

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 03-2025

Adopted January 7, 2025

CONFIRMING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS, ON A TAX-EXEMPT AND TAXABLE BASIS FOR FEDERAL INCOME TAX PURPOSES, AS PERMITTED IN SECTION 34177.5(a)(1) OF THE CALIFORNIA HEALTH AND SAFETY CODE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000, AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, Under California Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos* (2011) 53 Cal.4th 231, all redevelopment agencies in the State of California (the “State”), including the Redevelopment Agency of the City and County of San Francisco (the “Former Redevelopment Agency”), were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and,

WHEREAS, In June of 2012, the California legislature adopted Assembly Bill No. 1484 (“AB 1484”) amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities (Section 34173(g) of the California Health and Safety Code (the “Code”)), and have the authority, with approval of the oversight board and the California Department of Finance (the “Department of Finance”), to issue bonds for certain purposes (Section 34177.5(a) of the Code), and the Governor of the State signed the bill on June 27, 2012 and it became effective on June 27, 2012; and,

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012 the Board of Supervisors of the City and County of San Francisco adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) is a separate legal entity from the City and County of San Francisco (the “City”), (b) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in AB 26 as amended by AB 1484, and as it may be further amended from time to time (collectively referred to in the Implementing Ordinance as the “Redevelopment Dissolution Law”), title to all assets, and all rights, obligations and liabilities of the Former Redevelopment Agency, (c) declared that the name of the Successor Agency is the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco,” (d) established the Successor Agency Commission (the “Successor Agency Commission”) and delegated to the Successor Agency Commission the authority (excluding authority as to the “Housing Assets,” as defined in the Implementing

Ordinance, but not excluding authority as to the “Retained Housing Obligations”) to act in place of the Former Redevelopment Agency Commission to, among other matters: (i) implement, modify, enforce and complete the Former Redevelopment Agency’s enforceable obligations, except with respect to certain enforceable obligations for specified affordable housing purposes, (ii) approve all contracts and actions related to the assets transferred to or returned by the Successor Agency, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Successor Agency Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, including, without limitation, authorizing additional obligations in furtherance of enforceable obligations, and approving the issuance of bonds to carry out the enforceable obligations, subject to any approval of the oversight board of the Successor Agency established pursuant to the provisions of the Redevelopment Dissolution Law (the “Oversight Board”), (e) authorized the Mayor to appoint the five members of the Successor Agency Commission, and (f) provided for an Executive Director of, and legal counsel to, the Successor Agency; and,

WHEREAS, The Successor Agency is also known as the Office of Community Investment and Infrastructure and its commission is also known as the Commission on Community Investment and Infrastructure; and,

WHEREAS, In September of 2015, the California legislature adopted Senate Bill No. 107 (Stats. 2015, ch. 325, § 9, *codified at* Section 34177.7 of the Code) (“SB 107”), further amending the Redevelopment Dissolution Law and providing that the Successor Agency has the authority, with approval of the Oversight Board and the Department of Finance, to issue bonds or incur other indebtedness for certain purposes; and,

WHEREAS, SB 107 was signed by the Governor of the State on September 22, 2015 and became effective immediately on such date; and,

WHEREAS, The Successor Agency, as successor to the Former Redevelopment Agency, and FOCIL-MB, LLC (the “Master Developer”), as assignee of Catellus Development Corporation, are parties to the Mission Bay South Owner Participation Agreement executed November 16, 1998, as amended by the First Amendment, dated February 17, 2004, by the Second Amendment, dated November 1, 2005, and by the Third Amendment, dated May 21, 2013, and as further amended from time to time (the “OPA”), which includes Attachment E thereto, entitled “Mission Bay South Financing Plan” (the “Financing Plan”); and,

WHEREAS, In connection with the execution of the OPA, and as part of the OPA, the Former Redevelopment Agency entered into a series of binding agreements regarding the public and private project to be financed through the OPA, including the Mission Bay South Tax Increment Allocation Pledge Agreement executed November 16, 1998, by and between the City and County of San Francisco and the Former Redevelopment Agency (the “Pledge Agreement”), to which the Master Developer is an express third-party beneficiary; and,

WHEREAS, Pursuant to the Financing Plan, the Successor Agency is obligated to issue Tax Allocation Debt so long as any of the Infrastructure has not been completed or the Infrastructure Costs have not been reimbursed to the Master Developer from the proceeds of Net Available Increment or Tax Allocation Debt (as all such terms are defined in the Financing Plan); and,

WHEREAS, The OPA, including the Financing Plan and the Pledge Agreement, contain an irrevocable pledge of property tax increment, formerly tax increment revenues, to the payment of Infrastructure Costs, and the Successor Agency is obligated, under the OPA, including the Financing Plan and the Pledge Agreement, to issue bonds or incur other indebtedness secured by an irrevocable pledge of tax increment revenues to pay such Infrastructure Costs; and,

WHEREAS, Section 34177.5(a)(4) of the Code provides that a successor agency may, subject to the approval of its oversight board and the Department of Finance, issue bonds or incur other indebtedness to make payments under enforceable obligations when the enforceable obligations include the irrevocable pledge of property tax increment, formerly tax increment revenues, or other funds and the obligation to issue bonds secured by that pledge; and,

WHEREAS, The Master Developer has from time to time requested that the Successor Agency, as successor to the Former Redevelopment Agency, issue CFD debt or Tax Allocation Debt (as such terms are defined in the Financing Plan); and,

WHEREAS, Inasmuch as the requirements of Section 34177.5(a)(4) of the Code were met, in response to such requests of the Master Developer, pursuant to the authority set forth in Section 34177.5(a)(4) of the Code, the Successor Agency previously issued its (i) Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “2014A Bonds”) in the original aggregate principal amount of \$56,245,000 pursuant to an Indenture of Trust dated as of March 1, 2014 (the “Original Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee, (ii) Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “2016B Bonds”) in the original aggregate principal amount of \$45,000,000 pursuant to the Original Indenture, as supplemented and amended by a First Supplemental Indenture of Trust dated as of April 1, 2016 (the “First Supplemental Indenture”), by and between the Successor Agency and U.S. Bank National Association, as trustee, and (iii) Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “2016D Bonds”) in the original principal amount of \$74,651,825 pursuant to an Indenture of Trust dated as of September 1, 2016, between the Successor Agency and U.S. Bank National Association, as trustee; and,

WHEREAS, Section 34177.5(a)(1) of the Code provides that a successor agency may, subject to the approval of its oversight board and the Department of Finance, issue bonds or incur other indebtedness to refund the bonds or other indebtedness of its former redevelopment agency or of the successor agency to provide savings to the successor agency, provided that the conditions set forth in that section (are met; and,

- WHEREAS, Section 34177.5(b) of the Code authorizes a successor agency to issue such refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the “Refunding Law”); and,
- WHEREAS, To refinance certain outstanding loans made to the Former Redevelopment Agency to finance certain of the Improvements, under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, the Successor Agency previously issued its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “2016C Bonds”) in the original aggregate principal amount of \$73,230,000 pursuant to the Original Indenture, as supplemented and amended by the First Supplemental Indenture; and,
- WHEREAS, In order to refund all or a portion of the 2016D Bonds, under the authority of Section 34177.5(a)(1) of the Code and the Refunding Law, the Successor Agency has determined, to issue its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (with any changes to the designation of such bonds as an Authorized Officer (as hereinafter defined) may approve, the “2025A Bonds”) and its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (with any changes to the designation of such bonds as an Authorized Officer (as hereinafter defined) may approve, the “2025B Bonds” and together with the 2025A Bonds, the “2025 Bonds”); and,
- WHEREAS, The 2025 Bonds will be payable from Tax Revenues (as defined in the Original Indenture) on parity with the 2014A Bonds, the 2016B Bonds and the 2016C Bonds; and,
- WHEREAS, The Successor Agency, pursuant to Resolution No. 22-2023, adopted on June 20, 2023 (the “Bond Resolution”), approved the issuance of the 2025 Bonds and the execution of certain documents relating to the 2025 Bonds, including the Second Supplemental Indenture of Trust (the “Second Supplemental Indenture”) between the Successor Agency and U.S. Bank Trust Company, National Association, as trustee (as successor-in-interest to U.S. Bank National Association) (the “Trustee”), further supplementing and amending the Original Indenture and providing for the issuance of the 2025 Bonds, and requested that the Oversight Board approve the issuance of the 2025 Bonds by the Successor Agency; and,
- WHEREAS, The Oversight Board, pursuant to Resolution No. 05-2023, adopted on June 29, 2023 (the “Oversight Board Resolution”), approved the issuance of the 2025 Bonds by the Successor Agency, and said Resolution was sent to the Department of Finance pursuant to Sections 34177.5(f) and 34179(h) of the Code; and,
- WHEREAS, By letter dated August 29, 2023, the Department of Finance approved the Oversight Board Resolution and the issuance of the 2025 Bonds; and,

WHEREAS, The Successor Agency with the assistance its municipal advisor, bond counsel, disclosure counsel, and the fiscal consultant, has caused to be prepared a form of Official Statement describing the 2025 Bonds and containing material information relating to the Successor Agency and the 2025 Bonds, the preliminary form of which is attached hereto as Exhibit A and by this reference incorporated herein; and,

WHEREAS, The sale and issuance of the 2025 Bonds are Successor Agency fiscal activities that do not constitute a “Project” as defined by the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4), will not independently result in a physical change in the environment, and are not subject to environmental review under CEQA; now therefore, be it

RESOLVED, The Successor Agency Commission finds that:

The Successor Agency has full authority to issue the 2025 Bonds to provide funds to refund the 2016D Bonds under Section 34177.5(a)(1) of the Code and the Refunding Law, and all acts and proceedings required by law necessary to make the 2025 Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute the Second Supplemental Indenture a valid and binding agreement for the uses and purposes therein set forth, in accordance with its terms, will have been done or taken and the execution and delivery of the Second Supplemental Indenture will have been in all respects duly authorized; and, be it further

RESOLVED, The Successor Agency Commission hereby confirms its actions in the Bond Resolution authorizing and approving the issuance of the 2025 Bonds subject to the satisfaction of the conditions for issuance set forth in the Bond Resolution; and, be it further

RESOLVED, The Successor Agency Commission hereby approves the preliminary Official Statement describing the 2025 Bonds, in substantially the form attached hereto as Exhibit A together with such changes or additions thereto as the Executive Director, the Deputy Director of Finance and Administration and any of their designees (each being hereinafter referred to as an “Authorized Officer”) deems necessary, desirable or appropriate upon consultation with the Successor Agency’s General Counsel, bond counsel and disclosure counsel, and authorizes an Authorized Officer, acting alone, to deem a preliminary form of the Official Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, except for omissions permitted therein. The distribution of the preliminary Official Statement by Wells Fargo Bank, National Association (the “Underwriter”) is hereby approved. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer and the addition of such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 2025 Bonds, and the Authorized Officers, each acting alone, are hereby authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement; and, be it further

RESOLVED, This Successor Agency Commission authorizes all actions heretofore taken by the officers and agents of the Successor Agency with respect to the sale and issuance of the 2025 Bonds herein authorized, the expenditure of the proceeds of the 2025 Bonds is hereby approved, confirmed and ratified, and the proper officers of the Successor Agency are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the 2025 Bonds in accordance with this Resolution and any certificate, agreement and other document described in the documents herein approved. Any authority delegated under this Resolution and/or the Bond Resolution to a specified official may also be exercised by officials acting in such positions on an interim basis.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of January 7, 2025.


Commission Secretary

Exhibit A: Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2025

**NEW ISSUE
BOOK-ENTRY ONLY**



UNDERLYING RATING: Standard & Poor's: "[]"
INSURED RATING FOR INSURED BONDS: Standard & Poor's: "[]"
 (See "RATINGS" herein)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject however to certain qualifications described herein, under existing law, the interest on the 2025B 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 2025B Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2025 Bonds is exempt from California personal income taxes. Bond Counsel observes that the interest on the 2025A Taxable Bonds is not intended to be excluded from federal income taxation. See "Tax Matters" herein.

**§[2025A Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2025 Series A
Taxable Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)**

**§[2025B Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2025 Series B
Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)**

Dated: Date of Delivery

Due: August 1, as shown on the inside front cover

This cover page contains information for quick reference only. It is *not* intended to be a complete summary of all factors relevant to an investment in the 2025 Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the "**2025A Taxable Bonds**") and the 2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the "**2025B Bonds**") and, together with the 2025A Taxable Bonds, the "**2025 Bonds**," and individually, each a "**Series**") are being issued by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "**Successor Agency**") pursuant to an Indenture of Trust, dated as of March 1, 2014, as amended and supplemented by a First Supplemental Indenture of Trust, dated as of April 1, 2016, and a Second Supplemental Indenture of Trust, dated as of January 1, 2025, each by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the "**Trustee**").

Interest on the 2025 Bonds will be payable on February 1 and August 1 of each year, commencing [August 1, 2025]. Principal of the 2025 Bonds will be payable on the dates and in the respective principal amounts set forth on the inside cover page.

The scheduled payment of principal of and interest on the 2025A Taxable Bonds maturing on August 1 of the years _____, _____ and _____ (the "**2025A Insured Bonds**") and the scheduled payment of principal of and interest on the 2025B Bonds maturing on August 1 of the years _____, _____ and _____ (the "**2025B Insured Bonds**") and, together with the 2025A Insured Bonds, the "**Insured Bonds**"), when due will be guaranteed under an insurance policy (the "**Insurance Policy**") to be issued concurrently with the delivery of the 2025 Bonds by [_____]. **No 2025 Bonds other than the Insured Bonds will be insured by the Insurance Policy. See "Bond Insurance."**

The 2025 Bonds of each Series will be issued in book-entry form, without coupons, initially 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 for the 2025 Bonds. Beneficial ownership interests in the 2025 Bonds may initially be purchased, in denominations of \$5,000 or any integral multiple thereof, in book-entry only form as described herein. So long as Cede & Co. is the registered owner of the 2025 Bonds, payments of principal and interest will be made to Cede & Co., as nominee for DTC. DTC is required in turn to remit such payments to DTC Participants for subsequent disbursements to Beneficial Owners. Disbursement of such payments to the DTC Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Direct Participants and Indirect Participants as more fully described herein. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

The 2025 Bonds of each Series are subject to redemption prior to maturity as described herein. See “THE 2025 BONDS – Redemption Provisions.”

The proceeds of the 2025A Taxable Bonds will be used to (i) refund a portion of the Successor Agency’s outstanding 2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “**2016D Subordinate Bonds**”), (ii) pay the premium for a municipal bond debt service reserve insurance policy to satisfy the Reserve Requirement for the 2025A Taxable Bonds, and (iii) pay costs associated with the issuance of the 2025A Taxable Bonds, including the portion of the premium for the Insurance Policy allocable to the 2025A Taxable Bonds. The proceeds of the 2025B Bonds will be used to (i) refund the portion of the outstanding 2016D Subordinate Bonds not refunded with proceeds of the 2025A Taxable Bonds, (ii) pay the premium for a municipal bond debt service reserve insurance policy to satisfy the Reserve Requirement for the 2025B Bonds, and (iii) pay costs associated with the issuance of the 2025B Bonds, including the portion of the premium for the Insurance Policy allocable to the 2025B Bonds. See “PLAN OF FINANCE,” “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.” See also “MATURITY SCHEDULES” and “INTRODUCTION – Reserve Account” and “ – Bond Insurance.”

The 2025 Bonds are payable from and secured by Tax Revenues (defined herein), consisting primarily of certain revenues generated from taxes on the property within the Mission Bay South Project Area on that portion of the taxable valuation over and above the taxable valuation of the base year property tax roll. No funds or properties of the Successor Agency, other than the Tax Revenues and certain other funds and accounts established under the Indenture, are pledged to secure the 2025 Bonds. The Successor Agency previously issued outstanding bonds that are payable from and secured by Tax Revenues on a parity with the 2025 Bonds, and may issue or incur additional indebtedness that is payable from and secured by Tax Revenues on a parity with the 2025 Bonds so long as certain conditions precedent are met at the time. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Limitations on Additional Indebtedness – Parity Debt.”

The 2025 Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Tax Revenues and certain other amounts on deposit in the funds and accounts established under the Indenture. The 2025 Bonds are not 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 Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The 2025 Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the 2025 Bonds. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.

The 2025 Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Alexis S. M. Chiu, Esq., San Francisco, California, is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by its General Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the 2025 Bonds will be delivered to the Underwriter through the facilities of DTC in New York, New York, on or about _____, 2025.

Wells Fargo Securities

Dated: _____, 2025

*Preliminary, subject to change.

MATURITY SCHEDULES

**§[2025A Par]*
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
2025 Series A Taxable Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)**

§[]* Serial Bonds

<u>Maturity</u> (August 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> (Base: 79770G) [†]
	\$	%	%	

§[]* []% [Insured] Term Bonds due August 1, [], Yield []%, CUSIP[†] No. 79770G[]

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data are not intended to create a database and do not serve in any way as a substitute for the CGS database and are included solely for convenience. None of the Successor Agency, the Underwriter or their agents or counsel assumes any responsibility for the accuracy or correctness of the CUSIP data.

§[2025B Par]*
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
2025 Series B Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)

§[]* Serial Bonds

<u>Maturity</u> (<u>August 1</u>)	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>CUSIP No.</u> (<u>Base: 79770G</u>) [†]
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§[]* []% [Insured] Term Bonds due August 1, [], Yield []%, CUSIP[†] No. 79770G[]

* Preliminary, subject to change.

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[Aerial View to Come.]

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO**

Commission Members

Bivett Brackett, *Chair*
Dr. Carolyn Ransom-Scott, *Vice Chair*
Vanessa Ross Aquino
Tamsen Drew
Kent Lim

Successor Agency Staff

Thor Kaslofsky, *Executive Director*
Rosa Torres, *Deputy Director of Finance and Administration*
James Morales, *Deputy Director and General Counsel*
Marc Slutzkin, *Deputy Director, Projects and Programs*

CITY AND COUNTY OF SAN FRANCISCO

Daniel Lurie, *Mayor*⁽¹⁾

David Chiu, *City Attorney*
Greg Wagner, *Controller*
José Cisneros, *Treasurer*

BOARD OF SUPERVISORS

Connie Chan, *District 1*
Stephen Sherrill, *District 2*
Danny Sauter, *District 3*⁽²⁾
Joel Engardio, *District 4*
Bilal Mahmood, *District 5*⁽²⁾
Matt Dorsey, *District 6*

Myrna Melgar, *District 7*
Rafael Mandelman, *District 8*
Jackie Fielder, *District 9*⁽²⁾
Shamann Walton, *District 10*
Chyanne Chen, *District 11*⁽²⁾

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Municipal Advisor

PFM California Advisors LLC
San Francisco, California

Trustee

U.S. Bank Trust Company, National Association
San Francisco, California

Disclosure Counsel

Alexis S. M. Chiu, Esq.
San Francisco, California

Fiscal Consultant

Urban Analytics LLC
San Francisco, California

Verification Agent

Precision Analytics Inc.

⁽¹⁾ Won election on November 5, 2024. Term starts on January 8, 2025.

⁽²⁾ Newly elected to the Board of Supervisors on November 5, 2024. Terms start on January 8, 2025.

No dealer, broker, salesperson or other person has been authorized by the Successor Agency or the City to give any information or to make any representations in connection with the offer or sale of the 2025 Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2025 Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. This Official Statement is not to be construed as a contract with the purchasers of the 2025 Bonds.

The information set forth herein has been obtained from sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Successor Agency. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency since the date hereof. The information and expressions of opinion stated herein are subject to change without notice.

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 words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Successor Agency disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All summaries of the Indenture (as defined herein) and of statutes and other documents referred to herein do not purport to be comprehensive or definitive and are qualified in their entireties by reference to each such statute and document. This Official Statement, including any amendment or supplement hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access (EMMA) website.

The Successor Agency and the City maintain websites. However, the information presented therein is not a part of this Official Statement and must not be relied upon in making an investment decision with respect to the 2025 Bonds.

The issuance and sale of the 2025 Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its 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 THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

§[2025A Par] *
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2025 Series A
Taxable Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)**

§[2025B Par] *
**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2025 Series B
Tax Allocation Refunding Bonds
(Mission Bay South Redevelopment Project)**

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the 2025 Bonds being offered, and a full review should be made of the entire Official Statement including the cover page, the table of contents and the appendices for a more complete description of the terms of the 2025 Bonds. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of provisions of, any other documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions of such documents. Capitalized terms used in this Official Statement and not defined herein shall have the meanings assigned to them in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” or if not defined therein, then in the Indenture (defined herein).

Authority and Purpose

The purpose of this Official Statement, which includes the cover page, table of contents and appendices hereto (collectively, the “**Official Statement**”), is to provide certain information in connection with the offering by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) of its §[2025A Par] * aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “**2025A Taxable Bonds**”) and its §[2025B Par] * aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “**2025B Bonds**” and, together with the 2025A Taxable Bonds, the “**2025 Bonds**” and individually, each a “**Series**”). The 2025 Bonds are being issued in accordance with a resolution of the Successor Agency adopted June 20, 2023 (the “**Resolution**”), and an Indenture of Trust, dated as of March 1, 2014 (the “**Original Indenture**”), as amended and supplemented by a First Supplemental Indenture of Trust, dated as of April 1, 2016 (the “**First Supplemental Indenture**”), and a Second Supplemental Indenture of Trust, dated as of January 1, 2025 (the “**Second Supplemental Indenture**” and, together with the Original Indenture and the First Supplemental Indenture, the “**Indenture**”), each by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the “**Trustee**”), and as applicable, pursuant to authority contained in Section 34177.5(a)(1) of the Dissolution Act (defined below), and Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “**Refunding Law**”).

The Successor Agency will use the proceeds of the 2025A Taxable Bonds to: (i) refund certain obligations of the Successor Agency, as described herein under “THE REFUNDING PLAN,” (ii) [pay the premium for the 2025A Reserve Policy (defined herein),] and (iii) pay costs associated with the issuance of the 2025A Taxable Bonds, [including the portion of the premium for the Insurance Policy (defined

* Preliminary, subject to change.

herein) allocable to the 2025A Taxable Bond. The 2025B Bonds are being issued for the purpose of providing funds, together with certain other available monies, to (i) refund certain obligations of the Successor Agency, as described herein under “THE REFUNDING PLAN,” (ii) [pay the premium for the 2025B Reserve Policy (defined herein),] and (iii) pay costs associated with the issuance of the 2025B Bonds, [including the portion of the premium for the Insurance Policy allocable to the 2025B Bonds. See “PLAN OF FINANCE,” “THE REFUNDING PLAN” and “ESTIMATED SOURCES AND USES OF FUNDS.” See also “– Reserve Account” and “– Bond Insurance.”

