(6,481)	1,289,676	183,241	1,472,917
2046-47	13,349,873	1,322,029	(6,610)	1,315,419	186,898	1,502,317
2047-48	13,616,358	1,348,419	(6,742)	1,341,677	190,629	1,532,306
2048-49	13,888,172	1,375,337	(6,877)	1,368,460	194,434	1,562,894
2049-50	14,165,422	1,402,793	(7,014)	1,395,779	198,316	1,594,095
2050-51	14,448,217	1,430,798	(7,154)	1,423,644	202,275	1,625,919
2051-52	14,736,668	1,459,363	(7,297)	1,452,066	206,313	1,658,379
2052-53	15,030,889	1,488,499	(7,442)	1,481,057	210,432	1,691,489
2053-54	15,330,993	1,518,218	(7,591)	1,510,627	214,634	1,725,261
2054-55	15,637,100	1,548,532	(7,743)	1,540,789	218,919	1,759,709
2055-56	15,949,329	1,579,452	(7,897)	1,571,555	223,291	1,794,845
2056-57	16,267,802	1,610,990	(8,055)	1,602,935	227,749	1,830,684
2057-58	16,592,645	1,643,159	(8,216)	1,634,943	232,297	1,867,240
2058-59	16,923,985	1,675,971	(8,380)	1,667,592	236,936	1,904,527
2059-60	9,176,312	908,724	(4,544)	904,181	128,468	1,032,649
2060-61	9,359,325	926,848	(4,634)	922,214	131,031	1,053,244
2061-62	9,545,998	945,334	(4,727)	940,607	133,644	1,074,251

(1) Property tax administrative costs are senior to debt service. Amounts are estimated.

Table 24. Projection of Assessed Values, No Growth Projection

Fiscal Year	Projection of Assessed Values by Project Area					Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = \$0)	
	Area A	Area B	Area C	Area D	Area E	AV Total	Areas
2025-26 ⁽¹⁾	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2026-27	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2027-28	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2028-29	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2029-30	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2030-31	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2031-32	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2032-33	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2033-34	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2034-35	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2035-36	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2036-37	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2037-38	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2038-39	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2039-40	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2040-41	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2041-42	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2042-43	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2043-44	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2044-45	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2045-46	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2046-47	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2047-48	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2048-49	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2049-50	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2050-51	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2051-52	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2052-53	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2053-54	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2054-55	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2055-56	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2056-57	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2057-58	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2058-59	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2059-60		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E
2060-61		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E
2061-62		263,567,246	2,012,096	33,404,588	172,303,013	435,870,259	B, E

(1) Assessor reported values for FY 2025-26 less the \$333,467 estimated impact of pending assessment appeals.

(2) Reported FY 2025-26 assessed values held flat in future years.

Values in grey do not contribute to tax increment as collection has not commenced or is expired.

Table 25. Projection of Assessed Values, 2% Growth Projection

Fiscal Year	Projection of Assessed Values by Project Area ⁽²⁾					Incremental Assessed Value for Project Areas Projected to Collect Tax Increment (Base year AV = \$0)	
	Area A	Area B	Area C	Area D	Area E	AV Total	Areas
2025-26 ⁽¹⁾	412,390,409	263,567,246	2,012,096	33,404,588	172,303,013	848,260,668	A, B, E
2026-27	420,638,217	268,838,591	2,052,338	34,072,680	175,697,760	865,174,567	A, B, E
2027-28	429,050,981	274,215,363	2,093,385	34,754,133	179,160,401	882,426,745	A, B, E
2028-29	437,632,001	279,699,670	2,135,252	35,449,216	182,692,295	900,023,966	A, B, E
2029-30	446,384,641	285,293,663	2,177,957	36,158,200	186,294,828	917,973,132	A, B, E
2030-31	455,312,334	290,999,537	2,221,517	36,881,364	189,969,411	936,281,281	A, B, E
2031-32	464,418,580	296,819,527	2,265,947	37,618,992	193,717,485	954,955,593	A, B, E
2032-33	473,706,952	302,755,918	2,311,266	38,371,371	197,540,521	974,003,391	A, B, E
2033-34	483,181,091	308,811,036	2,357,491	39,138,799	201,440,018	993,432,145	A, B, E
2034-35	492,844,713	314,987,257	2,404,641	39,921,575	205,417,505	1,013,249,475	A, B, E
2035-36	502,701,607	321,287,002	2,452,734	40,720,006	209,474,541	1,033,463,150	A, B, E
2036-37	512,755,639	327,712,742	2,501,788	41,534,407	213,612,718	1,054,081,100	A, B, E
2037-38	523,010,752	334,266,997	2,551,824	42,365,095	217,833,659	1,075,111,408	A, B, E
2038-39	533,470,967	340,952,337	2,602,861	43,212,397	222,139,019	1,096,562,323	A, B, E
2039-40	544,140,386	347,771,384	2,654,918	44,076,644	226,530,485	1,118,442,255	A, B, E
2040-41	555,023,194	354,726,811	2,708,016	44,958,177	231,009,781	1,140,759,787	A, B, E
2041-42	566,123,658	361,821,348	2,762,177	45,857,341	235,578,663	1,163,523,669	A, B, E
2042-43	577,446,131	369,057,775	2,817,420	46,774,488	240,238,923	1,186,742,829	A, B, E
2043-44	588,995,054	376,438,930	2,873,769	47,709,977	244,992,388	1,258,136,349	A, B, D, E
2044-45	600,774,955	383,967,709	2,931,244	48,664,177	249,840,922	1,283,247,762	A, B, D, E
2045-46	612,790,454	391,647,063	2,989,869	49,637,461	254,786,427	1,308,861,404	A, B, D, E
2046-47	625,046,263	399,480,004	3,049,666	50,630,210	259,830,841	1,334,987,318	A, B, D, E
2047-48	637,547,188	407,469,604	3,110,660	51,642,814	264,976,145	1,361,635,751	A, B, D, E
2048-49	650,298,132	415,618,996	3,172,873	52,675,670	270,224,354	1,388,817,152	A, B, D, E
2049-50	663,304,095	423,931,376	3,236,330	53,729,184	275,577,527	1,416,542,182	A, B, D, E
2050-51	676,570,177	432,410,004	3,301,057	54,803,767	281,037,764	1,444,821,712	A, B, D, E
2051-52	690,101,580	441,058,204	3,367,078	55,899,843	286,607,206	1,473,666,832	A, B, D, E
2052-53	703,903,612	449,879,368	3,434,419	57,017,840	292,288,036	1,503,088,855	A, B, D, E
2053-54	717,981,684	458,876,955	3,503,108	58,158,196	298,082,483	1,533,099,319	A, B, D, E
2054-55	732,341,318	468,054,494	3,573,170	59,321,360	303,992,819	1,563,709,992	A, B, D, E
2055-56	746,988,144	477,415,584	3,644,633	60,507,787	310,021,362	1,594,932,878	A, B, D, E
2056-57	761,927,907	486,963,896	3,717,526	61,717,943	316,170,476	1,626,780,222	A, B, D, E
2057-58	777,166,465	496,703,174	3,791,877	62,952,302	322,442,571	1,659,264,512	A, B, D, E
2058-59	792,709,794	506,637,237	3,867,714	64,211,348	328,840,109	1,692,398,489	A, B, D, E
2059-60		516,769,982	3,945,068	65,495,575	335,365,598	917,631,155	B, D, E
2060-61		527,105,382	4,023,970	66,805,487	342,021,596	935,932,464	B, D, E
2061-62		537,647,489	4,104,449	68,141,596	348,810,714	954,599,800	B, D, E

(1) Assessor reported values for FY 2025-26 less the \$333,467 estimated impact of pending assessment appeals.

(2) Projection for FY 2026-27 forward is based on 2% maximum annual increase in real property assessed value under Proposition 13 and a 0% growth rate for the \$2,565,683 in personal property assessed value within Project Area E.

Values in grey do not contribute to tax increment as collection has not commenced or is expired.

9.0 CAVEATS AND LIMITATIONS

The projections reflect assumptions based on KMA's understanding of the assessment and tax apportionment procedures employed by the Assessor and Controller, respectively. These procedures are subject to change as a reflection of policy revisions or administrative, regulatory, or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections. Assumptions have also been made that no changes to State legislation are enacted to change or eliminate the allocation of IRFD tax increment revenues. These assumptions are based on existing State policies and are subject to future regulatory or legislative changes.

No assurances are provided by KMA or the City as to the certainty of the projected tax increment and assessed values incorporated into this report. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, changes in assessor valuation standards, or the non-payment of taxes due.

KMA is not advising or recommending any action be taken by the City, TIDA, or IRFD No. 1 with respect to any prospective new or existing municipal financial products or issuance of municipal securities (including with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues). KMA is not acting as a municipal advisor and does not assume any fiduciary duty, including, without limitation, a fiduciary duty pursuant to Section 15B of the Exchange Act. The City and TIDA should discuss any such information and material contained in this report with internal and/or external advisors and experts, including its own municipal advisors, that it deems appropriate before acting on the information.