The City and County of San Francisco

The City and County of San Francisco (the “**City**”) is the economic and cultural center of the San Francisco Bay Area and northern California. The corporate 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. The City is located at the northern tip of the San Francisco Peninsula, bounded by the Pacific Ocean to the west, the San Francisco Bay to the east, the entrance to the San Francisco Bay and the Golden Gate Bridge to the north, and San Mateo County to the south. Silicon Valley is about 45 miles to the south, and the wine country is about 65 miles to the north. According to the U.S. Census Bureau, the population in the City in 2010 was 805,235 and in 2020 was 873,965. The California Department of Finance Demographic Research Unit estimated the City’s population at [843,071] as of [January 1, 2024].

The 2025 Bonds are not a debt of the City and the General Fund of the City is not liable for the payment of the principal of, or premium, if any, or interest on, the 2025 Bonds. Neither the credit nor the taxing power of the City is pledged to the payment of the principal of, premium, if any, or interest on the 2025 Bonds. The 2025 Bonds are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City.

The Successor Agency

As described below, the Successor Agency is the successor to the former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”). The Former Agency was organized by the Board of Supervisors of the City (the “**Board of Supervisors**”) in 1948 to exercise the powers granted by the California Community Redevelopment Law (Sections 33000 et seq. of the California Health and Safety Code) (as amended, the “**Redevelopment Law**”).

As a result of Assembly Bill No. X1 26 (“**AB 26**”) enacted on June 29, 2011, and the decision of the State Supreme Court in *California Redevelopment Association, et al. v. Matosantos, et al.* (the “**California Redevelopment Association Case**”), as of February 1, 2012, all redevelopment agencies in the State of California (the “**State**”), including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The State legislature has amended AB 26 several times, including on June 27, 2012, by Assembly Bill No. 1484 (“**AB 1484**”), enacted as Chapter 26, Statutes of 2012, and on September 22, 2015, by Senate Bill No. 107 (“**SB 107**”), enacted as Chapter 325, Statutes of 2015.

The primary provisions enacted by AB 26 relating to the dissolution and winding down of former redevelopment agency affairs are codified in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code, as amended by AB 1484 and SB 107 (as further amended from time to time, the “**Dissolution Act**”). See also “THE SUCCESSOR AGENCY” for further discussion of the Dissolution Act, the formation of the Successor Agency and the current powers, and limitations thereon, of the Successor Agency. The Redevelopment Law, and

the acts amendatory thereof and supplemental thereto, including the Dissolution Act, is collectively referred to herein as the “**Law.**”

The issuance of the 2025 Bonds is subject to the approval of the Successor Agency Commission (as defined herein), the Successor Agency’s Oversight Board (the “**Oversight Board**”) and the Department of Finance of the State of California (the “**California Department of Finance**”) pursuant to the Dissolution Act. All such approvals have been obtained. See “THE 2025 BONDS – Authority for Issuance.”

The Project Area

The Redevelopment Plan for the Mission Bay South Redevelopment Project (as amended, the “**Redevelopment Plan**”), was approved by ordinance of the Board of Supervisors on November 2, 1998. The project area covered by the Redevelopment Plan (the “**Mission Bay South Project Area**” or the “**Project Area**”) consists of approximately 238 acres located approximately two (2) miles south of the financial district of the City, not all of which generates tax revenue. See “ – Tax Allocation Financing” below.

Tax Allocation Financing

Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described herein. See “CERTAIN RISK FACTORS.”

Prior to the enactment of AB 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance, which adopted the redevelopment plan, became the base year valuation. Assuming the taxable valuation never dropped below the base year level, the taxing agencies thereafter generally received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of agency obligations. Tax Revenues (as defined under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Security of Bonds; Equal Security”) generally consist of a portion of such incremental tax revenues, and are generated from approximately 51.4 acres out of the approximately 238 acres that make up the Project Area. See “THE PROJECT AREA.”

The Dissolution Act authorizes refunding bonds, including the 2025 Bonds, to be payable from, and secured by a pledge of, moneys deposited from time to time in the Redevelopment Property Tax Trust Fund held by the auditor-controller of the City and County of San Francisco (the “**City Controller**”) with respect to the Successor Agency (the “**Redevelopment Property Tax Trust Fund**” or “**RPTTF**”). Such funds are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects. **DISCUSSIONS HEREIN REGARDING TAX INCREMENT OR TAX REVENUES NOW REFER TO THOSE MONEYS DEPOSITED BY THE CITY CONTROLLER INTO THE RPTTF AND NOT OBLIGATED FOR OTHER PURPOSES.**

Security and Sources of Payment for the 2025 Bonds

The 2025 Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and payable from and secured by the Tax Revenues on a parity with the 2014 Bonds (defined herein) and the 2016 Bonds (defined herein). The payment of debt service on the 2025 Bonds, the 2014

Bonds and the 2016 Bonds is subordinate to payment of the City Controller Administration Fee (as defined herein). The Successor Agency has covenanted that it will not issue additional debt payable from the Tax Revenues on a basis senior to the payment of debt service on the 2025 Bonds, the 2014 Bonds and the 2016 Bonds. See “Security and Sources of Payment For The 2025 Bonds – Allocation of Taxes Pursuant to the Dissolution Act,” “ – Security for the 2025 Bonds; Equal Security,” “ – Parity Debt,” and “ – Limitations on Additional Indebtedness.” The Successor Agency is bound by a contractual agreement with respect to the Project Area to continue to set aside at least 20% of total tax revenues for the provision of low and moderate income housing. Accordingly, Tax Revenues available to pay debt service on the 2025 Bonds will not include the 20% of gross tax increment revenue from the Project Area that, prior to the Dissolution Act, was required to be deposited in the Low and Moderate Income Housing Fund of the Former Agency.

The Dissolution Act requires the City Controller to determine the amount of property taxes that would have been allocated to the Former Agency had it not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the RPTTF. The Dissolution Act further provides that bonds authorized thereunder issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF, and that property tax revenues pledged to any bonds authorized under the Dissolution Act are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution, which provided for the allocation of tax increment revenues under the Redevelopment Law. Section 34177.5(g) of the Dissolution Act provides that any bonds authorized to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB 26 and in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, will be included in the Successor Agency’s Recognized Obligation Payment Schedule (defined herein) and will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF established pursuant to the Dissolution Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Recognized Obligation Payment Schedule.”

The Dissolution Act requires compliance by the Successor Agency with a procedure for preparation of a Recognized Obligation Payment Schedule in order to receive funds for payment of debt service and submission thereof to its Oversight Board and the California Department of Finance for approval. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act.” Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various properties within the Project Area, to the extent that such taxes constitute tax revenues, will be deposited in the RPTTF for transfer by the City Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund (the “**Retirement Fund**”) on January 2 and June 1 of each year (adjusted for weekends and holidays) to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Recognized Obligation Payment Schedule.” Moneys deposited by the City Controller into the Retirement Fund representing Tax Revenues will first be deposited by the Successor Agency in the Special Fund established and held by the Successor Agency under the Indenture (the “**Special Fund**”) and will then be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

The 2025 Bonds are secured by and payable solely from the Tax Revenues and moneys on deposit in the Special Fund and the other funds and accounts established under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act” and “TAX REVENUES AND DEBT SERVICE.” The Project Area, and the real and personal property therein, do not serve as security for the 2025 Bonds.

The 2025 Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Tax Revenues and certain other amounts on deposit in the funds and accounts established under the Indenture on a parity with the 2014 Bonds and the 2016 Bonds. The 2025 Bonds are not a debt of the City, the State or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The 2025 Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the 2025 Bonds. None of the members of the Successor Agency Commission (defined herein), the Successor Agency, the City, or the persons executing the 2025 Bonds is liable personally for the 2025 Bonds by reason of their issuance. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act” and “TAX REVENUES AND DEBT SERVICE.”

Limited Obligation; Parity Debt

The 2025 Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and are payable solely from and secured by a pledge of Tax Revenues and amounts on deposit in the Special Fund and the other funds and accounts established under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – General” and “ – Security for the 2025 Bonds; Equal Security.”

The pledge of Tax Revenues to secure the 2025 Bonds is on a parity with the pledge thereof to pay debt service on the Successor Agency’s 2014 Series A Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “**2014 Bonds**”), 2016 Series B Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “**2016B Bonds**”), and 2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “**2016C Bonds**” and, together with the 2016B Bonds, the “**2016 Bonds**”).

The Successor Agency has the right to issue additional bonds or incur other loans, advances or indebtedness payable from Tax Revenues on a parity with the 2025 Bonds, the 2014 Bonds and the 2016 Bonds to finance or refinance redevelopment activities with respect to the Mission Bay South Redevelopment Project, subject to the satisfaction of certain conditions precedent (“**Parity Debt**”). The 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any other Parity Debt issued as bonds under the Indenture are sometimes referred to collectively in this Official Statement as the “**Bonds**.” See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Limitations on Additional Indebtedness – *Parity Debt*.” The Successor Agency currently anticipates issuing additional bonds on a parity with the 2025 Bonds, the 2014 Bonds and the 2016 Bonds to pay for Infrastructure (defined herein) and related costs. The amount of additional Parity Debt anticipated to be issued in the next five (5) years is currently estimated in the aggregate principal amount of approximately \$170 million, but is subject to change. See “THE PROJECT AREA – Mission Bay South Owner Participation Agreement.”

Reserve Account

In order to further secure the payment of principal of and interest on the 2025 Bonds, a portion of the proceeds of the 2025A Taxable Bonds and the 2025B Bonds will be deposited in the 2025A Reserve Subaccount (defined herein) and the 2025B Reserve Subaccount (defined herein), respectively, in amounts equal to the respective Reserve Requirements (defined herein) for said bonds. The Reserve Requirement for the 2025A Taxable Bonds and the Reserve Requirement the 2025B Bonds will be calculated separately

and without regard to the outstanding 2014 Bonds or 2016 Bonds or any Parity Debt issued or incurred by the Successor Agency in the future.

[_____] (the “**2025 Insurer**”) has committed to issue, simultaneously with the issuance of the 2025 Bonds, (i) the 2025A Reserve Policy for delivery to the Trustee, who will credit it to the 2025A Reserve Subaccount, for the benefit of the 2025A Taxable Bonds, and (ii) the 2025B Reserve Policy for delivery to the Trustee, who will credit it to the 2025B Reserve Subaccount, for the benefit of the 2025B Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Special Fund; Deposit of Tax Revenues – *Reserve Account*” and “– *Reserve Policies*.”

Bond Insurance

Concurrently with the issuance of the 2025 Bonds, the 2025 Insurer will issue its Municipal Bond Insurance Policy (the “**Insurance Policy**”) to guarantee the scheduled payment of the principal of, and interest on, all or a portion of the 2025A Taxable Bonds (the “**2025A Insured Bonds**”), when due, and all or a portion of the 2025B Bonds (the “**2025B Insured Bonds**” and, together with the 2025A Insured Bonds, the “**Insured Bonds**”), when due. *No 2025 Bonds other than the Insured Bonds will be insured by the Insurance Policy.* See “BOND INSURANCE.”

Risk Factors

Certain events could affect the ability of the Successor Agency to pay debt service on the 2025 Bonds when due. See “CERTAIN RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2025 Bonds.

Continuing Disclosure

The Successor Agency has covenanted for the benefit of Owners and Beneficial Owners to provide certain financial information and operating data relating to the Successor Agency (the “**Annual Report**”) not later than six (6) months after the end of each of the Successor Agency’s Fiscal Years (presently June 30) commencing with the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of the specified events will be filed with the Municipal Securities Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Market Access website (“**EMMA**”) of the MSRB. The specific nature of the information to be contained in the Annual Report and the notice of events is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter (defined herein) in complying with S.E.C. Rule 15c2-12(b)(5).

See “CONTINUING DISCLOSURE” for additional information.

Available Information

This Official Statement contains brief descriptions of the 2025 Bonds, the security for the 2025 Bonds, the Indenture, the Successor Agency, the Former Agency, the City, the Project Area and certain other information relevant to the issuance of the 2025 Bonds. All references herein to the Indenture, the Refunding Law, the Redevelopment Law, the Dissolution Act, the Constitution and laws of the State are qualified in their entirety by reference to the complete text thereof and all references to the 2025 Bonds are further qualified by reference to the form thereof contained in the Indenture.

The Successor Agency’s audited financial statements for the period ended June 30, 2024, are included in APPENDIX A – “SUCCESSOR AGENCY’S AUDITED FINANCIAL STATEMENTS FOR THE YEAR

ENDED JUNE 30, 2024.” Urban Analytics, LLC, San Francisco, California (the “**Fiscal Consultant**”) is providing consulting services to the Successor Agency with respect to the Project Area and its projected taxable values and anticipated tax increment revenues. The Fiscal Consultant’s report is attached hereto as APPENDIX B – “FISCAL CONSULTANT REPORT.” The proposed form of legal opinion of Bond Counsel relating to the 2025 Bonds is set forth in APPENDIX E – “FORM OF BOND COUNSEL FINAL OPINION.”

The information set forth herein and in the Appendices hereto has been furnished by the Successor Agency and includes information which has been obtained from other sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness by the Successor Agency or the Underwriter and is not to be construed as a representation by the Underwriter. Copies of documents referred to herein and information concerning the 2025 Bonds are available upon written request from the Trustee, U.S. Bank Trust Company, National Association, One California Street, Suite 1000, Mail Code: SF-CA-SFCT, San Francisco, California 94111. Within the City, the Successor Agency, which is constituted as the Office of Community Investment and Infrastructure or “OCII,” may be contacted at: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5th Floor, San Francisco, California 94103; telephone: (628) 652-8500. The Successor Agency will respond to requests by any Bondowner for public information. The Successor Agency may impose a charge for copying, mailing and handling.

THE REFUNDING PLAN

General. The proceeds of the 2025 Bonds will be applied, together with certain other available funds, to refund all of the outstanding Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project) (the “**2016D Subordinate Bonds**” or the “**Refunded Bonds**”). The Refunded Bonds were issued as capital appreciation bonds and are subject to redemption at the option of the Successor Agency, on any date, at a redemption price equal to 100% of the Accreted Value (as defined in the indenture relating to the Refunded Bonds) thereof to be redeemed, without premium.

Refunded Bonds. The following table details the maturity dates and principal amounts of the Refunded Bonds.

Refunded Bonds *				
Maturity Date (August 1)	Principal Amount Outstanding	Principal Amount Refunded	Redemption Date	
2026	\$7,237,525	\$7,237,525	[]	
2031	\$15,150,940	\$15,150,940	[]	
2043	\$24,014,175	\$24,014,175	[]	
Total	\$46,402,640	\$46,402,640		

The refunding of the Refunded Bonds will be effected by depositing a portion of the proceeds of the 2025 Bonds, [together with other available monies,] into a special and irrevocable escrow fund (the “**Escrow Fund**”) established for the Refunded Bonds in accordance with an Escrow Agreement (2016 Series D Bonds), dated as of January 1, 2025 (the “**Escrow Agreement**”), between the Successor Agency and U.S. Bank Trust Company, National Association, as escrow agent and trustee of the Refunded Bonds. A portion of the amounts deposited in the Escrow Fund will be invested in direct noncallable obligations of, or unconditionally guaranteed by, the United States of America (the “**Escrowed Securities**”), and the remainder will be held in cash. The Escrowed Securities will bear interest at such rates and will be

* Preliminary, subject to change.

scheduled to mature at such times and in such amounts so that such amounts, together with amounts held as cash in the Escrow Fund, will provide sufficient monies to pay the Accreted Value of the Refunded Bonds on such date, without premium.

Upon such deposit and investment and compliance with or provision for compliance with certain notice requirements set forth in the indenture related to the Refunded Bonds, the liability of the Successor Agency therefor will cease and terminate and the Refunded Bonds will no longer be outstanding under its indenture, except that the owners of such Refunded Bonds will be entitled to payment thereof solely from the amounts on deposit in the Escrow Fund held by the Trustee.

Verification. Precision Analytics Inc. will verify, from the information provided to them, the mathematical accuracy, as of the date of delivery of the 2025 Bonds, of computations relating to the adequacy of the maturing principal amounts of the Escrowed Securities deposited into the Escrow Fund pursuant to the Escrow Agreement and the interest to be earned thereon, together with any amounts held as cash in the Escrow Fund, to pay the Accreted Value of the Refunded Bonds on such date, without premium. See “Verification of Mathematical Computations.”

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the 2025 Bonds are as follows:

	<i>2025A Taxable Bonds</i>	<i>2025B Bonds</i>	<i>Total</i>
Sources:			
Par Amount	\$	\$	\$
Original Issue			
Premium/Discount			
Plus Other Money ⁽¹⁾			
Total Sources	<u>\$</u>	<u>\$</u>	<u>\$</u>
Uses:			
Escrow Fund	\$	-	\$
Costs of Issuance ⁽²⁾			
Underwriter’s Discount			
Total Uses	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Reflects moneys relating to the Refunded Bonds.

⁽²⁾ Includes legal, financing and consultant fees, rating agency fee, verification agent fees, the fees for the reserve policies and bond insurance policy, and other miscellaneous expenses.

THE 2025 BONDS

Authority for Issuance

The 2025 Bonds were authorized for issuance pursuant to the Indenture, the Refunding Law, the Redevelopment Law and the Dissolution Act. Issuance of the 2025 Bonds and the execution of the related documents were authorized by the Successor Agency pursuant to a resolution adopted by the Successor Agency Commission (defined herein) on June 20, 2023 (the “**Resolution**”), and approved by the Successor Agency’s Oversight Board pursuant to the resolution of the Oversight Board adopted on June 29, 2023 (the “**Oversight Board Resolution**”).

Written notice of the Oversight Board Resolution was provided to the California Department of Finance, as required by the Dissolution Act. On August 29, 2023, which is within the time period allotted

under the Dissolution Act for the California Department of Finance to review the Oversight Board Resolution, the California Department of Finance provided a letter to the Successor Agency stating that, based on the California Department of Finance's review of the Oversight Board Resolution and application of applicable law, the California Department of Finance approved of the issuance of the 2025 Bonds.

Description of the 2025 Bonds

The 2025 Bonds of each Series will be issued in the form of fully registered bonds without coupons and in principal denominations of \$5,000 or any integral multiple thereof.

The 2025 Bonds of each Series will be dated, and will bear interest from their date of delivery to the original purchasers thereof. The 2025 Bonds of each Series will be issued in the respective aggregate amounts, will bear interest at the respective rates and will mature, subject to the redemption provisions set forth hereinafter, on the respective dates and in the amounts all as set forth on the inside cover page hereof. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Interest on each Series of the 2025 Bonds will be payable on February 1 and August 1 of each year, commencing [August 1, 2025] (each, an “**Interest Payment Date**”). Interest on the 2025 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each Series of the 2025 Bonds will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding an Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day (the “**Record Date**”) and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated on or before [July 15], 2025, in which event it will bear interest from the date of delivery of the 2025 Bonds to the original purchasers thereof, provided, however, that if as of the date of authentication of such Series of the 2025 Bonds, interest thereon is in default, such Series of the 2025 Bonds will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Book-Entry Only System

Each Series of 2025 Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as a securities depository for the 2025 Bonds. Individual purchases may be made in book-entry only form. Purchasers will not receive certificates representing their beneficial ownership interest in the 2025 Bonds so purchased. So long as DTC, or its nominee, Cede & Co., is the registered owner of the 2025 Bonds, payments of principal, premium, if any, and interest evidenced by the 2025 Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the 2025 Bonds and references herein and in the Indenture to the Owners or Bondowners mean Cede & Co. and do not mean the Beneficial Owners of the 2025 Bonds. In this Official Statement, the term “**Beneficial Owner**” means the person for whom the DTC Participant acquires an interest in the 2025 Bonds.

Each such payment to DTC or its nominee will be valid and effective to fully discharge all liability of the Successor Agency or the Trustee with respect to the principal or redemption price of or interest on the 2025 Bonds to the extent of the sum or sums so paid. The Successor Agency and the Trustee cannot and do not give any assurance that DTC's Direct Participants or Indirect Participants will distribute to Beneficial Owners (i) payments of interest, principal or premium, if any, with respect to the 2025 Bonds, (ii) confirmation of ownership interests in the 2025 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the 2025 Bonds, or that DTC's Direct Participants or Indirect Participants will do so on a timely basis.

Neither the Successor Agency nor the Trustee will have any responsibility or obligation to DTC Direct Participants, Indirect Participants or Beneficial Owners with respect to the payments or the providing of notice to DTC Direct Participants, Indirect Participants or Beneficial Owners or the selection of the 2025 Bonds for redemption. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

In the event that either (i) DTC or a successor securities depository determines not to continue to act as a securities depository for the 2025 Bonds, or (ii) the Successor Agency determines to terminate DTC or a successor securities depository as such, then the Successor Agency will discontinue the book-entry system. Thereupon, DTC or the then current securities depository will furnish the Trustee with the names and addresses of the book-entry system Participants and their respective ownership interests thereof and the Trustee will issue replacement 2025 Bonds thereto.

Redemption Provisions *

Optional Redemption. The 2025A Taxable Bonds maturing on or prior to August 1, 20__, are not subject to optional redemption prior to maturity. The 2025A Taxable Bonds maturing on and after August 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity from any available source of funds. Such optional redemption will be at a redemption price equal to the principal amount of the 2025A Taxable Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The 2025B Bonds maturing on or prior to August 1, 20__, are not subject to optional redemption prior to maturity. The 2025B Bonds maturing on and after August 1, 20__, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, 20__, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds. Such optional redemption will be at a redemption price equal to the principal amount of the 2025B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2025A Taxable Bonds maturing August 1, 20__ (the “2025A Term Bonds”), are also subject to mandatory sinking fund redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20__, as set forth below, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with accrued interest thereon to the date of redemption, without premium; provided, however, that if some but not all of such 2025A Term Bonds have been redeemed as described under the subcaption “ – *Optional Redemption*” above, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2025A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency; provided further, however, that in lieu of mandatory sinking fund redemption thereof, such 2025A Term Bonds may be purchased by the Successor Agency as described under the subcaption “ – *Purchase in Lieu of Redemption*” below.

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* Preliminary, subject to change.

2025A Term Bonds maturing on August 1, 20__

Sinking Account Redemption Date (<u>August 1</u>)	Principal Amount to be Redeemed
	\$

* Maturity.

The 2025B Bonds maturing on August 1, 20__ (the “**2025B Term Bonds**” and, together with the 2025A Term Bonds, the “**Term Bonds**”), are also subject to mandatory sinking fund redemption in whole, or in part by lot, on August 1 in each year, commencing August 1, 20__, as set forth below, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with accrued interest thereon to the date of redemption, without premium; provided, however, that if some but not all of such 2025B Term Bonds have been redeemed as described under the subcaption “ – *Optional Redemption*” above, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2025B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency; provided further, however, that in lieu of mandatory sinking fund redemption thereof, such Term Bonds may be purchased by the Successor Agency as described under the subcaption “ – *Purchase in Lieu of Redemption*” below.

2025B Term Bonds maturing on August 1, 20__

Sinking Account Redemption Date (<u>August 1</u>)	Principal Amount to be Redeemed
	\$

* Maturity.

Purchase in Lieu of Redemption. In lieu of redemption of the Term Bonds pursuant to the preceding paragraphs, the Successor Agency may purchase such Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Successor Agency may in its discretion determine. The par amount of any of such Term Bonds so purchased by the Successor Agency in any twelve-month period ending on June 1 in any year will be credited towards and will reduce the par amount of such Term Bonds required to be redeemed on August 1 in each year; provided that evidence satisfactory to the Trustee of such purchase has been delivered to the Trustee by said June 1.

Selection of Bonds for Redemption. Whenever any Series of 2025 Bonds or portions thereof are to be selected for redemption by lot, the Trustee will make such selection, in such manner as the Trustee will deem appropriate, and will notify the Successor Agency thereof to the extent such Series of 2025 Bonds are no longer held in book-entry form. In the event of redemption by lot of a Series of 2025 Bonds, the

Trustee will assign to each 2025 Bond of such Series then Outstanding a distinctive number for each \$5,000 of the principal amount of each such 2025 Bond. The 2025 Bonds to be redeemed will be the 2025 Bonds that were assigned the numbers so selected, but only so much of the principal amount of each such 2025 Bond of a denomination of more than \$5,000 will be redeemed as will equal \$5,000 for each number assigned to it and so selected.

Notice of Redemption; Rescission. Notice of redemption will be mailed by first class mail no less than thirty (30) and not more than sixty (60) days prior to the redemption date (i) to any Insurer and the Bondowners (i.e., Cede & Co. as nominee of DTC) or in the event that the book-entry only system is discontinued, to the respective registered owners of the 2025 Bonds designated for redemption at their addresses appearing on the Registration Books, and (ii) to DTC or other Securities Depositories and one or more Information Services. Neither failure to receive such notice nor any defect in the notice so mailed nor any failure on the part of DTC or failure on the part of a nominee of a Beneficial Owner to notify the Beneficial Owner so affected will affect the validity of the proceedings for redemption of such 2025 Bonds or the cessation of accrual of interest thereon on the redemption date.

The Successor Agency may 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 will 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 2025 Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. If any redemption is rescinded or canceled in accordance with the Indenture, the Trustee will mail notice of such rescission or cancellation in the same manner and to the same recipients as the original notice of such redemption was sent, and neither the Successor Agency nor Trustee will have any liability to Owners or any other party related to or arising from such rescission of redemption.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of, and interest on, the 2025 Bonds so called for redemption will have been duly deposited with the Trustee, such 2025 Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest will accrue thereon from and after the redemption date specified in such notice.

Transfer and Exchange. If the 2025 Bonds are not in book-entry form, then the 2025 Bonds may be transferred or exchanged at the Principal Corporate Trust Office of the Trustee, provided that the Trustee will not be required to register the transfer or exchange of (i) any 2025 Bonds during the period established by the Trustee for selection of the 2025 Bonds for redemption, or (ii) any 2025 Bonds selected by the Trustee for redemption pursuant to the Indenture. So long as Cede & Co. is the registered owner of the 2025 Bonds, transfers and exchanges of the 2025 Bonds will be subject to book-entry procedures. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Mutilated, Lost, Destroyed or Stolen Bonds. The Successor Agency and the Trustee will, under certain circumstances, replace 2025 Bonds that have been mutilated, lost, destroyed or stolen. The Successor Agency may require payment of a reasonable fee and of the expenses which may be incurred by the Successor Agency and the Trustee in connection with the issuance of a new 2025 Bond to replace a 2025 Bond that has been mutilated, lost, destroyed or stolen.

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DEBT SERVICE SCHEDULE

Set forth below is a table showing scheduled principal, interest and total debt service for each Series of the 2025 Bonds and debt service on the outstanding 2014 Bonds and 2016 Bonds.

Bond Year Ending August 1	Outstanding 2014 Bonds and 2016 Bonds Debt Service	2025A Taxable Bonds			2025B Bonds			Total Debt Service
		Principal	Interest	Debt Service	Principal	Interest	Debt Service	
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								
2041								
2042								
<u>2043</u>								
Total								

Source: [Wells Fargo Bank, National Association]

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SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS

General

Under the Indenture, the Successor Agency has pledged all of its right, title and interest in and to the Tax Revenues to payment of the 2025 Bonds, subject to a parity pledge thereof to secure the 2014 Bonds, the 2016 Bonds and any other Parity Debt. See “– Parity Debt.” The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture, and are payable solely from and secured by a pledge of, security interest in and lien on (a) all the Tax Revenues (including investment income with respect to any moneys held by the Trustee in the funds and accounts established under the Indenture) and amounts in the Special Fund and (b) all other moneys deposited with the Trustee from time to time in the funds and accounts established under the Indenture, the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (provided that, with respect to any Series of Bonds, it will be secured only by the applicable subaccount specified in the Indenture). Except for the Tax Revenues and such moneys in the funds and accounts described above, no fund or property of the Successor Agency will be pledged to, or otherwise be liable for, the payment of principal of or interest on the 2025 Bonds. See “– Security for the 2025 Bonds; Equal Security.” The 2025A Taxable Bonds and the 2025B Bonds will be secured by the 2025A Reserve Subaccount and the 2025B Reserve Subaccount, respectively. See “– Debt Service Fund – *Reserve Account*.” See also Appendix C – “Summary of Certain Provisions of the Indenture.”

The 2025 Bonds are not a debt of the City, the State, or any of its political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State, nor any of its political subdivisions is liable therefor, nor in any event will the 2025 Bonds be payable out of any funds or properties other than those of the Successor Agency and only to the limited extent set forth in the Indenture.

The principal of, premium, if any, and interest on the 2025 Bonds are payable solely from Tax Revenues and certain other funds and accounts pledged therefor under the Indenture. The 2025 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. None of the members of the Successor Agency Commission, the Successor Agency, the City, or any person executing the 2025 Bonds is liable personally for the 2025 Bonds by reason of their issuance. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.

Tax Increment Financing Generally

Under the Redevelopment Law and Section 16 of Article XVI of the State Constitution, taxes on all taxable property in a project area levied by or for the benefit of the State, any city, county, district or other public corporation (the “**Taxing Agencies**”) when collected are divided as follows:

(a) To Taxing Agencies. An amount each year equal to the amount that would have been produced by the then current tax rates applied to the assessed valuation of such property within the Project Area last equalized prior to the effective date of the ordinance approving the redevelopment plan, plus the portion of the levied taxes in excess of the foregoing amount sufficient to pay debt service on any voter-approved bonded indebtedness of the respective Taxing Agencies incurred for the acquisition or improvement of real property and approved on or after January 1, 1989, is paid into the funds of the respective Taxing Agencies; and

(b) To the Former Agency/Successor Agency. That portion of the levied taxes in excess of the amount described in paragraph (a) is deposited into a special fund of the applicable redevelopment agency

to pay the principal of and interest on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the City Controller, constitute the amounts required under the Dissolution Act to be deposited by the City Controller into the RPTTF. In addition, Section 34183 of the Dissolution Act effectively eliminates the “on or after January 1, 1989” reference from paragraph (a) above. See “ – Allocation of Taxes Pursuant to the Dissolution Act – *Property Tax Administration Fees.*”

Allocation of Taxes Pursuant to the Dissolution Act

Prior to the enactment of the Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects by permitting the pledge of tax increment revenues derived from the applicable project area to repayment of tax allocation bonds. The Dissolution Act requires that all property tax increment derived from all former project areas be deposited in a RPTTF for the Successor Agency held and maintained by the City Controller. **DISCUSSIONS HEREIN REGARDING TAX INCREMENT REVENUES OR TAX REVENUES REFER TO THOSE MONEYS DEPOSITED BY THE CITY CONTROLLER INTO THE RPTTF.** Pursuant to the Dissolution Act, the pledge of the Tax Revenues to pay the 2025 Bonds is made as if the 2025 Bonds had been issued prior to the effective date of the Dissolution Act, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date.

The Dissolution Act authorizes bonds, including the 2025 Bonds, to be secured by property tax revenues available in the Successor Agency’s RPTTF from the Project Area, which generated tax increment for the Former Agency upon its dissolution if those revenues are not otherwise obligated (Stats. 2015, ch. 325, § 27(e)). The Dissolution Act establishes that the funds in the RPTTF are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Dissolution Act for permitted administrative costs of the City Controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described below.

The Dissolution Act requires the City Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Successor Agency established and held by the City Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency, such as the 2025 Bonds, will be considered indebtedness incurred by the Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the bonds. Pursuant to the Dissolution Act, the Successor Agency has covenanted to take all actions necessary to ensure that the 2025 Bonds will be included in each of the Successor Agency’s Recognized Obligation Payment Schedules as prepared from time to time under the Dissolution Act. See “ – Recognized Obligation Payment Schedule” below.

The Successor Agency tax rate calculated by the City is one percent (1.000%) for the secured roll and the unsecured roll. See APPENDIX B – “FISCAL CONSULTANT REPORT” for more information. In accordance with Section 33670(e) of the Redevelopment Law, the Successor Agency tax rate excludes taxes

related to bonded indebtedness of the City approved by the voters of the City on or after January 1, 1989, and issued for the acquisition or improvement of real property. The Successor Agency receives, on an annual basis, only those tax increment revenues required by it to pay debt service or other enforceable obligations. See the tables for the Project Area under “TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues for the Project Area.”

Taxes levied on the property within the Project Area on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various territories within the Project Area, to the extent they constitute tax revenues, less administrative costs, as described herein, will be deposited in the RPTTF for transfer by the City Controller to the Retirement Fund established pursuant to the Dissolution Act on January 2 and June 1 of each year (adjusted for weekends and holidays) to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment Schedule in accordance with the requirements of the Dissolution Act. See “– Recognized Obligation Payment Schedule” below.

Prior to the dissolution of redevelopment agencies, tax increment revenues from one project area could not be used to repay indebtedness incurred for another project area. However, the Dissolution Act required that county auditor-controllers establish a single RPTTF with respect to each former redevelopment agency within the respective county. Additionally, the Dissolution Act now requires that all revenues equivalent to the amount that would have been allocated as tax increment to the former redevelopment agency will be allocated to the RPTTF of the applicable successor agency. This requirement does not require funds derived from separate project areas of a former redevelopment agency to be separated unless they are subject to a pledge agreement requiring the commitment of a particular project area’s funds to a certain project. In effect, in situations where a former redevelopment agency had established more than one redevelopment project area (such as the Former Agency) the Dissolution Act combines the property tax revenues derived from all project areas into a single trust fund, the RPTTF, to repay indebtedness of the former redevelopment agency or the successor agency. To the extent the documents governing outstanding bonds of a redevelopment agency or a successor agency have pledged revenues derived from a specific project area, the Dissolution Act states: *“It is the intent [of the Redevelopment Dissolution Act] that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.”*

Despite the provisions of the Dissolution Act that appear to permit the Successor Agency to use tax increment revenue that does not constitute Tax Revenues to pay debt service on the 2025 Bonds, the 2025 Bonds are secured by and payable solely from the Tax Revenues and moneys in certain funds and accounts established under the Indenture.

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 Area, 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 2025 Bonds. In the event the Teeter Plan within the Project Area were discontinued, the amount of the levy of property tax revenue that can be allocated to the Successor Agency would depend upon the actual collections of taxes within the Project Area. Substantial delinquencies in the payment of property taxes could then impair the timely receipt by the Successor Agency of Tax Revenues and the payment of debt service on the 2025 Bonds.

As of May 15, 2024, the overall delinquency rate for Fiscal Year 2023-24 for all secured properties in the Project Area was 0.5%. See APPENDIX B – “FISCAL CONSULTANT REPORT.”

Housing Set-Aside. Prior to the Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund not less than twenty percent (20%) of all tax revenues allocated to such agencies. This twenty percent (20%) set-aside requirement was eliminated by the Dissolution Act. However, the Successor Agency is bound by a contractual agreement with respect to the Project Area to continue to set aside at least twenty percent (20%) of total tax revenues (the “**Housing Set-Aside**”) for the provision of low and moderate income housing. Accordingly, Tax Revenues available to pay debt service on the 2025 Bonds **will not** include any amounts that, prior to dissolution, would have been required to be deposited in the Former Agency’s Low and Moderate Income Housing Fund with respect to the Project Area.

Assembly Bill 1290; Statutory Pass-Throughs. Assembly Bill 1290 (being Chapter 942, Statutes of 1993) (“**AB 1290**”) was adopted by the California Legislature and became law on January 1, 1994 (adding among other things, Sections 33607.5 and 33607.7 to the Redevelopment Law).

AB 1290 established, among other things, a mandatory statutory formula for sharing tax increment (“**Statutory Pass-Through Amounts**”) for project areas established, or amended in certain respects, on or after January 1, 1994, which applied to tax increment revenues net of the Housing Set-Aside. The first twenty-five percent (25%) of net tax increment generated by the increase in assessed value after the establishment of the project areas or the effective date of the amendment is required to be paid to affected taxing entities. In addition, beginning in the 11th year of collecting tax increment, an additional twenty-one percent (21%) of the increment generated by increases in assessed value after the 10th year must be so paid. Finally, beginning in the 31st year of collecting tax increment, an additional fourteen percent (14%) of the increment generated by increases in assessed value after the 30th year must be so paid.

There are six taxing entities (the “**Taxing Entities**”) within the Project Area. These Taxing Entities are: the City and County of San Francisco, the San Francisco Community College District, the San Francisco Superintendent of Schools, the San Francisco Unified School District, the Bay Area Air Quality Management District, and the Bay Area Rapid Transit District (“**BART**”). The City and County of San Francisco allocates its share of property tax revenues to four special funds: the General Fund, the Children’s Fund, the Library Fund, and the Open Space Fund. In addition to the Taxing Entities, the City Controller allocates a portion of revenue to the Educational Revenue Augmentation Fund (“**ERAF**”) for distribution to the schools. The proportion of the Statutory Pass-Through Amounts received by each of these Taxing Entities and ERAF is shown in the following table.

Statutory Pass-through Shares By Taxing Entity⁽¹⁾

Taxing Entity	Pass-through Share
City and County of San Francisco	
General Fund	0.55588206
Children’s Fund	0.04000000
Library Fund	0.02500000
Open Space Fund	0.02500000
S.F. Community College District	0.01444422
S.F. Schools Superintendent	0.00097335
S.F. Unified School District	0.07698857
Bay Area Air Quality Management District	0.00208539
BART	0.00632528
ERAF ⁽²⁾	0.25330113
Total	1.00000000

(1) The Statutory Pass-Throughs have been subordinated to debt service on the 2025 Bonds and are reflected as such in the projections of the tax increment revenues from the Project Area, including the projections of Tax Revenues, in this Official Statement. See “–*Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2025 Bonds.*”

(2) ERAF is not itself a Taxing Entity; revenue deposited to ERAF is distributed to schools under statutory formulae with any excess distributed to the City.

Source: City Controller.

The Dissolution Act requires the City Controller to distribute from the RPTTF the Statutory Pass-Through Amounts required to be distributed to the Taxing Entities on each January 2 and June 1 before amounts are distributed by the City Controller from the RPTTF to the Retirement Fund, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (*see discussion below relating to subordination of Statutory Pass-Through Amounts to the 2025 Bonds*), or (ii) (a) the Successor Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the RPTTF allocation to the Retirement Fund, from other funds transferred from the Former Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency’s enforceable obligations, Statutory Pass-Through Amounts, and the Successor Agency’s administrative cost allowance for the applicable period, and (b) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

If the requirements stated in the above paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the Taxing Entities under the Dissolution Act after payment of the Successor Agency’s enforceable obligations, Statutory Pass-Through Amounts, and the Successor Agency’s administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed as Statutory Pass-Through Amounts, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted. See “– Recognized Obligation Payment Schedule” for further information regarding applicable periods and dates.

The process prescribed by the Dissolution Act of administering the tax revenues and the Statutory Pass-Through Amounts may affect the availability of an adequate amount of Tax Revenues for the payment of principal and interest on the 2025 Bonds when due. See “– Recognized Obligation Payment Schedule.” See also “TAX REVENUES AND DEBT SERVICE” for additional information regarding the Statutory Pass-Through Amounts applicable to the Successor Agency and the tax revenues derived from the Project Area.

Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2025 Bonds. Section 34177.5(c) of the Dissolution Act sets forth a process pursuant to which payment of the Statutory Pass-Through Amounts may be subordinated to debt service on bonds or loans, provided that the affected taxing entity has approved the subordination. Accordingly, the Successor Agency notified the Taxing Entities of its intent to subordinate the Statutory Pass-Through Amounts to the payment of debt service on the 2025 Bonds and requested the Taxing Entities to approve of such subordination. All Taxing Entities either have approved such subordination or are deemed to have approved such subordination by not acting within 45 days after receipt of the Successor Agency’s request. The Statutory Pass-Through Amount paid through ERAF to school districts is assumed to be subordinated with the Statutory Pass-Through Amount paid directly to school districts. See also “CERTAIN RISK FACTORS – Subordination of ERAF.” The total Statutory Pass-Through Amounts for the Taxing Entities (including ERAF) for Fiscal Year 2024-25 is estimated to be \$23.21 million.

Property Tax Administration Fees. Pursuant to Section 34183(a) of the Dissolution Act, the City Controller charges the Successor Agency a fee to recover property tax administration costs (the “**City Controller Administration Fee**”). Such administration fee is approximately 0.015% of tax increment and is allocated among all of the Successor Agency’s project areas as determined at the discretion of the Successor Agency. For Fiscal Year 2023-24, the City Controller Administration Fee allocated to the Project Area was approximately \$14,000. For Fiscal Year 2024-25, the City Controller Administration Fee allocated to the Project Area is projected to be approximately \$14,000. See also “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure – *Property Tax Administrative Costs.*”

Security for the 2025 Bonds; Equal Security

Except as provided in the Indenture and subject to the deductions for the City Controller Administration Fee, the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any other Parity Debt (defined herein) will be equally secured by a pledge of, security interest in and lien on all of the Tax Revenues and the moneys in the Special Fund, and will also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account (provided that, with respect to any Series of Bonds, it will be secured only by the applicable subaccount specified in the Indenture), without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The 2025A Taxable Bonds and the 2025B Bonds will be secured by the 2025A Reserve Subaccount and the 2025B Reserve Subaccount, respectively. See “– Debt Service Fund – *Reserve Account.*” Except for the Tax Revenues and such funds and accounts, no funds or properties of the Successor Agency will be pledged to, or otherwise liable for, the payment of principal of or interest on the 2025 Bonds.

As defined in the Indenture, “**Tax Revenues**” means all taxes annually allocated and paid to the Successor Agency with respect to the Project Area following the date of delivery of bonds issued thereunder, pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State and other applicable State laws and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations (but excluding payments to the Successor Agency with respect to personal property within the Project Area pursuant to Section 16110 et seq. of the California Government Code); and including that portion of such

taxes (if any) otherwise required by Section 33334.2 of the Law to be deposited in the Low and Moderate Income Housing Fund, but only to the extent necessary to repay that portion of the proceeds of the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any Parity Debt (including applicable reserves and financing costs) used to increase or improve the supply of low and moderate income housing within or of benefit to the Project Area, but excluding all other amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund and investment earnings on amounts on deposit under the Indenture, and also excluding all amounts required to be paid to taxing entities pursuant to Sections 33607.5, 33607.7 and 34183(a)(1)(A) of the Law unless such payments are subordinated to payments on the 2014 Bonds, the 2016 Bonds or the 2025 Bonds or under the Parity Debt Instruments pursuant to Sections 33607.5(e) and 34177.5(c) of the Law.

As described above, the Successor Agency is bound by a contractual agreement with respect to the Project Area to continue to set aside at least 20% of total tax revenues for the provision of low and moderate income housing. Accordingly, Tax Revenues available to pay debt service on the 2025 Bonds **will not** include any amounts that, prior to dissolution, would have been required to be deposited in the Former Agency's Low and Moderate Income Housing Fund with respect to the Project Area.

No amounts deposited into the RPTTF reflecting tax revenues from any of the Successor Agency's project areas other than the Project Area (the Mission Bay South Project Area) are pledged to, or anticipated to be available for, payment of debt service on the 2025 Bonds.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control (e.g., any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies) could affect the amount of Tax Revenues available to pay the principal of and interest on the 2025 Bonds. See “ – Tax Increment Financing Generally,” “ – Recognized Obligation Payment Schedule,” “LIMITATIONS ON TAX REVENUES” and “CERTAIN RISK FACTORS.”

In consideration of the acceptance of the Bonds by those who will hold the same from time to time, the Indenture constitutes a contract between the Successor Agency and the Owners from time to time of the Bonds, and the covenants and agreements set forth therein to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all owners of the Bonds and the holders of any additional Parity Debt, without preference, priority or distinction as to security or otherwise of any of the Parity Debt over any of the others by reason of the number or date thereof, or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided in the Bonds or in the Indenture.