Table 26. Assessed Value History

	2018-19	2019-20	2020-21	2021-22 ⁽¹⁾	2022-23	2023-24	2024-25	2025-26
Project Area A	<div> <div>TI Trigger ⁽²⁾</div> <div><----- TI collection commenced -----></div> </div>							
Land	68,568,818	70,090,194	90,611,492	163,404,923	169,727,537	173,645,008	198,102,154	208,928,276
Structure	<u>0</u>	<u>0</u>	<u>11,474,105</u>	<u>37,710,000</u>	<u>117,354,086</u>	<u>141,043,901</u>	<u>175,393,681</u>	<u>203,795,600</u>
Subtotal	68,568,818	70,090,194	102,085,597	201,114,923	287,081,623	314,688,909	373,495,835	412,723,876
Project Area B	<div> <div>TI Trigger ⁽²⁾</div> <div><----- TI collection commenced -----></div> </div>							
Land	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	90,015,376	83,321,158	70,455,009
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,316,200</u>	<u>38,594,151</u>	<u>193,112,237</u>
Subtotal	4,883,740	5,054,967	5,155,625	47,700,000	52,177,932	98,331,576	121,915,309	263,567,246
Project Area E	<div> <div>TI Trigger ⁽²⁾</div> <div><----- TI collection commenced -----></div> </div>							
Land	577,630	972,038	991,477	25,900,000	26,795,314	43,886,977	45,820,287	46,736,692
Structure	0	0	0	0	6,266,026	29,956,814	120,588,861	123,000,638
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	577,630	972,038	991,477	25,900,000	33,061,340	73,843,791	166,409,148	172,303,013
Project Area C								
Land	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965	1,972,644	2,012,096
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	1,768,367	1,803,733	1,839,808	1,858,868	1,896,045	1,933,965	1,972,644	2,012,096
Project Area D								
Land	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450	32,749,598	33,404,588
Structure	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	2,848,093	2,448,642	2,497,179	2,523,048	31,477,893	32,107,450	32,749,598	33,404,588
Total - All Project Areas								
Land	78,646,648	80,369,574	101,095,581	241,386,839	282,074,721	341,588,776	361,965,841	361,536,661
Structure	0	0	11,474,105	37,710,000	123,620,112	179,316,915	334,576,693	519,908,475
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	78,646,648	80,369,574	112,569,686	279,096,839	405,694,833	520,905,691	696,542,534	884,010,819
Project Areas Where Increment Collection is Commenced ⁽²⁾								
Project Areas	N/A	A	A	A	A, B, E	A, B, E	A, B, E	A, B, E
Land	0	70,090,194	90,611,492	163,404,923	248,700,783	307,547,361	327,243,599	326,119,977
Structure	0	0	11,474,105	37,710,000	123,620,112	179,316,915	334,576,693	519,908,475
Personal Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,565,683</u>
Subtotal	0	70,090,194	102,085,597	201,114,923	372,320,895	486,864,276	661,820,292	848,594,135

(1) Includes \$115,203,884 in escape roll assessed value and reflects a roll correction that reduced the FY 2021-22 assessed value of two parcels by a combined by \$2,846,434.

(2) Collection of TI commences in the year following the year in which the applicable tax increment trigger amount is reached, \$150,000 for areas A, B, E and \$300,000 for areas C and D.

Note: Assessed value and incremental assessed value are the same as the base year assessed value is zero.

Source: Assessor.

Values in grey do not contribute to tax increment in the applicable years.

Table 27. IRFD No. 1 FY 2025-26 Assessed Values by Block and APN

IRFD Area	Development Block	APN	FY 2025-26 Assessor Reported Assessed Value			
			Land	Improvements	Personal Property	Total
A	1Y	8948-001	\$85,278,334	\$0	\$0	\$85,278,334
A	2Y-H	8949-002	\$0	\$0	\$0	\$0
A	3Y	8952-001	\$17,723,567	\$1,649,619	\$0	\$19,373,186
A	4Y Townhomes/Flats	8954-014 to 058, 184	\$24,986,762	\$99,987,300	\$0	\$124,974,062
A	4Y (Bristol)	8954-059 to 182	\$80,939,613	\$102,158,681	\$0	\$183,098,294
B	B1	8901-003	\$9,542,606	\$0	\$0	\$9,542,606
B	B1	8901-004	\$4,275,606	\$0	\$0	\$4,275,606
B	C2.2 (Hawkins)	8903-004	\$15,045,806	\$71,100,000	\$0	\$86,145,806
B	C2.3	8904-004	\$11,906,753	\$0	\$0	\$11,906,753
B	C3.3/C3.4 (490 Palms)	8906-009	\$29,684,238	\$122,012,237	\$0	\$151,696,475
E	C2.4 (Isle House)	8904-005	\$46,736,692	\$123,000,638	\$2,565,683	\$172,303,013
E	n/a	1939 112	\$0	\$0	\$0	\$0
E	n/a	1939 177	\$0	\$0	\$0	\$0
E	n/a	1939 178	\$0	\$0	\$0	\$0
E	n/a	1939 179	\$0	\$0	\$0	\$0
E	C2-H	1939-180	\$0	\$0	\$0	\$0
C	C1.1&2	8902-004	\$2,012,096	\$0	\$0	\$2,012,096
D	C2.1	8903-003	\$1,364,598	\$0	\$0	\$1,364,598
D	C3.5	8906-007	\$31,704,437	\$0	\$0	\$31,704,437
D	C3.5	8906-008	\$335,553	\$0	\$0	\$335,553
Total - All Project Areas			\$361,536,661	\$519,908,475	\$2,565,683	\$884,010,819
Total - Project Areas Collecting TI in FY 2025-26 ⁽¹⁾			\$326,119,977	\$519,908,475	\$2,565,683	\$848,594,135

Source: Assessor

(1) Total assessed value for Project Areas A, B, and E for which tax increment allocation has commenced as of FY 2025-26.

Values in grey do not contribute to tax increment in FY 2025-26.

Table 28. Top Ten Taxpayers for IRFD No. 1, FY 2025-26 by Legal Entity

Top Taxpayers FY 2025-26		Planned Development ^{(7) (8)}			No. of Parcel		Assessed Value FY 2025-26		% Total and Incr. AV ⁽¹¹⁾	
		Units	Type	Status			All Project Areas	Active Areas ⁽¹²⁾	All	Active ⁽¹²⁾
1. Stockbridge and Wilson Meany ⁽¹⁾										
TI Lot 10, LLC	C2.4	250	rental	Built	1	E	\$172,303,013	\$172,303,013	19.5%	20.3%
YBI Phase 3 Investors, LLC	4Y(por)	47	for-sale	Built ⁽⁹⁾	26	A	105,068,096	105,068,096	11.9%	12.4%
YBI Phase 4 Investors, LLC	1Y	78	for-sale	Plan	1	A	85,278,334	85,278,334	9.6%	10.0%
YBI Phase 1 Investors, LLC	4Y(por)	51	for-sale	Built	51	A	83,007,342	83,007,342	9.4%	9.8%
YBI Phase 2 Investors, LLC	3Y	11	for-sale	Plan	1	A	19,373,186	19,373,186	2.2%	2.3%
Subtotal		437			80		465,029,971	465,029,971	52.6%	54.8%
2. Stockbridge, Wilson Meany, and Lennar Joint Venture ⁽²⁾										
TI Lots 3-4, LLC	C3.3/4	148	for-sale	Const.	1	B	151,696,475	151,696,475	17.2%	17.9%
TI Lots 5-6, LLC	C3.5	160	for-sale	Plan	2	D	32,039,990	N/A	3.6%	N/A
Subtotal		308			3		183,736,465	151,696,475	20.8%	17.9%
3. Lennar ⁽³⁾	C2.2	178	rental	Built	1	B	86,145,806	86,145,806	9.7%	10.2%
4. LH YBI Holdings LLC ⁽⁴⁾	4Y (por)	16	for-sale	Built	16	A	38,061,492	38,061,492	4.3%	4.5%
5. Poly USA ⁽⁵⁾										
B1 Treasure Island 048 Holdings, LLC	B1	117	rental	Plan ⁽¹⁰⁾	2	B	13,818,212	13,818,212	1.6%	1.6%
C23 Treasure Island 048 Holdings, LLC	C2.3	85	for-sale	Plan	1	B	11,906,753	11,906,753	1.3%	1.4%
Subtotal		202			3		25,724,965	25,724,965	2.9%	3.0%
6. Private Homeowner 1	C1.1/2, 2.1	2	for-sale	Built	2	A	3,436,156	3,436,156	0.4%	0.4%
7. TI Series 1 ⁽⁶⁾		551	for-sale	Plan	2	C&D	3,376,694	N/A	0.4%	N/A
8. Private Homeowner 2		1	for-sale	Built	1	A	3,294,600	3,294,600	0.4%	0.4%
9. Private Homeowner 3		1	for-sale	Built	1	A	3,110,000	3,110,000	0.4%	0.4%
10. Private Homeowner 4		2	for-sale	Built	2	A	3,048,713	3,048,713	0.3%	0.4%
11. Private Homeowner 5 [top ten taxpayer for active areas only]		1	for-sale	Built	1	A	N/A	2,793,890	N/A	0.3%
Total Top Ten Taxpayers		1,699			112		814,964,862	782,342,068	92.2%	92.2%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) Includes separate legal entities affiliated with Wilson Meany and the Stockbridge Capital Group, LLC, as listed. Stockbridge and Wilson Meany have an ownership interest in TI Series 1 (No. 6 top taxpayer). In addition, Stockbridge and Wilson Meany have an interest in properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayers), being developed as a joint venture.

(2) TI Lots 3-4 LLC and TI Lots 5-6 LLC are being developed as a joint venture between Stockbridge, Wilson Meany, and Lennar (number 1 and 3 on the list of top taxpayers).

(3) Represents a parcel owned by subsidiary TI Lot 8, LLC. In addition, Lennar has an interest in two properties listed under the ownership of Stockbridge, Wilson Meany, and Lennar (No. 2 top taxpayer), being developed as a joint venture. Lennar also has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(4) LH YBI Holdings LLC is a limited partner in YBI Phase 1 Investors, LLC, YBI Phase 2 Investors, LLC, YBI Phase 3 Investors, LLC that has purchased twelve units in the Bristol and four units in the Block 4Y Townhomes and Flats.

(5) Includes separate entities affiliated with Poly (USA) Real Estate Development Corp., as listed. Poly USA has an ownership interest in TI Series 1 (No. 6 top taxpayer).