Special Fund; Deposit of Tax Revenues

The Indenture establishes the “Mission Bay South Redevelopment Project 2014 Series A Special Fund” (the “**Special Fund**”) held by the Successor Agency. Pursuant to the Indenture, the Bonds are equally secured by amounts on deposit in the Special Fund. The Successor Agency will transfer all of the Tax Revenues received in any Bond Year ratably to the Special Fund, and to the special funds created with respect to any additional Parity Debt, promptly upon receipt thereof by the Successor Agency, until such time during such Bond Year as the amounts on deposit in the Special Fund equal the aggregate amounts required to be transferred for deposit in such Bond Year (i) for deposit into the Interest Account, the Principal Account, the Reserve Account and the Redemption Account in such Bond Year pursuant to the Indenture and, if applicable, and (ii) with respect to any additional Parity Debt (other than additional Bonds issued pursuant to a Supplemental Indenture) pursuant to the applicable Parity Debt Instruments. If the amount of Tax Revenues available in such Bond Year is insufficient to deposit the full amount described above, then the Successor Agency will transfer such Tax Revenues for deposit pro rata based on the full amounts required to be so deposited.

All Tax Revenues received by the Successor Agency during any Bond Year in excess of the amount required to be deposited into the Special Fund and any other special funds described above will be released from the pledge under the Indenture for the security of the Bonds and any additional Parity Debt and may be applied by the Successor Agency for any lawful purpose. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indenture or Parity Debt Instrument, the Successor Agency will not have any beneficial right or interest in the moneys on deposit in the Special Fund, except as may be provided in the Indenture and in any Supplemental Indenture or Parity Debt Instrument.

Debt Service Fund

There has been established under the Indenture a trust fund to be known as the Debt Service Fund, which is held by the Trustee in trust. Moneys in the Special Fund will be transferred by the Successor Agency to the Trustee in the following amounts and at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund, and in the following order of priority (provided further that, if on the fifth (5th) Business Day prior to the date the Successor Agency is required to transfer amounts on deposit in the Special Fund to the Trustee there are not amounts on deposit therein sufficient to make the following deposits, taking into account amounts required to be transferred with respect to Parity Debt other than Bonds, the Successor Agency will immediately notify the Trustee of the amount of any such insufficiency):

Interest Account. On or before the fourth (4th) Business Day preceding each Interest Payment Date, the Successor Agency will withdraw from the Special Fund and transfer to the Trustee, for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before the fourth (4th) Business Day preceding August 1 in each year, the Successor Agency will withdraw from the Special Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Serial Bonds and Term Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as it becomes due and payable.

Reserve Account. The Indenture establishes a “**Reserve Account**” to be held by the Trustee for the benefit of the Owners of the Bonds.

Use of Moneys in the Reserve Account – General. All money in the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts, or for the retirement or defeasance of the Bonds then Outstanding (as may be permitted under the Indenture), except that so long as the Successor Agency is not in default, any amount in the Reserve Account

in excess of the Reserve Requirement will be withdrawn from the Reserve Account semiannually on or before the fifth (5th) Business Day preceding each February 1 and August 1, and the date of redemption or defeasance of any Bonds, by the Trustee and deposited in the Interest Account or, in the case of the redemption or defeasance of Bonds, also in the Principal Account or an escrow account established for the defeasance of any of the Bonds. All amounts in the Reserve Account on the Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made pursuant to the Indenture or, (ii) if the Successor Agency shall have caused to be transferred to the Trustee an amount sufficient to make the deposits required by the Indenture, then to the Successor Agency.

Reserve Requirement: Separate Subaccounts with Separate Reserve Requirements. The amount on deposit in the Reserve Account is required to be maintained at the Reserve Requirement, which is defined in the Indenture to mean, as of the date of calculation by the Successor Agency, with respect to the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any other Bonds issued pursuant to a Supplemental Indenture, the lesser of (i) the amount of Maximum Annual Debt Service on the Bonds (excluding from the calculation thereof Bonds that are not issued pursuant to a Supplemental Indenture supplemental to the Indenture and Parity Debt other than Bonds), and (ii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Bonds (excluding from the calculation thereof Bonds that are not issued pursuant to a Supplemental Indenture supplemental to the Indenture and Parity Debt other than Bonds), subject to certain conditions and limitations set forth in the Indenture (the “**Reserve Requirement**”).

In accordance with the Indenture, as detailed below, the Successor Agency has established a separate subaccount in the Reserve Account for each of the 2014 Bonds, the 2016 Bonds, the 2025A Taxable Bonds and the 2025B Bonds, and the calculation of the Reserve Requirement with respect to each of such Series of Bonds excludes the debt service on the other Series of Bonds.

2014 Reserve Subaccount. Pursuant to the Indenture, the Trustee established and maintains a separate subaccount within the Reserve Account designated as the “**2014 Reserve Subaccount.**” Amounts on deposit in the 2014 Reserve Subaccount, in an amount equal to the Reserve Requirement for the 2014 Bonds, are available to pay debt service on the 2014 Bonds and, to the extent specified in a Supplemental Indenture, additional Parity Debt issued as Bonds. Amounts on deposit in the 2014 Reserve Subaccount will not be available to pay debt service on the 2016 Bonds or the 2025 Bonds.

2016 Reserve Subaccounts. In connection with the issuance of the 2016 Bonds, National Public Finance Guarantee Corporation (“**National**”) issued debt service reserve policies (the “**2016 Reserve Policies**”) to satisfy the Reserve Requirements with respect to the 2016 Bonds. The amounts available under the 2016 Reserve Policies, which have been credited to a “**2016 Reserve Subaccount**” within the Reserve Account for the 2016 Bonds, will be available only to pay debt service on the 2016 Bonds. No amount under the 2016 Reserve Policies may be used to pay debt service on the 2014 Bonds, the 2025 Bonds or any additional Parity Debt issued in the future.

2025A/B Reserve Subaccounts. The Indenture establishes a “2025 Series A Reserve Subaccount” (the “**2025A Reserve Subaccount**”) within the Reserve Account for the 2025A Taxable Bonds and a “2025 Series B Reserve Subaccount” (the “**2025B Reserve Subaccount**”) and, together with the 2025A Reserve Subaccount, the “**2025A/B Reserve Subaccounts**”) within the Reserve Account for the 2025B Bonds.

The Reserve Requirement for the 2025A Taxable Bonds is \$_____ and the Reserve Requirement for the 2025B Bonds is \$_____. Amounts on deposit in the 2025A Reserve Subaccount will be available only to pay debt service on the 2025A Taxable Bonds, and amounts on deposit in the 2025B Reserve Subaccount will be available only to pay debt service on the 2025B Bonds.

The Reserve Requirement for the 2025A Taxable Bonds will be satisfied by the delivery of a municipal bond debt service reserve insurance policy (the “**2025A Reserve Policy**”) by the 2025 Insurer to the Trustee on the Closing Date and the Trustee will credit the 2025A Reserve Policy to the 2025A Reserve Subaccount. The Reserve Requirement for the 2025B Bonds will be satisfied by the delivery of a municipal bond debt service reserve insurance policy (the “**2025B Reserve Policy**” and, together with the 2025A Reserve Policy, the “**Reserve Policies**,” and each, a “**Reserve Policy**”) by the 2025 Insurer to the Trustee on the Closing Date and the Trustee will credit the 2025B Reserve Policy to the 2025B Reserve Subaccount. The Trustee will draw on the 2025A Reserve Policy and the 2025B Reserve Policy in accordance with their respective terms and conditions and the terms of the Indenture in order to pay debt service on the 2025A Taxable Bonds and the 2025B Bonds, respectively.

Amounts, if any, drawn on the 2025A Reserve Policy will be available only to pay debt service on the 2025A Taxable Bonds, and amounts, if any, drawn on the 2025B Reserve Policy will be available only to pay debt service on the 2025B Bonds. The Trustee will draw on the Reserve Policies in accordance with their respective terms and conditions and with the terms of the Indenture. The amounts available under the Reserve Policies will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the applicable Series of 2025 Bonds then Outstanding. The Trustee will comply with all documentation relating to the Reserve Policies as required to maintain the Reserve Policies in full force and effect and as required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture. The Successor Agency has no obligation to replace either Reserve Policy or to fund either Reserve Subaccount with cash if, at any time that any Series of 2025 Bonds are Outstanding, amounts are not available under either Reserve Policy. Additionally, the Successor Agency will have no obligation to replace a Reserve Policy or to deposit any cash in either Reserve Subaccount in the event that any rating assigned to the 2025 Insurer is downgraded, suspended or withdrawn.

Replenishment of the Reserve Account. Pursuant to the Indenture, in the event of a draw on amounts on deposit in the 2014 Reserve Subaccount, the 2016 Reserve Subaccount or the 2025A/B Reserve Subaccounts to pay debt service on the applicable Bonds, such draw will be replenished from Tax Revenues on a proportionate basis with the draws on other subaccounts within the Reserve Account without regard to whether a particular subaccount contained cash or a Qualified Reserve Account Credit Instrument that was drawn upon, provided that, if a particular subaccount contains both cash and a Qualified Reserve Account Credit Instrument, the Qualified Reserve Account Credit Instrument will be replenished first before the cash in such subaccount is replenished.

[Reserve Policies. The information in this section was provided by the 2025 Insurer for inclusion in this Official Statement.

[To be provided by 2025 Insurer.]

See “BOND INSURANCE – [Name of 2025 Insurer]” for more information about the 2025 Insurer. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” for further information regarding the Reserve Account and the Reserve Subaccounts.]

Parity Debt

The pledge of Tax Revenues from the Project Area for the 2025 Bonds under the Indenture is on a parity with the lien on and pledge thereof to the 2014 Bonds and the 2016 Bonds outstanding in the amounts of \$47,605,000 and \$96,320,000, respectively, as of August 2, 2024.

Pursuant to the terms of the OPA (defined herein), the Successor Agency currently anticipates issuing additional bonds on a parity with the 2025 Bonds to pay for Infrastructure and related costs. The amount of additional Parity Debt anticipated to be issued within the next five (5) years is currently estimated in the aggregate principal amount of approximately \$170 million, but is subject to change. See “ – Limitations on Additional Indebtedness – *Parity Debt*” and “ – *Subordinate Debt*” and “THE PROJECT AREA – Mission Bay South Owner Participation Agreement.” See also “THE PROJECT AREA – The Redevelopment Plan – *Redevelopment Plan Limits*” for the redevelopment plan limits on the total amount of bond debt that can be outstanding at any one time with respect to the Project Area.

Property Tax Administration Fees

Pursuant to the Dissolution Act, the City Controller charges the Successor Agency the City Controller Administration Fee to recover property tax administration costs. This administration fee is approximately 0.015% of tax increment and is allocated among all of the Successor Agency’s project areas as determined at the discretion of the Successor Agency. For Fiscal Year 2023-24, the City Controller Administration Fee allocated to the Project Area was approximately \$14,000. For Fiscal Year 2024-25, it is expected to be approximately \$14,000. See “ – Allocation of Taxes Pursuant to the Dissolution Act – *Property Tax Administration Fees*” and “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure – *Property Tax Administrative Costs*.”

Limitations on Additional Indebtedness

Parity Debt. In addition to the 2014 Bonds, the 2016 Bonds and the 2025 Bonds, the Successor Agency may issue additional bonds or incur other loans, advances or indebtedness, which are secured by and payable from Tax Revenues on a parity with the lien established under the Indenture for payment of the 2014 Bonds, the 2016 Bonds and the 2025 Bonds to finance or refinance redevelopment activities with respect to the Project Area in such principal amount as shall be determined by the Successor Agency, subject to certain conditions precedent to the issuance and delivery of such Parity Debt set forth in the Indenture, including the following:

(a) No event of default under the Indenture or under any Parity Debt Instrument shall have occurred and be continuing;

(b) The Tax Revenues received or to be received for the then current Fiscal Year based on the most recent taxable valuation of property in the Project Area as evidenced in a written document from an appropriate official of the City, exclusive of State subventions and taxes levied to pay voter approved outstanding general obligation bonded indebtedness, will be at least equal to 100% of Maximum Annual Debt Service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any Parity Debt that will be outstanding immediately following the issuance of such Parity Debt, and Allocable Tax Revenues (as defined below) for the then current Fiscal Year based on the most recent assessed valuation of property in the Project Area as evidenced in written documentation from an appropriate official of the City will be at least equal to 125% of Maximum Annual Debt Service on the Bonds and any other Parity Debt that will be outstanding immediately following the issuance of such Parity Debt;

(c) In the event the Successor Agency issues additional Bonds pursuant to a Supplemental Indenture, the Successor Agency will cause the amount on deposit in the Reserve Account to equal the Reserve Requirement; and

(d) The Successor Agency will deliver to the Trustee a certificate of the Successor Agency certifying that the conditions precedent to the issuance of such Parity Debt set forth above have been satisfied.

As defined in the Indenture, “**Allocable Tax Revenues**” means all taxes annually allocable, following the Closing Date, to the Successor Agency with respect to the Project Area pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws, and as provided in the Redevelopment Plan, including that portion of such taxes (if any) otherwise required by Section 33334.2 of the Law to be deposited in the Low and Moderate Income Housing Fund, but only to the extent necessary to repay that portion of the proceeds of the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any Parity Debt (including applicable reserves and financing costs) used to increase or improve the supply of low and moderate income housing within or of benefit to the Project Area and will also include all payments, subventions and reimbursements (if any) to the Successor Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations (but excluding payments to the Successor Agency with respect to personal property within the Project Area pursuant to Section 16110 et seq. of the California Government Code); but excluding all other amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund, and also excluding all amounts required to be paid to taxing entities pursuant to Sections 33607.5, 33607.7 and 34183(a)(1)(A) of the Law unless such payments are subordinated to payments on the 2014 Bonds, the 2016 Bonds or the 2025 Bonds or under the Parity Debt Instruments pursuant to Sections 33607.5(e) and 34177.5(c) of the Law.

Subordinate Debt. Nothing contained in the Indenture prevents the Successor Agency from issuing and selling any bonds, notes, loans, advances or other indebtedness issued or incurred by the Successor Agency that are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues; or (b) secured by a pledge of or lien upon the Tax Revenues that is subordinate to the pledge of and lien upon the Tax Revenues under the Indenture for the security of the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any Parity Debt (collectively, “**Subordinate Debt**”).

The Successor Agency has heretofore issued the 2016D Subordinate Bonds, which are Subordinate Debt. As of August 2, 2024, the 2016D Subordinate Bonds are outstanding in the aggregate principal amount of \$46,402,640. The proceeds of the 2025 Bonds will be applied, together with certain other available funds, to refund all of the Successor Agency’s outstanding 2016D Subordinate Bonds. See “THE REFUNDING PLAN.”

Recognized Obligation Payment Schedule

The Dissolution Act requires successor agencies to annually prepare and approve, and submit to the successor agency’s oversight board, the county auditor-controller, and the California Department of Finance for approval, a Recognized Obligation Payment Schedule (the “**Recognized Obligation Payment Schedule**” hereinafter also referred to as “**ROPS**”) pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Only those payments listed in a ROPS may be made by the successor agency from the funds specified in the ROPS. A reserve may be included on the ROPS and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Pursuant to SB 107, commencing on February 1, 2016, successor agencies transitioned to an annual ROPS process pursuant to which successor agencies are required to submit by each February 1 their oversight board-approved ROPS for the July 1 through June 30 period to the California Department of Finance for its approval and to the successor agencies' respective auditor-controllers. If the Successor Agency does not timely submit an Oversight Board-approved ROPS to the California Department of Finance and the City Controller, then the Successor Agency will be subject to a \$10,000 per day civil penalty for every day the ROPS is late. Additionally, if the Successor Agency does not submit a ROPS to the California Department of Finance and the City Controller within ten (10) days of the deadline, then the Successor Agency's maximum administrative cost allowance may be reduced by up to twenty-five percent (25%). For additional information regarding procedures under the Dissolution Act relating to late ROPSs and implications thereof for the 2025 Bonds. See "CERTAIN RISK FACTORS – Recognized Obligation Payment Schedule." Also see " – Last and Final Recognized Obligation Payment Schedule" below for a description of the Last and Final ROPS (defined herein) authorized by the Dissolution Act pursuant to SB 107.

The Successor Agency has heretofore established the Retirement Fund as required by Section 34170.5(a) of the California Health and Safety Code, and covenants that it will continue to hold and maintain the Retirement Fund so long as any of the Bonds are Outstanding. The Successor Agency agrees that it will hold the Special Fund, as well as any special funds established with respect to any future Parity Debt, as an account within Retirement Fund and will continue to deposit all Tax Revenues, as and when received, into the Special Fund and such other special funds as required by the Indenture in order to ensure that all Tax Revenues are available for the payment of debt service on the Bonds and any other Parity Debt on a timely basis.

The Successor Agency covenants in the Indenture to comply with all of the requirements of the Law and the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture.

Further, it will take all actions required under the Dissolution Act to include

(i) scheduled debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any amount required under the Indenture or any Parity Debt Instrument to replenish the Reserve Account and subaccounts therein established under the Indenture and the reserve accounts or subaccounts established under any Parity Debt Instrument,

(ii) scheduled debt service on any Subordinate Debt and any amount required under any instrument pursuant to which Subordinate Debt is Issued to replenish the reserve accounts or subaccounts established thereunder, and

(iii) amounts due to any Insurer or issuer of a Qualified Reserve Account Credit Instrument under the Indenture or under an insurance or surety bond agreement,

in each annual ROPS so as to enable the Auditor-Controller of the City and County of San Francisco to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period and to pay amounts owed to any Insurer, as well as the other amounts set forth above.

These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and California Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Dissolution Act, that are necessary to comply with Indenture. Not later than February 1, 2025, and each February 1 thereafter (or at such other time as may be required by the Dissolution Act) for so long as any of the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt or any Subordinate Debt remain outstanding or any amounts owing to an Insurer or an issuer of a Qualified Reserve Account Credit Instrument remain unpaid, (a) the Successor Agency will place on the ROPSs relating to the subsequent January 2 disbursement date all amounts that, together with other amounts on deposit in the RPTTF reserved for payment of debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt or on deposit in the Special Fund or in the special fund relating to such other debt, are sufficient to pay debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt on the immediately succeeding February 1 and August 1, and (b) if the Successor Agency determines it is necessary to do so to ensure receiving sufficient tax increment revenues from the Project Area to pay debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt on a timely basis, the Successor Agency will place on ROPSs relating to the June 1 disbursement date amounts required to pay debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt on the next succeeding August 1. Additionally, if the Successor Agency determines it is necessary to ensure timely payment of debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt, the Successor Agency may also collect on each January 2 a reserve to be held for debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds, any other Parity Debt and any Subordinate Debt on February 1 and August 1 of the next succeeding calendar year. Further, the Successor Agency will place any amounts required to replenish the Reserve Account and subaccounts therein established under the Indenture or the reserve accounts and subaccounts established under any Parity Debt Instrument and any amounts owing to any Insurer or any issuer of a Qualified Reserve Account Credit Instrument under the Indenture or under an insurance or surety bond agreement, on its next ROPS upon any such amounts becoming owing.

The Successor Agency also covenants to calculate the amount of Tax Revenues received, as described above, to ensure that Tax Revenues are properly credited to and deposited in the Special Fund, as required by the Indenture.

The Successor Agency has further covenanted that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if Tax Revenues available to the Successor Agency from the RPTTF on the upcoming June 1 or January 2, as applicable, are insufficient to pay debt service on the 2014 Bonds, the 2016 Bonds, the 2025 Bonds and any other Parity Debt, to replenish the Reserve Account and subaccounts therein established under the Indenture or the reserve accounts and subaccounts established under any Parity Debt Instrument and to pay any Insurer any amounts owing under the Indenture or any issuer of a Qualified Reserve Account Credit Instrument under the Indenture or under an insurance or surety bond agreement.

[If any amounts then due and payable to the 2025 Insurer under the Indenture are not included on any current ROPS and the Successor Agency is then legally permitted to amend such ROPS, the Successor Agency will submit to the Oversight Board and the California Department of Finance a request to amend such ROPS to include such amounts then due and payable to the 2025 Insurer.

The Successor Agency will not submit to the Oversight Board and the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the 2025 Insurer, unless all amounts that could become due and payable to the 2025 Insurer under the Indenture would be included as a line item on the Last and Final ROPS following approval of the requested amendment.]

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's ROPS.

Last and Final Recognized Obligation Payment Schedule

SB 107 amended the Dissolution Act to permit a successor agency to submit a Last and Final Recognized Obligation Payment Schedule (a "**Last and Final ROPS**"). In particular, successor agencies that have received a Finding of Completion and the concurrence of the California Department of Finance as to the items that qualify for payment, among other conditions, may at their option, file a Last and Final ROPS. If approved by the California Department of Finance, the Last and Final ROPS will be binding on all parties, and the successor agency will no longer submit the ROPS to the California Department of Finance or its oversight board. The county auditor-controller will continue to allocate moneys in the successor agency's RPTTF pursuant to Section 34183 of the Dissolution Act; however, the county auditor-controller will allocate such moneys in each fiscal period, after deducting the county auditor-controller's administrative costs, in the following order of priority: (A) pass-through payments pursuant to Section 34183(a)(1) of the Dissolution Act; (B) scheduled debt service payments on tax allocation bonds listed and approved in the Last and Final ROPS; (C) scheduled payments on revenue bonds listed and approved in the Last and Final ROPS, but only to the extent the revenues pledged for them are insufficient to make the payments and only if the successor agency's tax increment revenues were also pledged for the repayment of bonds; (D) scheduled payments for debts and obligations listed and approved in the Last and Final ROPS to be paid from the RPTTF; (E) payments listed and approved on the Last and Final ROPS that were authorized but unfunded in prior periods; (F) repayment of loans and deferrals to the city that created the redevelopment agency or the successor to the former redevelopment agency's housing functions and assets that are listed and approved on the Last and Final ROPS; and (G) any moneys remaining in the RPTTF after the payments and transfers described in (A) to (F), above, will be distributed to taxing entities in accordance with Section 34183(a)(4) of the Dissolution Act. A Last and Final ROPS may only be amended twice, and only with approval of the California Department of Finance and the county auditor-controller.