(6) Treasure Island Series 1, LLC a wholly-owned subsidiary of TICD, master developer for the Treasure Island Project. The top four taxpayers, (1) Stockbridge and Wilson Meany, (2) Stockbridge, Wilson Meany, and Lennar Joint Venture, (3) Lennar, and (4) Poly USA each have an ownership interest in TI Series 1.

(7) Includes units that are complete, under construction, and planned.

(8) "Built" refers to units complete with either a temporary or final occupancy permit, "Plan" refers to planned units, "Const." refers to units under construction.

(9) 47 of the 53 total units in the Block 4Y Townhomes and Flats (of which 25 are built and 22 are planned) are owned by YBI Phase 3 Investors, LLC as of the FY 2025-26 roll.

(10) A site permit has been issued for construction, but construction has not yet commenced.

(11) Percentages calculated based upon FY 2025-26 assessed value and incremental assessed value of \$884,010,819 and \$848,594,135 for active areas (base year AV is zero).

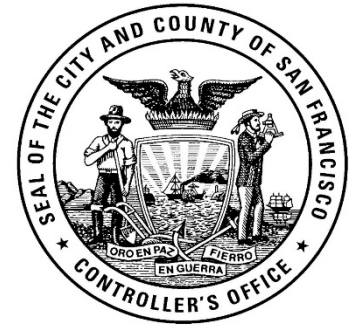
(12) Includes Project Areas A, B, and E that will collect tax increment in FY 2025-26.

Treasure Island Board of Directors

Treasure Island Bonds & Due Diligence

Informational Item No. 10: City Attorney
Memorandum and FAQs for TIDA Board
Members related to the

Preliminary Official Statement for City and
County of San Francisco Infrastructure and
Revitalization Financing District No. 1
(Treasure Island) Tax Increment Revenue
Bonds, Series 2025AB



September 10, 2025

City & County of San Francisco
Treasure Island Development Authority

Proposed Actions by the Board of Supervisors

TAX INCREMENT REVENUE BONDS (INFRASTRUCTURE REVITALIZATION FINANCING DISTRICT)

- Resolution Authorizing the Issuance of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds Not to Exceed \$31,000,000
- Ordinance appropriating \$5,500,000 in Tax Increment Revenue Bond Proceeds in Treasure Island Infrastructure and Revitalization Financing District; \$269,288 in Accumulated Interest Earnings From Prior Bonds – FY2025-26



Milestones for Community Facilities District (CFD) and Infrastructure and Revitalization Financing District (IRFD)

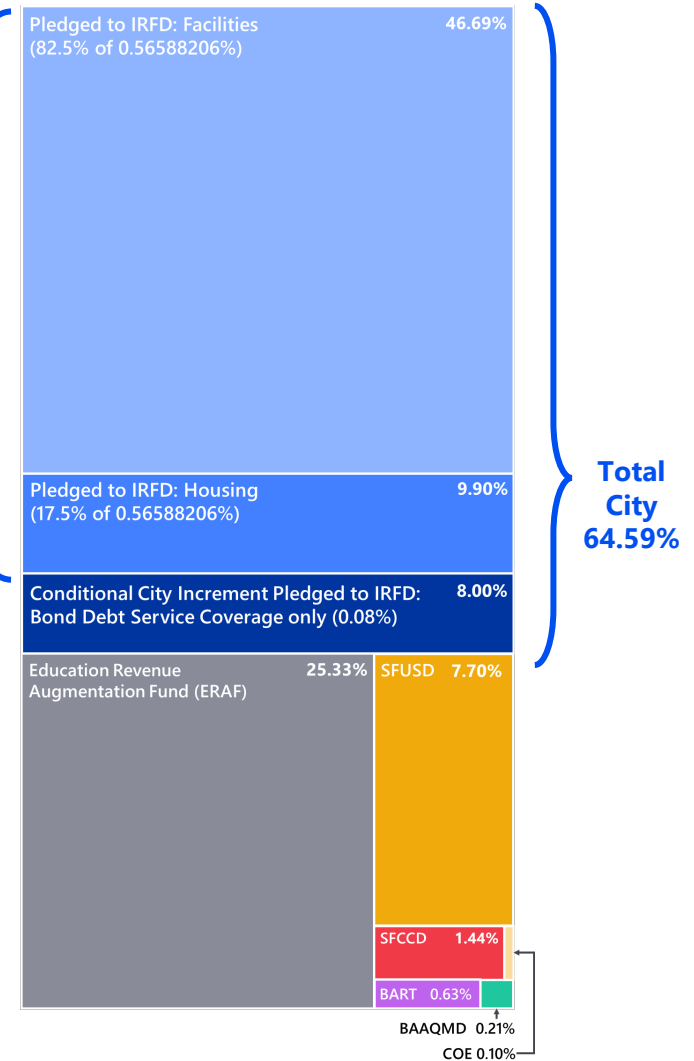
- **June 2011** – Disposition and Development Agreement (DDA) signed
- **January 2017** – Community Facilities District (CFD) and Infrastructure and Revitalization Financing District (IRFD) formed by Board of Supervisors to facilitate future funding of the Project
- **October 2020** – First CFD bond issuance for Improvement Area No. 1 in the amount of \$17.135 million
- **July 2021** – Second CFD bond issuance for Improvement Area No. 1 in the amount of \$41.34 million
- **January 2022** – Third CFD bond issuance for Improvement Area No. 2 in the amount of \$25.13 million
- **September 2022** – First IRFD bond issuance in the amount of \$29.39 million
- **November 2023** – Second IRFD bond issuance in the amount of \$9.21 million; Fourth CFD bond issuance for Improvement Area No. 2 (Series 2023A) in the amount of \$16.975 million
- **May 2024** – Amended and Restated Disposition and Development Agreement (DDA) signed
- **March 2025** – First tranche of Certificates of Participation (COPs) sold per Amended DDA and Financing Plan
- **September 2025** – Board of Supervisors considers approval of third issuance of Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds (IRFD Bonds) in an amount Not-to-Exceed \$31 million; third IRFD issuance overall
- **November/December 2025** – Proposed IRFD Bonds price and close