If the successor agency reports to the county auditor-controller that the total available amounts in the RPTTF will be insufficient to fund the successor agency's current or future fiscal year obligations, and if the county auditor-controller concurs that there are insufficient funds to pay the required obligations, the county auditor-controller may distribute funds pursuant to Section 34183(b) of the Dissolution Act. See "-- Tax Increment Financing Generally."

The Successor Agency does not currently intend to submit a Last and Final ROPS. [The Successor Agency has covenanted in the Indenture not to submit to the Oversight Board and the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS pursuant to Section 34191.6 of the Dissolution Act without the prior written consent of the 2025 Insurer, unless all amounts that could become due and payable to the 2025 Insurer under the Indenture would be included as a line item on the Last and Final ROPS following approval of the requested amendment.]

BOND INSURANCE

The information under this section has been prepared by the 2025 Insurer for inclusion in this Official Statement. Neither the Successor Agency nor the Underwriter has reviewed this information, nor does the Successor Agency or the Underwriter make any representation with respect to the accuracy or completeness thereof.

[Insert, if applicable.]

THE SUCCESSOR AGENCY

The Dissolution Act established, by operation of law, the Successor Agency with all authority, rights, powers, duties, and obligations previously vested with the Former Agency under the Redevelopment Law, as amended by the Dissolution Act. The Successor Agency is a separate public entity from the City, but the Board of Supervisors of the City serves as the legislative body of the Successor Agency and delegated, by Ordinance No. 215-12 adopted by the Board of Supervisors on October 2, 2012, and signed by the Mayor on October 4, 2012 (“**Ordinance No. 215-12**”), its authority under the Dissolution Act to the Successor Agency Commission. Within City government, the Successor Agency is titled “The Office of Community Investment and Infrastructure as the Successor to the San Francisco Redevelopment Agency.” Set forth below is a discussion of the history of the Former Agency and the Successor Agency, the governance and operations of the Successor Agency and its powers under the Redevelopment Law and the Dissolution Act, and the limitations thereon.

The Successor Agency maintains a website at www.sfocii.org. The information presented therein is not incorporated herein by reference.

Authority and Personnel

The powers of the Successor Agency are vested in its governing board (the “**Successor Agency Commission**”), which in the City is referred to as the “**Commission on Community Investment and Infrastructure**” which has five (5) members who are appointed by the Mayor of the City with the approval of the Board of Supervisors. Members are appointed to staggered four-year terms (provided that two (2) members had initial two-year terms). Once appointed, members serve until replaced or reappointed.

The current members of the Successor Agency Commission, together with their principal occupations, the years of their first appointment to the Commission and the expiration date of their current terms are as follows:

<u>Name</u>	<u>Occupation</u>	<u>First Appointed</u>	<u>Term Expires</u>
Vanessa Ross Aquino	Community Organizer	2023	November 3, 2024
Bivett Brackett	Small Business Owner	2019	November 3, 2024
Tamsen Drew	Attorney	2023	November 3, 2026
Kent Lim	Small Business Owner	2023	November 3, 2026
Dr. Carolyn Ransom-Scott	Clergy	2018	November 3, 2024

The Successor Agency has 55 full-time equivalent positions budgeted, approximately 38 of which are filled. On April 12, 2022, the Successor Agency Commission appointed Thor Kaslofsky to serve as Executive Director. The other principal full-time staff positions are: the Deputy Director of Finance and Administration, the Deputy Director of Projects and Programs, and the General Counsel and Deputy Director. Each project area in which the Successor Agency continues to implement enforceable obligations is managed by a designated project manager. There are separate staff support divisions with real estate and housing development specialists as well as planning and other technical staff. The Successor Agency has its own fiscal, legal, and administrative staff.

Effect of the Dissolution Act

AB 26. As a result of AB 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies and also to satisfy “enforceable obligations” of the former redevelopment agencies all under the supervision of new oversight boards, the California Department of Finance and the State Controller.

Pursuant to Ordinance No. 215-12, the Board of Supervisors (i) officially gave the following name to the Successor Agency: the “**Successor Agency to the Redevelopment Agency of the City and County of San Francisco**”; (ii) created the Successor Agency Commission as the policy body of the Successor Agency; (iii) delegated to the Successor Agency Commission the authority to act in place of the Former Agency’s Commission to implement the surviving redevelopment projects, the replacement housing obligations and other enforceable obligations of the Former Agency and the authority to take actions that AB 26 and AB 1484 require or allow on behalf of the Successor Agency; and (iv) established the composition and terms of the members of the Successor Agency Commission. As discussed below, many actions of the Successor Agency are subject to approval by the Oversight Board and review or approval by the California Department of Finance, including the issuance of bonds such as the 2025 Bonds.

AB 1484. On June 27, 2012, the Dissolution Act was amended by AB 1484, which clarified that successor agencies are separate public entities from the city or counties in which they operate and that a successor agency succeeds to the organizational status of the former redevelopment agency but without any legal authority to participate in redevelopment activities except to complete the work related to an approved enforceable obligation.

SB 107. On September 22, 2015, the Dissolution Act was further amended by SB 107, which, among other things, removed, for purposes of payment of enforceable obligations, certain time limits that had previously applied, changed the submission of the ROPS to annually (as discussed above), expanded the definition of enforceable obligations, reduced the oversight board actions required to be submitted to the California Department of Finance for approval and added a new provision to the Health and Safety Code specifically relating to the Successor Agency (i.e., Section 34177.7). See “– Continuing Activities” below for more information relating to Section 34177.7 and “THE PROJECT AREA – The Redevelopment Plan – *Redevelopment Plan Limits*” below for information regarding the elimination of certain time limits.

Oversight Board

The Dissolution Act established special provisions for the composition of a seven-member oversight board operating in a jurisdiction that is both a charter city and a county, such as the City (California Health & Safety Code § 34179(a)(10)). These provisions require that four (4) members of the oversight board be appointed by the mayor, one of whom must represent the largest number of former redevelopment agency employees employed by the Successor Agency at that time, one member appointed by the largest special district as determined by property tax share, one member appointed by the superintendent of education, and one member appointed by the chancellor of the state community colleges. The Successor Agency’s Oversight Board is composed of the four (4) members appointed by the Mayor, the one (1) member appointed by the BART, the one (1) member appointed by the County Superintendent of Education, and the one (1) member appointed by the Chancellor of the California Community Colleges.

Department of Finance Finding of Completion

The Dissolution Act established a process for determining the liquid assets that redevelopment agencies should have shifted to their successor agencies when they were dissolved, and the amount that should be available for remittance by the successor agencies to their respective county auditor-controllers for distribution to affected taxing entities within the project areas of the former redevelopment agencies. This determination process was required to be completed through the final step (review by the California Department of Finance) by November 9, 2012, with respect to affordable housing funds and by April 1, 2013, with respect to non-housing funds. On May 23, 2013, the Successor Agency promptly remitted to the City Controller the amounts of unobligated balances relating to affordable housing funds, determined by the California Department of Finance in the amount of \$10,577,932, plus \$1,916 in interest. On May 23, 2013, the Successor Agency promptly remitted to the City Controller the amount of unobligated balances relating to all other funds determined by the California Department of Finance in the amount of \$959,147. The Successor Agency has made all payments required under AB 1484 and received its finding of completion from the California Department of Finance on May 29, 2013.

Continuing Activities

The Former Agency was organized in 1948 by the Board of Supervisors pursuant to the Redevelopment Law. The Former Agency's mission was to eliminate physical and economic blight within specific geographic areas of the City designated by the Board of Supervisors. The Former Agency had redevelopment plans for fourteen (14) redevelopment project areas, of which thirteen (13) continue, including the Project Area. The Successor Agency only has the authority to complete work related to approved enforceable obligations.

These enforceable obligations are related to the following “**Major Approved Development Projects**”: (i) the Mission Bay North Project Area; (ii) the Mission Bay South Project Area; (iii) the Hunters Point Shipyard Redevelopment Project Area and Zone 1 (Candlestick Point Sub-Area) of Project Area B of the Bayview Hunters Point Redevelopment Project Area; and (iv) the Transbay Redevelopment Project Area. Further, the Dissolution Act expressly provides (pursuant to Section 34177.7) for the issuance by the Successor Agency of bonds and any other obligations (and, pursuant to Section 34177.5, bonds and other indebtedness to refund such bonds or obligations) and specifically states that the Successor Agency “*shall have the authority, rights, and powers of the Redevelopment Agency to which it succeeded solely for the purpose of issuing bonds or incurring other indebtedness to finance...the affordable housing required by the Mission Bay North Owner Participation Agreement, the Mission Bay South Owner Participation Agreement, the Disposition and Development Agreement for Hunters Point Shipyard Phase I, the Candlestick Point-Hunters Point Shipyard Phase 2 Disposition and Development Agreement, and the Transbay Implementation Agreement,*” which documents, respectively, relate to the Major Approved Development Projects, for which the Successor Agency “*may pledge to [any such] bonds or other indebtedness the property tax revenues available in the...Redevelopment Property Tax Trust Fund that are not otherwise obligated.*”

In addition, the Successor Agency continues to manage the Former Agency's assets and real property that ultimately must be disposed of, or transferred to the City, under a long range property management plan required by the Dissolution Act and approved by the California Department of Finance on December 7, 2015.

THE PROJECT AREA

The Redevelopment Plan

General. Under the Redevelopment Law, a city or county that activated a redevelopment agency was required to adopt, by ordinance, a redevelopment plan for each redevelopment project to be undertaken by the redevelopment agency. A redevelopment agency could only undertake those activities within a redevelopment project area specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law. The Mission Bay South Redevelopment Plan was adopted by the Board of Supervisors on November 2, 1998.

The Project Area consists of approximately 238 acres of land located approximately two miles south of the financial district of the City, and is adjacent to Oracle Park, the waterfront baseball stadium for the San Francisco Giants (which is not in the Project Area). The Project Area is bounded on the south by Mariposa Street, on the east by San Francisco Bay, on the north by Mission Creek, and on the west by Seventh Street and the Interstate 280 Freeway. Of the approximately 238 acres that make up the Project Area, Tax Revenues are generated from approximately 51.4 acres.

The Project Area was formerly rail yards, underutilized warehouse and vacant industrial land owned by the Southern Pacific Railroad Company. The goal of the Mission Bay South Redevelopment Plan (the “**Project Area Plan**”) is to create a new mixed-use neighborhood just south of downtown San Francisco’s Financial District and SOMA neighborhoods. The Project Area Plan was developed by the Former Agency in partnership with Catellus Land and Development Corporation, a Delaware corporation, successor in interest to Catellus Development Corporation, a Delaware corporation (collectively, “**Catellus**”) (as the original master developer), in the 1990’s. The vision was to attract health science and pharmaceutical companies to create a bio-tech cluster and vibrant residential community, through the presence of the University of California, San Francisco (“**UCSF**”) Mission Bay campus (“**UCSF Mission Bay Campus**”) in the Project Area. In 2004, FOCIL-MB, LLC, a Delaware limited liability company (“**FOCIL**”), acquired from Catellus nearly all of Catellus’ remaining parcels in the Project Area, and agreed to assume Catellus’ rights and obligations as master developer.

The Project Area presently consists of mixed-income, transit-oriented residential, commercial and institutional redevelopment. It includes a new, neighborhood retail street along 4th Street from Mission Creek Park to the Mission Bay Commons, surrounded by several blocks of mid-rise and low-rise multifamily residential buildings. The Project Area is anchored by the UCSF Mission Bay Campus and the Chase Center. The UCSF Mission Bay Campus is a life science research and academic campus that will contain approximately 3.64 million square feet of instruction, research and support space for the nationally renowned bio-medical research institution.

The UCSF Mission Bay Medical Center is located south of the UCSF Mission Bay Campus. The first phase of the UCSF Mission Bay Medical Center opened in February 2015 and consists of a 289-bed complex that features three specialty hospitals: (1) UCSF Benioff Children’s Hospital, (2) UCSF Betty Irene Moore Women’s Specialty Hospital, and (3) UCSF Bakar Cancer Hospital (part of the Helen Diller Family Comprehensive Cancer Center). The second phase of the UCSF Mission Bay Medical Center, which is planned to include additional inpatient and outpatient facilities and a parking garage expansion, is proposed to occur after 2035. The first and second phases of the UCSF Mission Bay Medical Center are located on four parcels totaling approximately 9.6 acres that are owned by The Regents of The University of California (the “**UC Regents**”). The UC Regents owns two additional parcels in the Project Area totaling approximately 3.7 acres and approximately 475,000 square feet of office and laboratory space.

Property owned or leased in the Project Area by the UC Regents, a State governmental entity, is exempt from general ad valorem property taxes and the projections of Tax Revenues in this Official Statement assume no such revenues are derived from such property in the future. See “ – Property Tax Exemption of Certain Properties.”

Surrounding the UCSF Mission Bay Campus is approximately 4.1 million square feet of private life science and biotechnology laboratory space and office space. The Project Area is also entitled for approximately 3,571 housing units, of which approximately thirty-four percent (34%) consists of affordable housing, 429 hotel rooms, approximately 35 acres of open space and a new public school. The San Francisco Public Safety Building, which includes the relocation of both the San Francisco Police Department Command Center Headquarters and the Southern District Police Station, as well as a new fire station for the Mission Bay community, were recently built in the Project Area.

Chase Center, an indoor arena, is located adjacent to the UCSF Mission Bay Campus and across four parcels totaling approximately 11 acres within the boundaries of the Project Area. Chase Center is the home venue for the Golden State Warriors of the National Basketball Association and occasionally for the University of San Francisco men's and women's basketball teams in the National Collegiate Athletic Association. It has a seating capacity of 18,064 and a multi-purpose area that includes a theater configuration with an entrance overlooking a newly built park. The venue also contains approximately 580,000 square feet of office and laboratory space and 100,000 square feet of retail space, as well as a 35,000 square foot public plaza and recreation area. Chase Center hosts approximately 200 events in any given year.

Many bio-tech, medical and high-tech companies have moved into the Project Area to take advantage of synergistic partnerships with the UCSF Mission Bay Campus, continually growing bio-tech and high-tech industry clusters, attractive transit-oriented residential offerings and close proximity to downtown San Francisco. The Project Area is also home to many prominent businesses and research institutions that own, occupy or lease out space, including J. David Gladstone Institutes, Nektar Therapeutics (NASDAQ symbol: NKTR), FibroGen, Inc. (NASDAQ symbol: FGEN) (“**FibroGen**”), Celgene, a subsidiary of Bristol Myers Squibb (NYSE symbol: BMY), Meraki Networks (“**Meraki**”), a division of Cisco Systems (NASDAQ symbol: CSCO), Third Rock Ventures, DropBox (NASDAQ symbol: DBX) (“**Dropbox**”), Uber Technologies Inc. (NYSE symbol: UBER) (“**Uber**”), OpenAI, Kaiser Permanente and others.

The Project Area has been developed concurrently with the Third Street Light Rail Project, a local transit line constructed along Third Street in the Project Area that connects southeastern San Francisco neighborhoods to downtown San Francisco and Chinatown.

The Project Area is well-served by public transit, including the existing CalTrain railroad station located at the southwest corner of Fourth and Townsend Street and Muni's Third Street “light-rail” line, which runs directly to the City's financial district, and which commenced operation at the beginning of 2007. As of August 31, 2024, approximately \$688.8 million in public infrastructure has been completed to date in the Project Area, which includes new roads, sewer and storm water infrastructure and parks and open space. Also as of such date, approximately \$143.6 million of new infrastructure still needs to be completed, for a total of approximately \$832.4 million of investment in infrastructure at full build-out. Such public infrastructure has been financed with various sources, including net tax increment revenues, special taxes and bond proceeds pursuant to the Mission Bay South Owner Participation Agreement. See the “ – Mission Bay South Owner Participation Agreement” discussion herein.

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Redevelopment Plan Limits. The following table provides plan limitation information regarding the Project Area.

**Mission Bay South Project Area
Original⁽¹⁾ Plan Limits Summary**

Approximate Area Size (acres)	Plan Adoption Date	Plan Limit Termination Dates			Revenue Limits	
		Last Day to Incur Debt	Plan Duration	Last Day to Repay Debt	Total Tax Increment Limit	Limit on Bonds Outstanding ⁽⁴⁾
238 ⁽²⁾	11/02/98	11/02/28 ⁽³⁾	11/02/28 ⁽³⁾	11/02/43	No limit	\$450,000,000

⁽¹⁾ SB 107 eliminated some of these limits. See paragraphs below.

⁽²⁾ Of the approximately 238 acres that make up the Project Area, Tax Revenues are only generated from approximately 51.4 acres.

⁽³⁾ Prior to SB 107, the Successor Agency could not incur debt for purposes other than financing low and moderate income housing after November 2, 2018.

⁽⁴⁾ This limit represents the amount of bond indebtedness that can be outstanding at any one time. As of August 2, 2024, approximately \$190.3 million of bond indebtedness was outstanding with respect to the Project Area. Such amount includes the outstanding principal amounts of the 2014 Bonds, the 2016 Bonds, and approximately \$46.4 million of 2016D Subordinate Bonds and \$785,000 in housing-related tax allocation debt. All of the 2016D Subordinate Bonds will be refunded by the 2025 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Limitations on Additional Indebtedness – Subordinate Debt.”

Source: Successor Agency.

The Project Area Plan includes a limit of November 2, 2028, as the last day on which debt can be issued to meet the Successor Agency’s low and moderate income housing requirements and of November 2, 2018, as the last day on which debt can be issued for any other purpose. However, the plan does not contain a limit on the amount of tax increment that may be collected in the Project Area. The last date to repay indebtedness under the plan is November 2, 2043. As discussed below, certain of these limitations no longer apply.

On September 22, 2015, the Governor signed SB 107, which effected changes to the Dissolution Act. Solely for the purposes of the payment of enforceable obligations, including the 2025 Bonds, and for no other purpose whatsoever, a successor agency is no longer subject to the limitations relating to time, number of tax dollars, or any other matters set forth in Sections 33333.2, 33333.4, and 33333.6 of the Redevelopment Law and included within the redevelopment plans. Under this change, the Successor Agency will continue to be allocated revenue from all former project areas until such time as all enforceable obligations have been repaid, even if such time extends beyond November 2, 2043. SB 107 did not, however, change the redevelopment plan’s limit on the amount of bonds that can be outstanding at any one time or restore or continue funding for projects whose contractual terms specified that project funding would cease once the limits in the above-referenced provisions of the Redevelopment Law were realized. [The amount of bond indebtedness relating to the Project Area after the issuance of the 2025 Bonds is estimated to be \$[] million*, which amount includes approximately \$[] million in housing-related tax allocation debt which is payable from tax increment deposited in the Successor Agency’s Low and Moderate Income Housing Fund, \$[47.6] million in tax allocation debt relating to the 2014 Bonds and \$[96.3] million in tax allocation debt relating to the 2016 Bonds. See “THE REFUNDING PLAN.”

* Preliminary, subject to change.

See also APPENDIX B – “FISCAL CONSULTANT REPORT” for more information relating to the Project Area.

Land Use

Land Use Breakdown. The table below shows the breakdown of land use by the number of parcels and secured assessed valuation.

**Mission Bay South Project Area
Land Use Breakdown for Fiscal Year 2024-25**

<u>Land Use</u>	<u>Secured Assessed Valuation</u>	<u>% of Total Valuation</u>	<u>No. of Parcels</u>	<u>% of Total Parcels</u>
<i>Commercial</i>				
Office	\$3,192,112,084	34.2%	43	3.1%
Sports Complex	1,612,864,537	17.3%	9	0.6%
Other	505,684,970	5.4%	170	12.1%
Industrial	-	0.0%	2	0.1%
<i>Residential</i>				
Condominiums	\$1,403,277,769	15.0%	1,035	73.7%
Other Residential	935,354,696	10.0%	21	1.5%
Vacant	91,658,407	1.0%	111	7.9%
Other	1,590,691,062	17.0%	13	0.9%
Total	\$9,331,643,525	100.0%	1,404	100.0%

Sources: County Assessor; Urban Analytics.

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Land Use Entitlements. The table below sets forth the land use entitlements in the Project Area, as of October 2024.

**Mission Bay South Project Area
Current Entitlements and Construction Status in the Project Area**

<u>Entitlement</u>	<u>Completed</u>	<u>Under Construction</u>	<u>Total Completed or Under Construction</u>	<u>Total Size of Entitlement</u>	<u>% Completed or Under Construction</u>
UCSF Mission Bay Campus (North)	2.5 million s.f.	–	2.5 million s.f.	3.6 million s.f.	68%
UCSF Mission Bay Hospitals (South Campus)	289 beds	–	289 beds	550 beds	53%
UCSF Mission Bay Campus (East)	475,000 s.f.	–	475,000 s.f.	475,000 s.f.	100%
Office/Lab Space	4.1 million s.f.	–	4.1 million s.f.	4.1 million s.f.	100%
Residential Housing	3,385 units	–	3,385 units	3,571 units	95%
Hotel	300 rooms	–	300 rooms	429 rooms	70%
Retail Space	289,000 s.f.	–	289,000 s.f.	289,000 s.f.*	100%
Open Space	23.2 acres	0.6 acres	23.8 acres	35 acres	68%

* Total maximum retail entitlement was 320,000 s.f., some of which could be built as office instead. Of that flex amount, approximately 31,000 s.f. have been built as office space, reducing the maximum retail entitlement to 289,000 s.f.
Source: Successor Agency.

The table below sets forth the breakdown of total residential housing between market rate housing and affordable housing.

**Mission Bay South Project Area
Residential Housing**

	Market Rate	Affordable⁽¹⁾	Total
Units Completed	2,332	1,053	3,385
Units Under Construction	0	0	0
Remaining Units	21	165	186
Total Units	2,353	1,218	3,571

⁽¹⁾Affordable housing units may be exempt from ad valorem property taxation. See “ – Property Tax Exemption of Certain Properties.”
Source: Successor Agency.