Overview of Treasure Island Infrastructure Revitalization Financing District (IRFD)

- City has pledged a portion its incremental ad valorem property taxes collected on properties within the IRFD (56.588206% of the 1%, “**Net Available Increment**”) to finance:
 - 82.5%** will reimburse eligible developer public infrastructure costs (“2025A Facilities Bonds”) →
 - 17.5%** will provide funding for affordable housing (“2025B Housing Bonds”) →
- The City’s remaining (8.00% of the 1%) portion of its share of property tax increment is pledged to the IRFD to provide additional debt service coverage →
 - Funds will return to the general fund each year if not needed to cover revenue shortfalls due to declines in assessed value

Apportionment of 1.00% Ad Valorem property tax

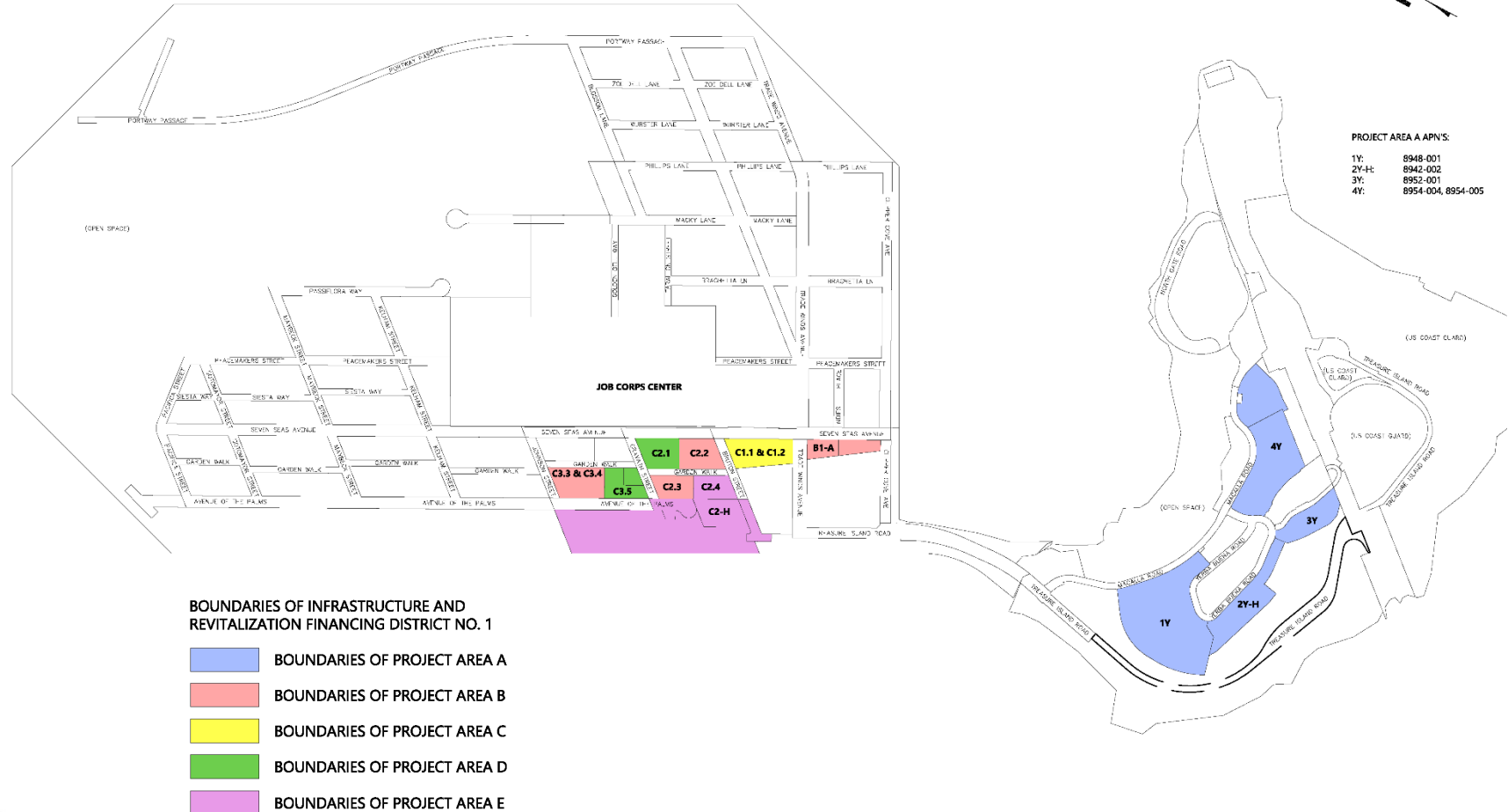


Infrastructure Revitalization and Financing District (IRFD)

TREASURE ISLAND DEVELOPMENT AUTHORITY

Map of the Treasure Island IRFD

PROPOSED BOUNDARIES OF CITY AND COUNTY OF SAN FRANCISCO INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1 (TREASURE ISLAND PUBLIC INFRASTRUCTURE)



Infrastructure Revitalization and Financing District (IRFD)

TREASURE ISLAND DEVELOPMENT AUTHORITY

IRFD Bonds - Use of Proceeds

PROJECT FUNDS

- **Facilities (2025A, \$20.7M):** Expected reimbursement of qualified project costs of the developer including but not limited to geotechnical, demolition, abatement, construction of public parks, pre-development costs, permit fees, and DDA subsidies
- **Housing Bonds (2025B, \$4.3M):** Planned source for affordable housing loan to support development of 100 units of senior affordable housing project constructed by Mercy Housing on Treasure Island ("TI Parcel E1.2 Senior Project")

DEBT SERVICE RESERVE FUND

- Contribute to debt service reserve funds projected to equal maximum annual debt service on the combined outstanding and proposed Bonds

FINANCING COSTS

- Costs incurred in preparing the financing including but not limited to City fees, legal fees, advisory fees, and underwriter's discount



CFD & IRFD Bond Structure & Limitations

IRFD Bonds: Sized to leverage the respective share of just the FY2025-26 Net Available Increment with no assumptions of AV growth (0%, level debt service) or future development that would not otherwise be on this year's property tax roll (as of Jan. 1, 2025)

- Bonds are secured by Pledged Tax Increment as applicable to each of the Facilities Bonds and the Housing Bonds
- Aggregate annual debt service coverage of at least 125%
- City expects to structure the IRFD Bonds with a 30-year term and fixed interest rates, so that the annual debt service for all prior and proposed IRFD Bonds aligns with the collection of tax increment each year.



IRFD: Historical Tax Increment within IRFD

FY2019-20 THRU FY 2024-25 ACTUAL HISTORIC TAX INCREMENT ALLOCATIONS

Historic Allocations of Tax Increment to IRFD No. 1						
City 1% Portion	Active Project Areas	Dedicated & Pledged to IRFD			City Conditional	Total City Increment*
		56.588206%			8.000000%	64.588206%
Fiscal Year		82.50% Facilities	17.50% Housing	Total Dedicated & Pledged to IRFD	Conditional	Total City
2019-20	A	\$327,218	\$69,410	\$396,628	\$56,072	\$452,700
2020-21	A	\$471,256	\$99,963	\$571,219	\$80,755	\$651,974
2021-22	A	\$1,037,096	\$219,990	\$1,257,086	\$177,717	\$1,434,803
2022-23	A, B, E	\$1,840,959	\$390,506	\$2,231,465	\$315,467	\$2,546,932
2023-24	A, B, E	\$2,354,339	\$499,151	\$2,853,490	\$402,292	\$3,255,783
2024-25	A, B, E	\$3,187,469	\$674,226	\$3,861,695	\$543,466	\$4,405,161
Total		\$9,218,337	\$1,953,247	\$11,171,584	\$1,575,769	\$12,747,353

* Net of Property Tax Administration Cost, which represents the priority portion of admin expenses related to the division of taxes.



Infrastructure Revitalization and Financing District (IRFD)

TREASURE ISLAND DEVELOPMENT AUTHORITY

Proposed IRFD Bonds – Risk Factors

- The proposed IRFD Bonds will be sold without a rating (non-rated)
- Certain risk factors associated with the Bonds are discussed in the “Risk Factors” section starting on pg. 70 of the IRFD Preliminary Official Statement (POS)
- Unique real estate risks associated with non-rated tax increment bonds are discussed in the Preliminary Official Statement(s), including:
 - Reduction in tax base and assessed values
 - Concentration of property ownership
 - Failure to develop properties
- Other significant risk factors include seismic risks and sea level rise
- The IRFD Bonds are limited obligations of the City, secured by and payable from the Pledged Increment under the Indenture
 - The General Fund of the City is not liable for the payment of principal or interest on the Bonds, and the credit of the City is not pledged to the payment of the Bonds