Status of Development

University of California San Francisco (UCSF). To date, UCSF has completed over 3.86 million square feet of developments. Uses include three specialty hospitals, research buildings, campus housing, a campus community center, a childcare facility, campus support buildings and related parking structures. Phase 1 of the UCSF Mission Bay Medical Center was completed in 2015. The \$1.5 billion Phase 1 Medical Center consists of: the three specialty hospitals for women’s and children’s health and cancer treatment described above; an energy center; and an outpatient building. UCSF completed the planning and

environmental review for the remainder of its north and east campuses as part of its 2014 Long Range Development Plan, which is a comprehensive physical land use plan intended to guide UCSF's growth and other physical changes through the year 2035. Phase 2 of the UCSF Mission Bay Medical Center is anticipated to occur after 2035. The total entitlement for UCSF's north and east campuses (excluding the medical center) has been increased from 2.65 million square feet to over 4.1 million square feet.

Commercial Office and Laboratory Space. Twelve commercial projects totaling approximately 4.1 million square feet of private biotechnology laboratory space and office space have been completed, including the headquarters for FibroGen, space for the pharmaceutical company, Nektar, and cloud computing company, Meraki. At the end of 2013, Kaiser Permanente acquired the property at 1600 Owens from Alexandria Real Estate Equities Inc. (NYSE symbol: ARE) (“**Alexandria**”) and in 2015 completed construction of an approximately 220,000 square-foot medical office building on such property. In 2021, Kohlberg Kravis Roberts & Co. L.P. (NYSE symbol: KKR) (“**KKR**”) purchased for approximately \$1 billion a development completed in 2018 that consists of several office buildings with ground floor retail totaling approximately 650,000 rentable square feet.

In the fall of 2014, the UC Regents acquired 3.7 acres on Blocks 33-34 for the construction of approximately 500,000 square feet of administrative and clinical space, and Alexandria and Uber purchased 1.7 acres on Blocks 26-27 for \$125 million for development of the 400,000+ square-foot headquarters for Uber. The Uber project was completed in 2018. In October 2023, Uber leased two of four buildings that made up its Mission Bay headquarters campus to OpenAI, a fast-growing company prominently involved in San Francisco's burgeoning artificial intelligence boom.

In 2015, the Golden State Warriors acquired Blocks 29-32, totaling 11 acres, for an undisclosed sum and received approvals for the development of a new arena and two office towers totaling approximately 530,000 square feet and 100,000 square feet of retail, which was completed in 2019. In addition, the Golden State Warriors received approval in 2020 for a 129-room hotel and 21 residential units that have yet to be built.

Residential. Nearly all market rate residential development in the Project Area (consisting of 2,353 units) is completed (2,332 units). Twenty-one (21) units approved on the Golden State Warriors site have not been completed. The first market rate projects, the 99-unit Radiance, developed by BOSA California (“**BOSA**”), and a 192-unit rental project by Urban Housing Group opened in 2009. Phase 2 of the Radiance, called the Madrone (329-units developed by BOSA), was completed in 2012 and sold out by early 2013. In 2013, BOSA commenced construction of 267 condominium units, which are now completed and sold out. Construction is complete on 315 units developed by United Domain Realty Trust, Inc. (NYSE symbol: UDR), 147 units developed by Summerhill Homes, a 172-unit development and a 188-unit development developed by Essex Property Trust Inc. (NYSE symbol: ESS), and 273 units developed by Equity Residential (NYSE symbol: EQR). Construction of 350 condominium units was completed in 2020 on the Hotel Parcel (defined herein).

Other Projects. A parcel entitled for a hotel (the “**Hotel Parcel**”) was re-entitled in 2013 for a mix of 350 residential units and 250 hotel rooms. While under construction, the hotel portion was approved for an additional 50 rooms, raising the total number of rooms to 300 rooms, and was completed in 2022. The hotel, which operates under the LUMA Hotels brand, was named TripAdvisor's #1 Hottest New Hotel in the United States in 2023. A new Public Safety Building was completed in 2015 and houses the police headquarters offices for the City, as well as a new fire station and community room to serve the Mission Bay community. In 2016, Family House completed 80 units of temporary stay housing for families receiving treatment at the UCSF Medical Center. Construction has been completed on a children's park serving the residential neighborhood and a large park adjacent to the UCSF Medical Center was completed in 2016. Additionally, construction recently was completed on a waterfront park on the San Francisco Bay

across from Chase Center. Street and utility infrastructure is generally complete. Infrastructure remaining to be built consists primarily of parks, open space and pump station infrastructure.

Property Tax Exemption of Certain Properties

General. Under California law, certain properties are exempt from ad valorem property taxation including properties owned or leased by governmental entities or by certain nonprofit corporations. As discussed below, certain properties are currently exempt from ad valorem property taxes and expected to remain exempt and ad valorem property taxes therefrom are not included in projections of Tax Revenues in this Official Statement. Further, as development continues, property transfers may occur to entities, or for uses, which render such properties exempt from property taxation. **It is possible that a parcel subject to property tax, which is included in the projections of Tax Revenues, may be converted by change of use, transfer or condemnation, to a parcel exempt from taxation, in whole or in part.**

Currently Exempt Parcels. Certain developed parcels in the Project Area, including those in the UCSF Mission Bay Campus, are currently exempt from property taxes and are not included in Tax Revenues. These include the UCSF Mission Bay Medical Center, a 3.7 acre parcel (Blocks 33-34) acquired by the UC Regents in 2014, planned for office and lab space, 99,114 square feet of office space leased by UCSF in the building at 1500 Owens Street (although this property is subject to a PILOT Agreement (described below) and the Successor Agency expects to collect payments thereunder in the future) and the property and building at 1650 Owens Street, which is owned by the Gladstone Institute, a non-profit entity.

Several vacant or recently-developed parcels in the Project Area are owned by, or reserved for, nonprofit corporations for development of low and moderate income housing. These parcels are currently not taxed and are expected to be exempt from property taxation even when developed. No property taxes are expected to be generated by these parcels and no amounts from these parcels are included in the projections of Tax Revenues in this Official Statement.

Possible Conversions to Exempt Uses. The Successor Agency is aware of the following recent developments with respect to taxable parcels, which may be converted to ownership or uses that render such properties exempt from property taxation.

Kaiser Permanente, an entity that could potentially qualify for property tax exemption, purchased 1600 Owens Street in December 2013. The property and the 450,000 square-foot building at 409-499 Illinois Street are currently subject to property taxation. According to UCSF, the UC Regents is under contract to lease approximately 41,792 square feet at 499 Illinois Street. Any space leased by the UC Regents would likely be exempt from property taxation.

Under the Second Amendment to the OPA dated November 1, 2005, FOCIL, as owner and master developer under the OPA, and its transferees, may not transfer, on or after May 11, 2005, property subject to property taxation to any entity for any use that is or could be exempt from property taxation unless: (1) the tax exempt entity enters into a binding contractual commitment obligating such entity to make payments in lieu of taxes (a “**PILOT Agreement**”), which requires the tax-exempt entity, including a nonprofit entity, to make payments, under certain circumstances, in lieu of taxes at the times, and in the amounts, as if the property were subject to taxation; (2) FOCIL or its transferee enters into a PILOT Agreement; or (3) the Successor Agency and the City consent in writing and in their respective sole discretion to the transfer. Each such PILOT Agreement was prepared in connection with the OPA and is recorded in the City’s real property records and the Successor Agency and the City are express third-party beneficiaries thereof. There is no express remedy of foreclosure under the PILOT Agreements. In addition, there may be limitations on remedies available against Kaiser Permanente, the UC Regents, or any other tax-exempt entity, in the event of nonpayment under a PILOT Agreement. It is possible that the UC Regents

may seek to avoid application of a PILOT Agreement or negotiate alternative arrangements with respect to any property it acquires or leases. [Currently, there is only one PILOT Agreement pursuant to which the Successor Agency may be able to collect payments.] However, no such payments have been included in the projected Tax Revenues shown in this Official Statement.

Mission Bay South Owner Participation Agreement

In order to facilitate the implementation of the Mission Bay South Redevelopment Plan, the Former Agency and Catellus entered into the Mission Bay South Owner Participation Agreement, dated November 16, 1998 (as amended from time to time, the “**OPA**”), regarding the development of property within the Project Area. Under the OPA, Catellus was obligated to construct or cause to be constructed certain infrastructure in the Project Area (the “**Infrastructure**”) in accordance with obligations outlined in the OPA. In 2004, FOCIL acquired from Catellus nearly all of Catellus’ remaining parcels in the Project Area, and assumed all of Catellus’ rights and obligations under the OPA to construct the Infrastructure.

The OPA includes a Financing Plan (the “**Financing Plan**”) under which the Former Agency committed Net Available Increment from the Project Area to be used towards the payment of costs of the Infrastructure. “**Net Available Increment**” is defined in the Financing Plan to mean the tax increment revenues arising under the Mission Bay South Redevelopment Plan and received by the Former Agency, exclusive of: (i) Housing Increment (calculated solely at 20% of the total tax revenues received by the Successor Agency pursuant to the Mission Bay South Redevelopment Plan); (ii) tax increment revenues required by the Redevelopment Law to be paid to other taxing agencies (initially, 20% of the total tax increment revenues received by the Successor Agency, and otherwise pursuant to the Redevelopment Law and Mission Bay South Redevelopment Plan); and (iii) tax increment revenues needed to pay Agency Costs (as defined in the Financing Plan) not otherwise paid from other sources. Pursuant to the Mission Bay South Tax Increment Allocation Pledge Agreement, dated as of November 16, 1998 (the “**Tax Allocation Agreement**”) between the City and the Former Agency, all Net Available Increment produced from the Project Area and any interest earnings thereon will be irrevocably pledged by the Former Agency as a first pledge for the payment of principal of and interest on indebtedness of the Former Agency incurred for the purpose of financing or refinancing the construction of the Infrastructure.

The OPA provides that Catellus is responsible (which responsibility has been assumed by FOCIL) for constructing the Infrastructure and that the Successor Agency will provide financing of a portion of the costs of the Infrastructure through the issuance of tax allocation bonds, the establishment of one or more community facilities districts under the Mello-Roos Act, and through direct payment from Net Available Increment. Pursuant to the OPA, the Successor Agency has from time to time issued bonds secured by special taxes levied on property in the District (collectively, the “**CFD Bonds**”) to pay for a portion of the Infrastructure. As of August 2, 2024, \$114,415,000 aggregate principal amount of such CFD Bonds is outstanding (excluding accrued interest). Any Net Available Increment available after payment of tax allocation bonds (including the 2025 Bonds) may be used to pay for Infrastructure directly.

To the extent property is subject to both the special taxes and ad valorem taxes levied on the secured tax roll, including the Tax Revenues, the special taxes are payable and currently are being collected in the same manner, at the same time and in the same installment as the ad valorem taxes, and pursuant to the Mello-Roos Act, are subject to the same penalties and the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes. Owners of property exempt from general ad valorem property taxes, such as the UC Regents, are billed directly for such special taxes.

The Former Agency and Catellus entered into an Acquisition Agreement (the “**Acquisition Agreement**”) dated as of June 1, 2001, as supplemented as of October 1, 2002 and assumed by FOCIL in 2004. Under the terms of the Acquisition Agreement, the Successor Agency or the City will acquire the

Infrastructure from FOCIL upon completion of various discrete components of infrastructure and inspection and acceptance thereof by the City.

TAX REVENUES AND DEBT SERVICE

The Successor Agency has retained the Fiscal Consultant to provide projections of taxable assessed valuation, tax increment revenue, and Tax Revenues from the Project Area.

Historical and Current Assessed Valuation and Tax Revenues for the Project Area

General. The tables below set forth the following information for the Project Area: (i) the property taxable values and Allocable Tax Revenues (which do not include any payments under PILOT Agreements, see “THE PROJECT AREA–Property Tax Exemption of Certain Properties”) received from the Project Area for Fiscal Years 2020-21 to 2024-25; (ii) information on concentration of assessed value for Fiscal Year 2024-25; and (iii) estimated debt service coverage. Based on assessment roll data provided by the offices of the San Francisco Assessor, San Francisco Controller, and State Board of Equalization, the total assessed valuation for Fiscal Year 2024-25 in the Project Area, after deducting all exemptions, except the homeowner’s exemption, which is reimbursed by the State, is \$9.3 billion in the Project Area. This represents a gain of 0.3% over Fiscal Year 2023-24 valuations, following gains of 7.5% in Fiscal Year 2023-24, 8.4% in Fiscal Year 2022-23, 3.4% in Fiscal Year 2021-22 and 24.7% in Fiscal Year 2020-21.

The secured roll accounted for 95.0% of the total valuation in the Project Area in Fiscal Year 2024-25, with the unsecured roll comprising 5.0%. The Project Area volatility ratio – the ratio of base year assessed valuation to total assessed valuation – is low at 0.010.

Table 1 presents historic and current valuation and tax revenue for the Project Area. Gross tax increment is calculated by applying a tax rate to the incremental assessed valuation. The 20% devoted to funding housing activities in the Project Area and the City Controller Administration Fee of approximately 0.015% of gross tax increment are deducted from gross tax increment revenue to arrive at allocable tax increment revenue.

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Table 1
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Mission Bay South Project Area
Property Taxable Values and Tax Revenues
(Dollars in Thousands)

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Assessed Values⁽¹⁾:					
Existing Properties:					
Real Property	\$7,130,497	\$7,533,865	\$8,211,621	\$8,712,703	\$8,864,523
SBE Rolls	-	-	-	-	-
Total Secured Assessed Value	\$7,130,497	\$7,533,865	\$8,211,621	\$8,712,703	\$8,864,523
Unsecured Assessed Value	585,250	441,812	440,414	588,541	467,120
Total Assessed Value	\$7,715,747	\$7,975,678	\$8,652,034	\$9,301,244	\$9,331,644
Base Year Values:					
Secured	\$85,054	\$85,054	\$85,054	\$85,054	\$85,054
Unsecured	\$12,628	\$12,628	\$12,628	\$12,628	\$12,628
Increase Over Base-Year Values:					
Secured	\$7,045,444	\$7,448,811	\$8,126,567	\$8,627,649	\$8,779,470
Unsecured	\$572,622	\$429,184	\$427,785	\$575,913	\$454,492
Tax Rates:					
Secured Tax Rate	0.010000	0.010000	0.010000	0.010000	0.010000
Unsecured Tax Rate	0.010000	0.010000	0.010000	0.010000	0.010000
Tax Increment Revenue⁽²⁾					
Secured Property	\$70,454	\$74,488	\$81,266	\$86,276	\$87,795
Unsecured Property	5,726	4,292	4,278	5,759	4,545
Gross Tax Increment Revenue	\$76,181	\$78,780	\$85,544	\$92,036	\$92,340
<i>Less: 20% Housing Set-Aside</i>	15,236	15,756	17,109	18,407	18,468
<i>Less: AB 1290 Pass-through Obligation⁽³⁾</i>	-	-	-	-	-
<i>Less: City Controller Admin Fee⁽⁴⁾</i>	11	12	13	14	14
Tax Increment Revenue*	\$60,933	\$63,012	\$68,422	\$73,615	\$73,858

*Numbers may not add due to rounding.

- (1) Assessed valuations shown are “full cash value” and exclude homeowner subventions.
- (2) Revenue numbers equal the tax rate times the increase over base year value and do not necessarily equal amounts collected. The Successor Agency may receive other revenues, including supplemental taxes, prior-year escape assessments and payments in lieu of taxes.
- (3) Future AB 1290 payments for this Project Area have been subordinated to the 2025 Bonds and existing Parity Debt and accordingly are not deducted from Tax Revenues and are not shown above. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Assembly Bill 1290; Statutory Pass-Throughs*” and “ – *Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2025 Bonds.*”
- (4) City Controller Administration Fees are deducted by the City Controller from total Successor Agency revenue; figures shown are estimates based on the Project Area’s proportionate share of total Successor Agency revenue.

Sources: City and County of San Francisco; Urban Analytics.

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Ten Largest Property Owners by Valuation. The table below summarizes the ten largest property owners based on Fiscal Year 2024-25 assessed valuation.

Table 2
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Mission Bay South Project Area
Ten Largest Property Owners by Assessed Valuation for Fiscal Year 2024-25
(Assessed Values Exclude Homeowner Subventions)

<u>Property/Taxpayer</u> ⁽¹⁾	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>	<u>Land Use</u>
GSW ARENA LLC (2: 2019-20; 3: 2020-21; 4: 2021-22; 4: 2022-23; 4: 2023-24; 4: 2024-25)	\$1,716,495,833	18.4%	Sports Complex
KRE EXCHANGE OWNER LLC (1: 2024-25)	1,088,881,917	11.7	Office
UBER TECHNOLOGIES INC (2: 2022-23; 2: 2023-24; 2: 2024-25)	692,745,010	7.4	Office
ARE-SAN FRANCISCO NO 43 OWNER (1: 2023-24; 2: 2024-25)	462,916,582	5.0	Office
DW LSP 550 TF LLC (1: 2023-24; 1: 2024-25)	370,382,400	4.0	Office
ECOP TOWER I OWNER LLC (1: 2019-20; 1: 2020-21; 2: 2021-22; 2: 2022-23; 2: 2023-24; 1: 2024-25)	364,236,805	3.9	Office
ARE-SAN FRANCISCO NO 19 OWNER (1: 2023-24; 1: 2024-25)	316,281,600	3.4	Office
ECOP TOWER II OWNER LLC (1: 2019-20, 1: 2020-21; 2: 2021-22; 2: 2022-23; 2: 2023-24; 1: 2024-25)	313,504,751	3.4	Office
KAISER FOUNDATION HEALTH PLAN	287,201,979	3.1	Medical
ESSEX PORTFOLIO LP (2: 2022-23; 2: 2023-24; 2: 2024-25)	268,866,825	2.9	Apartments
Total Ten Largest:	\$5,881,513,702	63.0%	
All Other	<u>3,450,129,823</u>	<u>37.0%</u>	
Total for the Area:	\$9,331,643,525	100.0%	
<i>Ten Largest as Percentage of Incremental Assessed Value:</i>		<i>63.6%</i>	

⁽¹⁾ Shown in parentheses next to the names of owners are the number of assessment appeals pending, if any, in the fiscal years indicated, as of December 17, 2024, as reported by the Assessment Appeals Board. As the filing deadline for Fiscal Year 2024-25 appeals was September 16, 2024, filings reported as of December 17, 2024, by the Assessment Appeals Board for Fiscal Year 2024-25 may not be complete or reflect the final figures. See “ – Assessment Appeals” and “RISK FACTORS – Reduction in Tax Base and Assessed Values” and “ – Appeals to Assessed Values.”

Sources: County Assessor; Urban Analytics.

As set forth in Table 2, above, nine out of the ten largest property owners by assessed valuation in 2024-25 have at least one appeal of assessed valuation outstanding. See “ – Assessment Appeals.”

GSW Arena LLC. The largest property owner by assessed valuation in the Project Area in Fiscal Year 2024-25 is GSW Arena LLC (“**GSW Arena**”), which owns property comprising 18.4% of the Project Area’s Fiscal Year 2024-25 valuation. GSW Arena is an affiliate of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team.

Within the Project Area, GSW Arena owns four parcels totaling approximately 11 acres. The parcels are currently the location of the Chase Center, an indoor arena, located adjacent to the UCSF Mission Bay Medical Center. Chase Center has a seating capacity of 18,064 and a multi-purpose area that includes a theater configuration with an entrance overlooking a newly built park. See “THE PROJECT AREA – The Redevelopment Plan – *General*,” above, for a further description of the Chase Center.

KRE Exchange Owner LLC. The second largest property owner by assessed valuation in the Project Area in Fiscal Year 2024-25 and the largest owner in the Project Area of commercial office properties, KRE Exchange Owner LLC (“**KRE Exchange**”), owns an office complex accounting for 11.7% of Project Area valuation. Such office complex consists of two 6-story buildings and two 12-story towers. The development, currently known as Icona: Labs at Mission Bay, was completed in 2019 and includes approximately 687,000 gross square feet of leasable office space and up to 680 covered parking spaces. In addition, the complex features public art, skywalk connections, and an expansive rooftop garden and gathering space. KRE Exchange is a joint venture of global investment firm KKR and Longfellow Real Estate Partners.

In 2017, Dropbox signed a 15-year lease for the entire complex to serve as its corporate headquarters, the single largest office lease in the City’s history. In response to the COVID-19 pandemic, Dropbox transitioned much of its workforce to remote work, and has reportedly terminated a portion of its lease and placed approximately 400,000 square feet of office space up for sublease. Dropbox reportedly has retained only 90,000 square feet in the complex. Dropbox has reported in a filing with the Securities and Exchange Commission that on October 17, 2023, it entered into a lease amendment whereby it will surrender to the landlord 165,244 square feet of office space and pay an aggregate \$79.0 million in termination payments in three tranches. Under such lease amendment, it was to surrender 51,956 square feet in the fourth quarter of 2023, 54,253 square feet in the second quarter of 2024 and the remaining 59,035 square feet in the first quarter of 2025 when it will also make its final termination payment. The Successor Agency believes that currently more than 400,000 square feet in the complex is vacant and available for lease or sublease. See “SPECIAL RISK FACTORS – Recent Economic Trends in Office, Residential and Hotel Properties – *Office Vacancy*.”

Projected Tax Revenues and Debt Service Coverage

Set forth below are tables showing projected gross tax increment revenue, projected Tax Revenues, net tax increment revenue and estimated debt service coverage. The below projections assume annual growth calculated using the Proposition 13 inflation factor of 2.00% for real property in Fiscal Year 2025-26 and subsequent years and no growth in unsecured and personal property, no enrollment of new construction and a tax levy of 1.00%, through the maturity of the 2025 Bonds.

The Successor Agency believes that the assumptions (set forth in the footnotes below and in APPENDIX B – “FISCAL CONSULTANT REPORT”) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur. See “CERTAIN RISK FACTORS.” Therefore, the actual Tax Revenues received during the forecast period may vary from the projections and the variations may be material.

The AB 1290 obligations for the Project Area have been subordinated to debt service payments on the 2025 Bonds in accordance with the statutory procedure therefor. Such subordinated AB 1290

obligations are therefore not deducted from Tax Revenues in the tables below for the Project Area. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Assembly Bill 1290; Statutory Pass-Throughs.*”

Table 3
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Mission Bay South Project Area
Projected Tax Revenues⁽¹⁾

Fiscal Year Ending June 30	Gross Tax Increment	<i>Less</i> Portion Applied to Housing	<i>Less</i> Property Tax Admin Fee	Projected Tax Revenues ⁽²⁾
2025	\$92,339,616	\$18,467,923	\$13,441	\$73,858,252
2026	94,091,998	18,818,400	13,696	75,259,902
2027	95,879,427	19,175,885	13,956	76,689,586
2028	97,702,605	19,540,521	14,222	78,147,862
2029	99,562,247	19,912,449	14,492	79,635,305
2030	101,459,081	20,291,816	14,768	81,152,496
2031	103,393,852	20,678,770	15,050	82,700,031
2032	105,367,318	21,073,464	15,337	84,278,517
2033	107,380,254	21,476,051	15,630	85,888,573
2034	109,433,449	21,886,690	15,929	87,530,830
2035	111,527,707	22,305,541	16,234	89,205,931
2036	113,663,850	22,732,770	16,545	90,914,535
2037	115,842,717	23,168,543	16,862	92,657,311
2038	118,065,161	23,613,032	17,186	94,434,943
2039	120,332,053	24,066,411	17,516	96,248,127
2040	122,644,284	24,528,857	17,852	98,097,575
2041	125,002,759	25,000,552	18,196	99,984,011
2042	127,408,403	25,481,681	18,546	101,908,177
2043	129,862,161	25,972,432	18,903	103,870,826
Total	\$2,090,958,942	\$418,191,788	\$304,362	\$1,672,462,791

⁽¹⁾ Tax Revenues are projected based on a Proposition 13 inflation factor of 2.00% for real property, no growth in unsecured and personal property, and a tax levy of 1.00%. Actual revenues may vary.

⁽²⁾ Projected Tax Revenues are net of the 20% portion applied to housing and the City Controller Administration Fee. Statutory Pass-Through payments are subordinated to the 2025 Bonds and are not reflected above.

Source: Urban Analytics.

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Table 4
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Mission Bay South Project Area
Estimated Annual Debt Service Coverage

Fiscal Year Ending June 30	Projected Tax Revenues ⁽¹⁾	Parity Debt Debt Service	2025A Taxable Bonds Debt Service*	2025B Bonds Debt Service*	Total Debt Service*	Debt Service Coverage Ratio ^{(2)*}
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
Total	\$	\$	\$	\$	\$	-

Debt service is shown on a bond year basis.

* Preliminary, subject to change.

⁽¹⁾ Tax Revenues are projected based on a Proposition 13 inflation factor of 2.00% for real property, no growth in unsecured and personal property, and a tax levy of 1.00%. Projected Tax Revenues are net of the 20% portion applied to housing and the City Controller Administration Fee. Actual revenues may vary. See Table 3.

⁽²⁾ Estimated Debt Service Coverage Ratios do not include debt service for the Refunded Bonds.

Sources: Wells Fargo Bank, National Association; Urban Analytics.

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Assessment Appeals

Appeals of assessments by property owners in the Project Area can result in future reductions in assessed valuations that affect the amount of Tax Revenues. It has been the practice of the City Controller to not deduct appeal-related tax refunds from the Successor Agency’s tax increment. Instead, these refunds are apportioned to other Taxing Entities using the normal apportionment mechanism. While this practice is expected to continue indefinitely, the City Controller may choose to alter or eliminate it.

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year’s secured assessment based on the current economic value of the property. The Assessor of the City and County of San Francisco (the “**Assessor**”) may also adjust valuations based on Proposition 8 criteria. In past years, assessment reductions under Proposition 8 generally were temporary in nature and valuations usually were restored to their previous levels, adjusted for inflation, as economic conditions improved.

Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of a property and consequently affect the Successor Agency’s annual revenue. The annual filing period for all appeals for Fiscal Year 2024-25 was from July 2 to September 16, 2024. See “CERTAIN RISK FACTORS – Appeals to Assessed Values” and “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution.”

Appeal filings in the Project Area for the past six (6) years as of December 17, 2024, are shown in the table below for the secured and unsecured rolls. The table compares the Assessor’s valuation with the applicant’s opinion of the value of a property and show the resulting valuation for resolved appeals. Appeals are considered resolved when they are withdrawn by the applicant, denied a hearing by the City’s Assessment Appeals Board (the “**Assessment Appeals Board**”), granted a hearing but denied an adjustment in valuation, or granted an adjustment in valuation.

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Table 5
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Mission Bay South Project Area
Assessment Appeals
(as of December 17, 2024)

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate ⁽¹⁾
2024-25	Resolved	3	\$3,849,174	\$1,809,350	\$3,849,174	100.0%
2024-25 ⁽²⁾	Pending	113	7,270,082,296	2,773,239,252	TBD	-
2023-24	Resolved	4	404,017,080	202,606,983	404,017,080	100.0%
2023-24	Pending	91	5,440,059,189	2,453,373,681	TBD	-
2022-23	Resolved	12	381,472,130	196,057,106	380,898,557	99.8%
2022-23	Pending	28	3,858,603,070	1,879,008,244	TBD	-
2021-22	Resolved	6	815,374,744	411,356,000	815,374,744	100.0%
2021-22	Pending	24	3,262,519,741	1,575,172,827	TBD	-
2020-21	Resolved	12	1,396,925,333	1,140,276,968	1,396,925,333	100.0%
2020-21	Pending	5	2,165,605,340	700,000,000	TBD	-
2019-20	Resolved	4	799,361,265	736,176,124	799,361,265	100.0%
2019-20	Pending	4	1,454,122,492	729,000,000	TBD	-
All Years	Resolved	41	\$3,800,999,726	\$2,688,282,531	\$3,800,426,153	100.0% ⁽³⁾
All Years	Pending	265	\$23,450,992,128	\$10,109,794,004	TBD	TBD

Potential exposure to reductions in valuation from all pending appeals using retention rate⁽⁴⁾: \$3,538,768

⁽¹⁾ Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the “Valuation After Appeal” by the “County Valuation.” For withdrawn and denied appeals, the “Valuation After Appeal” is the original “County Valuation.”

⁽²⁾ As the filing deadline for Fiscal Year 2024-25 appeals was September 16, 2024, filings reported as of December 17, 2024, by the Assessment Appeals Board for Fiscal Year 2024-25 may not reflect the final figures.

⁽³⁾ Number has been rounded from 99.98%.

⁽⁴⁾ Estimated based on the county valuation for pending appeals across all years multiplied by the difference between 100% and the retention rate for resolved appeals across all years.

Source: San Francisco County Assessment Appeals Board; Urban Analytics. Data as of 12/17/2024.

Appeals have been filed by several of the largest property owners in the Project Area that as of December 17, 2024, are pending resolution. These pending appeals are shown below by owner and fiscal year of appeal, with the number of properties appealed in each year and the combined disputed valuation for that year shown in parentheses. As the filing deadline for Fiscal Year 2024-25 appeals was September 16, 2024, filings reported as of December 17, 2024, by the Assessment Appeals Board for Fiscal Year 2024-25 may not reflect the final figures.

GSW Arena LLC: Fiscal Year 2024-25 (4: \$1.01 billion), Fiscal Year 2023-24 (4: \$990.9 million), Fiscal Year 2022-23 (4: \$959.7 million), Fiscal Year 2021-22 (4: \$985.4 million), Fiscal Year 2020-21 (3: \$1.02 billion), Fiscal Year 2019-20 (2: \$514.6 million).

KRE Exchange Owner LLC: Fiscal Year 2024-25 (1: \$758.8 million).

Uber Technologies Inc.: Fiscal Year 2024-25 (2: \$455.6 million), Fiscal Year 2023-24 (2: \$320.9 million), Fiscal Year 2022-23 (2: \$322.8 million).

ARE-San Francisco No. 43 Owner: Fiscal Year 2024-25 (2: \$499.3 million), Fiscal Year 2023-24 (1: \$163.2 million).

DW LSP 550 TF LLC: Fiscal Year 2024-25 (1: \$277.8 million), Fiscal Year 2023-24 (1: \$363.1 million).

ECOP Tower I Owner LLC: Fiscal Year 2024-25 (1: \$274.2 million), Fiscal Year 2023-24 (2: \$267.1 million), Fiscal Year 2022-23 (2: \$291.5 million), Fiscal Year 2021-22 (2: \$252.2 million), Fiscal Year 2020-21 (1: \$234.0 million), Fiscal Year 2019-20 (1: \$117.6 million).

ARE-San Francisco No. 19 Owner: Fiscal Year 2024-25 (1: \$216.3 million), Fiscal Year 2023-24 (1: \$155.0 million).

ECOP Tower II Owner LLC: Fiscal Year 2024-25 (1: \$228.5 million), Fiscal Year 2023-24 (2: \$222.4 million), Fiscal Year 2022-23 (2: \$241.6 million), Fiscal Year 2021-22 (2: \$207.5 million), Fiscal Year 2020-21 (1: \$208.4 million), Fiscal Year 2019-20 (1: \$92.9 million).

Essex Portfolio LP: Fiscal Year 2024-25 (2: \$59.9 million), Fiscal Year 2023-24 (2: \$15.6 million), Fiscal Year 2022-23 (2: \$17.6 million).

See Table 2 and APPENDIX B – “FISCAL CONSULTANT REPORT.”

The potential exposure of the Successor Agency’s tax increment revenue to appeals were the Assessor to extend Proposition 8 reductions to future rolls for properties granted prior-year reductions may be seen by applying the overall retention rate for all years in the Project Area to the amount of roll valuation in pending appeals. Applying the retention rate of 99.98% set forth in Table 5 to the aggregate valuation subject to pending appeals in the Project Area as of December 17, 2024, the Fiscal Consultant estimates a reduction in assessed valuation of \$3.5 million or approximately \$28,310 in gross tax increment revenues, net of the Housing Set-Aside for Fiscal Year 2024-25 (0.05% of the total estimated gross tax increment net of the Housing Set-Aside). As this includes properties with appeals in multiple years, it does not necessarily indicate an equivalent reduction in future revenue.

If the full amount of disputed valuations for all pending appeals set forth in Table 5, above, were to be granted by the Assessment Appeals Board for the Project Area in Fiscal Year 2024-25, and if the City Controller were to deduct all of the resulting prior year tax refunds from the tax increment allocated to the Successor Agency in Fiscal Year 2024-25, the Fiscal Consultant estimates a reduction in prior-year assessed valuation of approximately \$13.3 billion and Fiscal Year 2024-25 tax increment revenue for the Project Area would be reduced to zero. If such reduction were to occur, no Tax Revenues would be available to make payments on the 2025 Bonds. This also includes properties with appeals in multiple years and does not necessarily indicate an equivalent reduction in future revenue. See “TAX REVENUES AND DEBT SERVICE – Projected Tax Revenues and Debt Service Coverage.”

According to the Fiscal Consultant, the City Controller’s office expects to deduct any current-year property tax appeal refunds for properties in the Project Area from the Project Area’s current-year tax increment. Any refunds in excess of the Project Area’s current-year property tax increment would be paid out of an unallocated property tax fund maintained by the City, which would then be made whole through future-year deductions from the Project Area’s property tax increment. The Successor Agency makes no guarantee that the City Controller or its office will take such approach with respect to property tax appeal refunds. See APPENDIX B – “FISCAL CONSULTANT REPORT – ASSESSMENT APPEALS.”

CERTAIN RISK FACTORS

In addition to the information set forth elsewhere in this Official Statement, potential investors should consider the following matters in evaluating an investment in the 2025 Bonds. The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the 2025 Bonds. No assurance can be given that additional risk factors will not become evident at any future time. The order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Recognized Obligation Payment Schedule

As described in greater detail above under the heading “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Recognized Obligation Payment Schedule,” the Dissolution Act provides that only those payments listed in the ROPS may be made by the Successor Agency from the funds specified in the ROPS. Tax Revenues will not be distributed from the RPTTF by the City Controller to the Retirement Fund without a duly approved and effective ROPS obtained in sufficient time prior to the distribution date, unless a Last and Final ROPS is filed in which event no periodic filing requirements apply. In instances where a Last and Final ROPS is not filed, if the Successor Agency were to fail to submit an approved ROPS by the applicable date and the California Department of Finance does not provide a notice to the City Controller to withhold funds from distribution to Taxing Entities, amounts in the RPTTF for such period would be distributed to Taxing Entities and the availability of Tax Revenues for the Successor Agency to pay debt service on the 2025 Bonds could be adversely affected for such period. The Successor Agency does not currently plan to file a Last and Final ROPS. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Recognized Obligation Payment Schedule.”

Certain Uncertainties Regarding the Dissolution Act

Prior to the dissolution of redevelopment agencies, tax increment revenues from one project area could not be used to repay indebtedness incurred for another project area. However, the Dissolution Act does not require funds derived from separate project areas of a former redevelopment agency to be used only in the project areas from which the revenue was generated. Instead, the Dissolution Act requires that the county auditor-controller establish a single RPTTF with respect to each former redevelopment agency within the respective county and that the county auditor-controller deposit into the RPTTF all revenues equivalent to the amount that would have been allocated as tax increment to the former redevelopment agency. In effect, the Dissolution Act combines the property tax revenues derived from all project areas of a former redevelopment agency into a single trust fund, the RPTTF, to repay indebtedness of the successor agency. The only exception to this aggregation of property tax revenues is for those property tax revenues of a particular project area that have been contractually committed for certain enforceable obligations of a former redevelopment agency. To the extent the documents governing outstanding bonds of a redevelopment agency have pledged revenues derived from a specific project area, the Dissolution Act does not impair that pledge. Section 34175(a) of the California Health and Safety Code states, “*it is the intent... that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.*” Accordingly, the Tax Revenues securing the 2025 Bonds will be used for purposes consistent with the applicable bond covenants prior to being used for any other purpose, including payment of any other indebtedness of the Former Agency now being paid by the Successor Agency.

Estimates of Tax Revenues

To estimate the Tax Revenues ultimately available to pay debt service on the 2014 Bonds, the 2016 Bonds and the 2025 Bonds, the Successor Agency has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Project Area, future tax rates, growth in tax revenues over time, percentage of taxes collected and other senior obligations. See APPENDIX B – “FISCAL CONSULTANT REPORT.” The Successor Agency believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized. To the extent that actual assessed valuation, tax rates or percentages collected are less than the Successor Agency’s assumptions, the Tax Revenues would be less than those projected and may be insufficient to pay debt service on the 2025 Bonds.

Concentration of Property Ownership

The risk of reduction in assessed value as a result of factors described herein may increase where the assessed value within the Project Area is concentrated among a relatively few number of property owners. Ownership of property in the Project Area is significantly concentrated, with the ten largest property owners by assessed valuation accounting for 63.0% of the Fiscal Year 2024-25 assessed valuation and 63.6% of the Project Area’s incremental assessed value. GSW Arena LLC and KRE Exchange Owner LLC account for 18.4% and 11.7%, respectively, of the total Fiscal Year 2024-25 assessed values in the Project Area. Significant reduction in the assessed values of these properties could, by itself or in combination with other factors, have a material adverse effect on the Successor Agency’s ability to pay debt service on the 2025 Bonds as such payments become due and payable. See “TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues for the Project Area – Table 2, Top Ten Taxpayers by Assessed Valuation.”

Subordination of ERAF

The AB 1290 Statutory Pass-Through Amounts are, or are assumed to be, subordinate to the payment of debt service on the 2025 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Assembly Bill 1290; Statutory Pass-Throughs*” and “– *Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2025 Bonds.*” As ERAF is not an entity, but a fund, there is not a mechanism to seek affirmative approval of the subordination of monies payable to ERAF. The Successor Agency believes that the Statutory Pass-Through Amounts to be deposited in ERAF are subordinated if the Taxing Entities, to whom the amounts deposited in ERAF will be distributed, have approved, or are deemed to have approved, the subordination of the Statutory Pass-Through Amounts directly payable to them. Should a Taxing Entity or the State disagree with the Successor Agency’s position with regards to the subordination of the ERAF and determine that the Statutory Pass-Through Amounts due to ERAF cannot be subordinated, such amounts would be a senior obligation and payment thereof would have to be made prior to payment of debt service on the 2025 Bonds. The Statutory Pass-Through Amount for ERAF for Fiscal Year 2024-25 is approximately \$6.45 million. The Successor Agency does not believe that an obligation to pay the ERAF amounts on a basis senior to the payment of debt service on the 2025 Bonds will have a materially adverse effect on its ability to pay debt service on the 2025 Bonds.

Reduction in Tax Base and Assessed Values

Tax Revenues constitute the ultimate source of payment for the 2025 Bonds, the 2014 Bonds, the 2016 Bonds and any Parity Debt. Such tax revenues are determined by the amount of the incremental taxable value of property in the Project Area, the current rate or rates at which property in the Project Area is taxed and the percentage of taxes collected in the Project Area. A reduction of the taxable values of property in the Project Area could occur as a result of numerous factors beyond the Successor Agency’s

control, including but not limited to, a general economic downturn, political and economic obstacles to additional development and redevelopment activities in the Project Area, relocation out of the Project Area by one or more major property owners or tenants, property becoming exempt from property taxes through condemnation or acquisition by certain entities such as nonprofit corporations, or the complete or partial destruction of property caused by, among other calamities, earthquake, fire, flood or other natural disaster. As discussed above under the caption “THE PROJECT AREA – Property Tax Exemption of Certain Properties,” several significant properties within the Project Area are exempt from property taxes and others may become exempt in the future, although many such properties are or may be subject to PILOT Agreements that provide for payment regardless of exempt status of the owner or occupant. In addition, taxable values may be reduced pursuant to successful appeals of assessed valuations or by widespread temporary reduction in assessed valuation under Proposition 8. These risks may be greater where, as here, the Project Area has a high concentration of major taxpayers. See “TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues for the Project Area – Table 2, Ten Largest Property Owners by Valuation,” above. There are appeals to assessed valuation, which could result in a substantial reduction thereof. See “TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

Were the Assessor to extend Proposition 8 reductions to future rolls for properties granted prior-year reductions, applying the overall retention rate of 99.98% set forth in Table 5 to the valuation subject to pending appeals as of December 17, 2024, the estimated reduction in prior-year assessed valuation would be \$3.5 million or approximately \$28,310 in gross tax increment net of the Housing Set-Aside for Fiscal Year 2024-25 (0.05% of the total estimated gross tax increment net of the Housing Set-Aside). If the full amount of disputed valuation for all pending appeals were to be granted by the Assessment Appeals Board across the Project Area in Fiscal Year 2024-25, and if the City Controller were to deduct all of the resulting prior year tax refunds from the Successor Agency’s tax increment in Fiscal Year 2024-25, the estimated reduction in prior-year assessed valuation would be approximately \$13.3 billion for the Project Area, Fiscal Year 2024-25 tax increment revenues for the Project Area would be reduced to zero, and no Tax Revenues would be available to make payments on the 2025 Bonds. Such reduction includes multi-year appeals and would not necessarily indicate an equivalent reduction in future revenue. See “INTRODUCTION – Limited Obligations; Parity Debt,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – General” and “– Security for the 2025 Bonds; Equal Security,” and “TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

The Successor Agency cannot predict how much of disputed valuation will be granted by the Assessment Appeals Board.

As set forth under “– Recent Economic Trends in Office, Residential and Hotel Properties – *Office Vacancy*,” the City has been experiencing historically high office vacancy rates, and office buildings in the City’s downtown, which is not in the Project Area, have been selling for prices less than recent assessed values. Such declines in value may be reflective of the current market values, as compared to past values, of some office buildings in the City, including some in the Project Area. See “– Recent Economic Trends in Office, Residential and Hotel Properties – *Office Vacancy*.”

In general, because property on the unsecured tax roll includes personal property and leasehold interests, the values of property on the unsecured roll are more likely to fluctuate and are more susceptible to reduction due to adverse economic circumstances affecting the owners of the properties. Accordingly, unsecured assessed valuation may present special risks and may be more susceptible to fluctuation from year to year than valuation reflected on the secured roll. According to the Fiscal Consultant, the unsecured roll represents approximately 5.0% of the overall assessed value in the Project Area for Fiscal Year 2024-25.

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 inflationary rate, not to exceed a two percent (2%) increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such adjustments are computed on a calendar year basis. In projecting future Tax Revenues to be available to it to make payments with respect to the 2025 Bonds, the Successor Agency has assumed an annual 2% inflationary increase. The projected Tax Revenues are based on the latest actual amounts received by the Successor Agency. However, future deflation could cause decreases in property values, a reduction in tax revenues received by the Successor Agency and reduced Tax Revenues. See “ – Reduction in Inflation Rate,” “TAX REVENUES AND DEBT SERVICE” and “LIMITATIONS ON TAX REVENUES – Tax Limitations – *Article XIII A of California Constitution*” herein.

In addition to the other limitations on and the required application under the Dissolution Act of tax revenues on deposit in the RPTTF, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing tax revenues allocated to the RPTTF and available to the Successor Agency. 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 Tax Revenues and adversely affect the source of repayment and security of the 2025 Bonds.

Appeals to Assessed Values

There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the Assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the Assessor is reduced, the valuation of the property cannot increase in subsequent years more than two percent (2%) annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to California law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the City, a property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one (1) year period must submit an application to the City’s Assessment Appeals Board. Applications for any tax year must be submitted, or postmarked if mailed, by September 15 of such tax year. Following a review of the application by the Assessor, the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Assessment Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Assessment Appeals Board generally is required to determine the outcome of appeals within two (2) years of each appeal’s filing date unless waived by the applicant. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than two percent (2%)) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted. See “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure” and “TAX REVENUES AND DEBT SERVICE.”

An appeal may result in a reduction to the Assessor’s original taxable value and a tax refund to the applicant property owner. A reduction in present or future taxable values within the Project Area, which may arise out of successful appeals by property owners, will affect the amount of present or future Tax Revenues.