The Preliminary Official Statement

- Board members have a responsibility under federal securities laws to ensure that staff is aware of information that board members may have unique in their capacity as board members that would have a material bearing of the capacity of the IRFD to repay the bonds
 - SF Board of Supervisors is the governing body of the IRFD and approves the issuance of bonds and the form of the Preliminary Official Statement (delegating final authority to Controller's Office)
 - The role and intent of review by the TIDA Board is to confirm that none of the content provided is misleading to potentials investors and relevant information is not withheld from potential investors
- In connection with the Bonds, Staff has prepared a preliminary official statement ("POS") for prospective investors. The POS describes:
 - i. The terms of the Bonds
 - ii. Sources of repayment and the security for the Bonds
 - iii. Information about the IRFD and its operations and financial ability of the IRFD to make timely payments of principal of and interest on the Bonds.
 - iv. Risk Factors related to investment in IRFD bonds
- Prior to the distribution of the Preliminary Official Statement ("POS") (and final Official Statement), the disclosure will have been thoroughly and critically reviewed by TIDA and City and staff (in consultation with the City/TIDA's professional advisors, including Disclosure Counsel) to provide the most current material financial and other material information available.



Preliminary Official Statement for IRFD Bonds

- To clarify the role and responsibilities of the TIDA Board, TIDA staff is providing the following materials for the review of Preliminary Official Statements and Official Statements in connection with the Bonds:
 1. **Exhibit A:** Memorandum, prepared by the City Attorney's Office and Norton Rose Fulbright (US) LLP (Disclosure Counsel), summarizing securities law disclosure responsibilities that TIDA Board members should be aware of during their review of the Preliminary Official Statement
 2. **Exhibit B:** "FAQs" that TIDA Board members may have in connection with their review of Preliminary Official Statement for the IRFD Bonds
 3. **Exhibit C:** Draft Preliminary Official Statement for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2025AB; Draft Continuing Disclosure Certificate



Preliminary Official Statement for IRFD Bonds

EXAMPLE QUESTIONS FOR TIDA BOARD MEMBERS:

- Do I have knowledge of any other events that could affect deliberations of a reasonable investor?
- Have such risks and events been brought to the attention of our staff, disclosure counsel, bond counsel and other professionals? **(See Questions #6-10 in "FAQ" memo)**
- Have such risks and events been disclosed, and, if not, what is the rationale for the non-disclosure? **(See "RISK FACTORS" in the Preliminary Official Statement)**
- Have you seen any "red flags" in the Official Statement that should be brought to attention of TIDA finance staff/City Attorney or for which I, as a TIDA Board Member, would like a further explanation?
- Does City have written disclosure controls and procedures? If so, have procedures been followed in preparing the disclosure document? **(See Question #11 in "FAQ" memo)**
- Do I have a reasonable basis to believe in the integrity and competence of finance professionals?
- Do I know anything that would cause me to question the accuracy of the disclosure or that would indicate that there is a risk that those disclosures may be misleading?



Timeline for Review & Comment on the IRFD Preliminary Official Statement

- **Sept. 10th** – Presentation on draft IRFD Preliminary Official Statement(s) to TIDA Board
- **Sept. 16th** – Board of Supervisors introduction of Resolution to Approve IRFD Bonds
- **Sept. 29th** – Capital Planning Committee presentation on IRFD Bonds
- **Friday, October 10th** – Deadline for final comments by TIDA Board members to TIDA staff
- **Oct. 22nd** – Board of Supervisors Budget & Finance Committee
- **Oct. 28th** – San Francisco Board of Supervisors Approval of Bond Issuance and form of the IRFD Preliminary Official Statement
 - Board of Supervisors delegates authority to the Controller's Office to finalize and distribute Preliminary Official Statement
- **Week of November 3rd** – Preliminary Official Statement is finalized and distributed to potential investors
- **Mid-November** – price/sell of IRFD Bonds
- **December** – closing/funding date IRFD Bonds



DISCUSSION



Infrastructure Revitalization and Financing District (IRFD)

TREASURE ISLAND DEVELOPMENT AUTHORITY

Proposed IRFD Bonds – Estimated Sources & Uses

EST. FINANCING TERMS SOURCES & USES

2025A & 2025B Bonds

- Final Maturity: Sept. 1, 2055
- Est. True Interest Cost: 5.84%
- Est. Bond Proceeds: \$25.1M
- Est. Financing Costs: \$973K
- Est. Total Debt Service: \$60.8M

Source: Stifel, Nicolaus & Co, Inc.
Market conditions as of August 2025

	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
Sources:			
Bond Proceeds			
Estimated Par Amount	\$23,260,000	\$4,910,000	\$28,170,000
Original Issue Discount	(279,274)	(76,806)	(356,081)
Total Sources	\$22,980,726	\$4,833,194	\$27,813,919
Uses:			
Project Fund	\$20,697,943	\$4,349,908	\$25,047,851
Debt Service Reserve Fund	1,479,747	313,771	1,793,518
<u>Delivery Date Expenses</u>			
Cost of Issuance	454,136	95,864	550,000
Underwriter's Discount	348,900	73,650	422,550
Total Uses	\$22,980,726	\$4,833,194	\$27,813,919