Were the Assessor to extend Proposition 8 reductions to future rolls for properties granted prior-year reductions, applying the overall retention rate of 99.98% set forth in Table 5 to the valuation subject to pending appeals as of December 17, 2024, the estimated reduction in gross tax increment net of the Housing Set-Aside would be approximately \$28,310. However, if the full amount of disputed valuation for all pending appeals were to be granted by the Assessment Appeals Board across the Project Area in Fiscal Year 2024-25, and if the City Controller were to deduct all of the resulting prior-year tax refunds from the Successor Agency’s tax increment in Fiscal Year 2024-25, the Fiscal Year 2024-25 tax increment revenues for the Project Area would be reduced to zero and no Tax Revenues would be available to make payment on the 2025 Bonds. See “– Reduction in Tax Base and Assessed Values,” “– Bonds are Limited Obligations,” and “TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

Nine (9) of the ten (10) largest property taxpayers in the Project Area have pending property tax appeals. See “TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues for the Project Area – Table 2, Ten Largest Property Owners by Valuation.”

Property Foreclosures

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.

State Budget Issues; Changes in the Law

In general terms, the Dissolution Act implemented a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (then projected savings of \$1.5 billion). Subsequently, SB 107 was enacted, making additional changes to the Dissolution Act.

There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Tax Revenues. There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Redevelopment Law, the Dissolution Act or other laws or the Constitution of the State resulting in a reduction of Tax Revenues, or that otherwise have an adverse effect on the Successor Agency’s ability to pay debt service on the 2025 Bonds.

The Dissolution Act and implementation of its provisions have been and may continue to be subject to differing interpretations by different stakeholders, including the California Department of Finance, the State Controller, oversight boards, successor agencies, auditor-controllers, and others. Certain litigation is challenging some of the terms of the Dissolution Act and the Dissolution Act could be subject to further legislative or judicial review. The Successor Agency cannot predict the outcome or impact of any such litigation, interpretations or reviews on the availability of Tax Revenues to pay the 2025 Bonds.

Development Risks

Although the Project Area is substantially developed, the remaining developments within the Project Area will be subject to all the risks generally associated with real estate development. Projected development within the Project Area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within the Project Area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in the Project Area is delayed or halted, the economy of the Project Area could be affected. If such events lead to a decline in assessed values, they could cause a reduction in Tax Revenues. In addition, if there is a decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes causing a delay or stoppage of the tax revenues received by the Successor Agency from the Project Area. In addition, the insolvency or bankruptcy of one or more large owners of property within the Project Area could delay or impair the receipt of tax revenues by the Successor Agency.

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 Successor Agency 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. In addition, the property within the Project Area is located on landfill, which could result in an increase in any damage occurring to property within the Project Area as a result of an earthquake. 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 Area could depreciate substantially and owners of property may be less willing or able to pay property taxes.

Earthquake. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes about three miles to the southeast of the City's border, the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, and 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, 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.

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 quakes of about magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. Such earthquakes may be very destructive. In addition to the potential damage to City-owned buildings and facilities (on which the City does not generally carry earthquake insurance), 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, and residential and business real property values, including those located in the Project Area.

The final Mission Bay Subsequent Environmental Impact Report (1998) (“**Final SEIR**”) described the Mission Bay area, which includes the Project Area, as underlain by as much as 45 feet of fill, 10 to 70 feet of weak, compressible clay known as Bay Mud, 1 to 30 feet of alluvium, and 1 to 40 feet of stiff to hard clay known as Old Bay Clay, which overlies Franciscan bedrock (consisting primarily of layered shale and sandstone). The groundwater table is between 1 and 18 feet below the ground surface. The Final SEIR states that the Mission Bay area is in a Seismic Hazards Zone for liquefaction and susceptible to earthquake-related ground shaking that would be strong enough to damage buildings and infrastructure, and possibly result in injury or loss of life. Finally, the Final SEIR notes that the San Francisco Building Code would require seismically resistant construction in the Mission Bay project area to reduce injury and loss of life during earthquakes: piles must be driven to depths between 30 and about 200 feet to support major structures and to reduce the effects of ground shaking and liquefaction.

In early 2016, the Port Commission of the City (the “**Port Commission**”) commissioned an earthquake vulnerability study of the Northern Waterfront Seawall. The three-mile Seawall was constructed over 100 years ago and sits on reclaimed land, rendering it vulnerable to seismic risk. The Seawall provides flood and wave protection to downtown San Francisco, and stabilizes hundreds of acres of filled land. Preliminary findings of the study indicate that a strong earthquake may cause most of the Seawall to settle and move outward toward the Bay, which would significantly increase earthquake damage and disruption along the waterfront. The Successor Agency is unable to predict the impact, if any, on property tax revenues from the Project Area if the Seawall were to be damaged. See “– *Climate Change and Flooding*” below.

In September 2022, Port staff delivered a report on key findings from an initial assessment of seismic hazards and vulnerabilities to the City’s southern waterfront facilities. It reported that the assessment identified several key earthquake hazards and vulnerabilities at facilities that were essential to the Port’s maritime business line as well as critical for the City’s emergency response and recovery operations that would cost over \$300 million to mitigate. It also reported that Port staff was actively pursuing next steps to further analyze, fund and mitigate the hazards and vulnerabilities identified.

Climate Change and Flooding. It is expected that sea levels will rise given the rising temperature of the oceans and an increase in ocean volume as land ice melts and runs off into the ocean. Over the past century, sea level has risen nearly eight inches along the California coast, and substantial increases in sea level rise are projected due to climate change over the coming century. In May 2009, the California Climate Change Center released a final paper, entitled “The Impacts of Sea-Level Rise on the California Coast,” for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The paper posited that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise along the Pacific Coast and along the San Francisco Bay if no action is taken to protect the coasts. The paper estimated that if the sea level were to rise 1.4 meters, a 100-year flood along the Pacific Coast would increase the vulnerable population in the City from 4,800 under then-current sea level to 6,500 (all population numbers based on 2000 census) and the replacement value of buildings and contents at risk in the City would increase from \$670 million to \$890 million (all dollar amounts in year 2000 dollars). In addition, the paper estimated that a 100-year flood along the San Francisco Bay with sea level rises of 0.5 meter, 1.0 meter or 1.4 meters, would increase the vulnerable population in the City from 190, at then-current sea level, to 600, 1,600 or 3,800, respectively, and increase the replacement value of buildings and contents at risk in the City from \$110 million, at then-current sea level, to \$370 million, \$1.4 billion or \$4.0 billion, respectively. The paper further stated that the San Francisco Bay is particularly vulnerable to impacts associated with sea-level rise due to extensive development on the margins of the Bay. A wide range of critical infrastructure along the

California Coast and in communities along the San Francisco Bay, such as roads, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

Sea level rise can lead not only to permanent inundation of land but it can also expand the 100-year floodplain. Land composed of fill near San Francisco Bay, including the Project Area, is at risk for inundation because of low elevation and subsidence over time due to compaction from buildings and soil desiccation.

The Project Area may be particularly susceptible to the impacts of sea level rise or other impacts of climate change or flooding because of its location on the waterfront of the City. According to the Final SEIR, structures and roadways in the Mission Bay development – including property in the Project Area – could be subject to tidal flooding during the 100-year flood event. Flooding would occur more frequently if sea levels were to rise, as they are currently expected to do. If sea levels were to rise, groundwater levels in the Mission Bay area could rise approximately the same amount.

In March 2016, the City released a report entitled “Sea Level Rise Action Plan,” which identified geographic zones at risk of sea level rise and provided a framework for devising adaption strategies to confront such risks. To implement such 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 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 stated 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 argued that without a far-sighted, nine county response, the region’s economic and transportation systems could be undermined along with the environment. Runways at San Francisco International Airport could largely be under water.

To mitigate the risk of flooding, the Former Agency previously required, and the City and the Successor Agency currently require, developers of property in the Project Area to incorporate specific measures designed by a licensed engineer; the measures may include: setback from the water’s edge; installation of seawalls, dikes, and/or berms during construction of infrastructure; reduction of the amount of excavation for utilities or basements; and use of topsoil to raise the level of public open spaces. No assurance can be provided that any such measures will prevent flooding in the future.

The City has already incorporated site-specific adaptation plans in the conditions of approval for certain large waterfront development projects. In addition, the City has partnered with the US Army Corps of Engineers to develop a plan to fortify the Port’s Seawall from sea level rise. A draft plan estimates the total cost of that project at \$13.5 billion; and, subject to US Army Corps of Engineers and Congressional approval, 65% of the cost would be eligible for federal funding. The City is developing a financing strategy to provide the remaining funds, including using funding pursuant to Proposition A, approved by voters in November 2018, that authorizes the issuance of up to \$425 million in general obligation bonds for repair and improvement projects on the Seawall.

Portions of the San Francisco Bay Area, including the City, 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 suggested 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 claimed that the risk of subsidence was more significant for certain parts of the City built on fill. The Successor Agency has not conducted any investigation as to whether any property in the Project Area is on Bay Mud.

Projections of the effects of global climate change on the City and the Successor Agency are complex and depend on many factors that are outside the control of the City or the Successor Agency. 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 Successor Agency 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 Successor Agency 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 Successor Agency or the Project Area or the local economy during the term of the 2025 Bonds. While the effects of climate change may be mitigated by past and future investment in adaptation strategies, the Successor Agency can give no assurance about the net effects of those strategies and whether additional adaptive mitigation measures will be required. If necessary, such additional measures could require significant capital resources.

Tsunamis. Tsunamis are large waves in the ocean generated by earthquakes, coastal or submarine landslides, or volcanoes. Damaging tsunamis are not common on the California coast. Most California tsunami are associated with distant earthquakes (most likely those in Alaska or South America, and recently in Japan), not with local earthquakes. Devastating tsunamis have not occurred in historic times in the San Francisco Bay Area. The Community Safety Element states that, because of the lack of reliable information about the kind of tsunami run-ups that have occurred in the prehistoric past, there is considerable uncertainty over the extent of tsunami run-up that could occur.

The Final SEIR states that the Mission Bay area is in an area subject to tsunami inundation hazards (as defined in the Community Safety Element of the General Plan) but that the likelihood of tsunami inundation is very slight.

It should be assumed, therefore, that an earthquake or other natural event or man-made activity may occur and may cause damage to improvements on parcels in the Project Area of varying degrees of severity, that such damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate usability or because other considerations may preclude such repair or replacement. Consequently, the occurrence of any of these conditions could result in a significant decrease in the assessed value of property in the Project Area and could result in a significant reduction in Tax Revenues. Such reduction of Tax Revenues could have an adverse effect on the Successor Agency's payment of debt service on the 2025 Bonds.

Cybersecurity

The Successor Agency, 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**").

To date, the Successor Agency has not experienced a successful attack against its network and servers. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Successor Agency's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The Successor Agency participates in the City's cybersecurity program, which invests in multiple forms of cybersecurity and operational safeguards to protect against such events and attacks.

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

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 have had significant adverse health and financial impacts throughout the world, including the City.

While COVID-19 case rates have significantly declined, vaccination rates have increased, most emergency orders have been lifted, and the national and local economies have been improving, the economic effects of the COVID-19 pandemic are uncertain in many respects. The COVID-19 pandemic and its aftermath have had, and may continue to have, material adverse impacts on the Successor Agency's operations and finances and the economy, the real estate market and development within the Project Area.

Further, there could be future COVID-19 outbreaks or other public health emergencies that could have material adverse effects on the Successor Agency's operations and finances and on the economy, the real estate market and development within the Project Area.

Recent Economic Trends in Office, Residential and Hotel Properties

Set forth below is a discussion of recent trends in vacancy rates for offices, home values and hotel occupancy and room rates within the larger Mission Bay area, which includes area outside the Project Area, and the City. As set forth in the Table "Mission Bay South Project Area – Land Use Breakdown for Fiscal Year 2024-25" under "THE PROJECT AREA – Land Use – *Land Use Breakdown*," in Fiscal Year 2024-25, 34.2% of total valuation in the Project Area consists of office use, 15.0% of total valuation consists of condominiums, and 10.0% of total valuation consists of other residential uses. Accordingly, similar trends in the Project Area will impact assessed values in the Project Area and Tax Revenues.

Office Vacancy. According to the City, the City has experienced the largest increase in office vacancy among major urban office markets in the United States, from 5.6% in the fourth quarter of 2019 to 33.7% in the second quarter of 2024. Because of the prevalence of long-term leases in the commercial real estate industry, sudden reductions in demand often result in increases in sublease vacancy, instead of direct vacancy. Sublease vacancy occurs when existing tenants vacate their space and seek to find sub-lessees, but continue to pay rent under the original lease. A direct vacancy occurs when the original lease has been broken, or has expired and not been renewed. In this case, the property's income declines until a new lease is signed. In San Francisco, sublease vacancies were a very high percentage (80-90%) of office vacancies during 2020 and 2021. In 2022, the sublease vacancy rate declined, while the direct vacancy rate continued

to rise, and by mid-2022, direct vacancies accounted for most of the vacant office space in San Francisco, according to Jones Lang LaSalle IP, Inc. If vacancy rates remain at this elevated level, and a large share of these are direct vacancies, then the income, and market value, of office buildings in the City are likely to continue to be negatively affected. The market value of commercial real estate reflects the current and future income that the market expects the property to generate. If expectations of future income streams are reduced, then the market value of office properties will be reduced.

A reduction in demand from tenants is not the only thing that could reduce the market value of San Francisco office buildings in the near future. Using an income valuation approach, the market value of properties is commonly estimated as the property's net operating income, divided by its capitalization rate (its effective rate of return). Capitalization rates are generally calculated from the sales of comparable properties, and vary across markets, and over time, according to changes in investors' perception of risk, and the risk-free rate of return. When investors perceive greater risk, they require a higher rate of return, and the spread between that asset's capitalization rate and the risk-free rate widens. When the capitalization rate rises, for whatever reason, the market value of a property will decline, all other things being equal.

The market value of a property is important for property tax revenue because a property's assessed value – the basis of its property tax liability – may not exceed its market value. If a property owner believes a property is assessed above its market value, they can request a reduction in assessment from the Assessor, and/or appeal a decision to the Assessment Appeals Board. The gap between current market and assessed values is narrowed somewhat by the effect of Proposition 13, which caps growth in assessed value at 2% per year unless a sale or new construction prompts a reassessment. Given that market values have typically increased at much higher rates over the years, properties that have not been recently sold have been assessed below market value. In other words, Proposition 13 effectively cushions the City's property tax base from downturns in property markets, at the cost of reduced growth in property tax revenue during periods of strong economic growth.

Given assessment appeal hearing timelines, there is a significant lag between the filing of appeals and completion of hearings at the Assessment Appeals Board. See “ – Appeals to Assessed Values” and “TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

CBRE, Cushman & Wakefield (“**Cushman**”) and Colliers International Group Inc. (“**Colliers**”) provide quarterly reports on office statistics in San Francisco and its submarkets. CBRE, Cushman and Colliers reported office vacancy rates in San Francisco of 36.9%, 34.9% and 30.7%, respectively, in the third quarter of 2024. In addition, CBRE reported that in the third quarter of 2024, the submarket it categorized as “Mission Bay/China Basin” had a net rentable area of 5.26 million square feet of office space and an office vacancy rate of 39.5%, compared to 4.81 million square feet of net rentable office space and office vacancy rate of 34.7% in the third quarter of 2023. Cushman reported that in the third quarter of 2024, the submarket it categorized as “Mission Bay” had an inventory of 2.34 million square feet of office space and an overall office vacancy rate of 12.2%, compared to 1.99 million square feet of office space and vacancy rate of 14.3% in the third quarter of 2023. Colliers reported that in the third quarter of 2024, the submarket it categorized as “Mission Bay” had a total inventory of 4.85 million square feet of office space, an office direct availability rate of 7.8% and an office vacancy rate of 28.7%, compared to 4.85 million square feet of office space, a direct availability rate of 12.1% and a vacancy rate of 33.4% in the third quarter of 2023. None of the reports defined the boundaries of the respective submarkets set forth above. Given the disparities in the sizes of the respective submarkets as set forth in the square footages, it is likely the boundaries of each of such submarkets differ from those of the others.

In addition, since May 2023, local news outlets have reported sales of office buildings in downtown San Francisco at prices that were below the prices at which such properties were offered or purchased or below their assessed values. In May 2023, it was reported that a vacant 22-story 300,000-square-foot office

building at 350 California Street sold for roughly 75% less than what it had been offered for in 2020. Such sale price was slightly less than the building's current assessed value, which was based on the building's last sale in around 2007. In June 2023, a 13-story office building at 550 California Street reportedly was sold by its owner for a price that was more than 70% less than its most recent assessed value. The price also was less than half of what the owner paid for the building in 2005. In August 2023, an 11-story 157,000-square-foot office building at 60 Spear Street that was 30% occupied, but was expected to be vacant by summer 2025, reportedly was sold for 66% less than its most recent assessed value.

In July 2024, it was reported that a half-vacant 117,000-square-foot office building at 989 Market Street was going to be sold for 80 percent less than what the owner paid for it a decade ago and a fully leased 108,000-square-foot office building at 631 Howard Street was going to be sold for \$38.8 million by an owner that purchased the same building for \$62 million in 2014.

None of the office buildings described above is located in the Project Area. However, the declines in values of such buildings may be reflective of the current market values, as compared to past values, of some office buildings in San Francisco, including those in the Project Area.

The Successor Agency cannot predict the degree to which the sale prices of the office buildings set forth above are reflective of the value of the office buildings in the Project Area, the impact such sale prices may have on the assessed values of office buildings in the Project Area or whether assessed values of office buildings in the Project Area will be lowered by the Assessor or through assessment appeals by property owners.

Home Values. According to publicly available information from Zillow, the seasonally adjusted typical home value of single family residences, condominiums and co-ops in the Mission Bay neighborhood regardless of bedroom count was \$1,046,543 in November 2024, compared to \$1,044,038 in October 2024, \$1,066,474 in November 2023 and \$1,115,820 in November 2022. With respect to only condominiums and co-ops in Mission Bay, the typical home value was \$1,043,796 in November 2024, \$1,041,250 in October 2024, \$1,064,225 in November 2023 and \$1,114,466 in November 2022.

Declines in Hotel Values and Occupancy. Since June 2023, local news outlets have reported that the owners of several major hotels in or near downtown San Francisco have defaulted on loans and/or given up their hotels to lenders. Such hotels and the months in which the associated loans were defaulted upon or the hotels were surrendered to lenders include the 1,921-room Hilton San Francisco Union Square, the City's largest hotel by room count, and the 1,024-room Parc 55 San Francisco, the City's fourth largest hotel, in June 2023, the 544-room Hilton Financial District in January 2024, the Four Seasons San Francisco at the Embarcadero in March 2024, and the 686-room Hyatt Regency San Francisco Downtown SoMa, the City's sixth largest hotel, in December 2024. In July 2024, it was reported that Kroll Bond Rating Agency valued the Hilton San Francisco Union Square and the Parc 55 San Francisco, which had the same owner, at \$553.8 million, down from \$1.56 billion in 2016. The hotels identified in this paragraph are not located in the Project Area and their loan defaults and declines in values do not have a direct impact on the assessed value of properties in the Project Area. The Successor Agency cannot predict what, if any, indirect impact such loan defaults and declines in value may have on the Project Area.

According to data from the City Controller posted by the City on its website, the four-week rolling average of the City's hotel occupancy rate as of December 7, 2024, was 53.2%, down from 54.9% as of December 9, 2023. In September 2019, prior to the pandemic, the hotel occupancy rate was 83%. The four-week rolling average of the City's hotel occupancy rate as of September 21, 2024, was 70.6%. The Successor Agency cannot predict what impact the decline in the City-wide hotel occupancy rate will have on the assessed value of properties in the Project Area.

Impact on Assessed Values and Tax Revenues. The market value of a property is important for property tax revenue, because a property's assessed value – the basis of its property tax liability – may not exceed its market value. In the City, a property owner may request a temporary reduction in assessment from the Assessor and/or appeal an assessment to the Assessment Appeals Board by submitting an application by September 15 of the applicable tax year. See “ – Reductions in Tax Base and Assessed Values,” “ – Appeals to Assessed Values” and “TAX REVENUES AND DEBT SERVICE – Assessment Appeals,” above.

None of the reports or publications referred to above is incorporated herein by reference.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to any Insured Bonds when all or some becomes due, any owner of such Insured Bonds will have a claim under the Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, if any, or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Insured Bonds by the Successor Agency, which is recovered by the Successor Agency from the bond owner as a voidable preference under applicable bankruptcy law, is covered by the Insurance Policy. However, such payments will be made by the 2025 Insurer at such time and in such amounts as would have been due absent such prepayment by the Successor Agency, unless the 2025 Insurer chooses to pay such amounts at an earlier date. Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the 2025 Insurer without appropriate consent of the 2025 Insurer. The 2025 Insurer may direct, and must consent to, any remedies and the 2025 Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the 2025 Insurer is unable to make payment of principal or interest under the Insurance Policy as such payments become due, the Insured Bonds will be payable solely from the moneys received pursuant to the Indenture. In the event the 2025 Insurer becomes obligated to make payments with respect to any of the Insured Bonds, no assurance is given that such event will not adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds.

The long-term ratings on the Insured Bonds are dependent in part on the financial strength of the 2025 Insurer, as the bond insurer, and its claim paying ability. The 2025 Insurer's financial strength and claims paying ability are predicated upon a number of factors, which could change over time. No assurance is given that the long-term ratings of the 2025 Insurer and of the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds. See “RATINGS.”

The obligations of the 2025 Insurer are unsecured contractual obligations of the 2025 Insurer and in an event of default by the 2025 Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency of insurance companies.

Neither the Successor Agency nor the Underwriter has made, or will make, any independent investigation into the claims paying ability of the 2025 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the 2025 Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the 2025 Bonds and the claims paying ability of the 2025 Insurer, particularly

over the life of the investment. See “INTRODUCTION – Bond Insurance” and “BOND INSURANCE” herein for further information provided by the 2025 Insurer [and about the Insurance Policy, which includes further instructions for obtaining current financial information concerning the 2025 Insurer.]

Reserve Policy Risk Factors

In the event of insufficient Tax Revenues to pay the scheduled principal of or interest on the 2025A Taxable Bonds or the 2025B Bonds when due, the Trustee will draw upon the applicable Reserve Policy for all or a portion of such payments. The obligations of the 2025 Insurer, as the policy provider, are unsecured contractual obligations and in an event of default by the 2025 Insurer, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

The long-term ratings on the Series of 2025 Bonds are dependent in part on the financial strength of the 2025 Insurer and its claim paying ability. The 2025 Insurer’s financial strength and claims paying ability are predicated upon a number of factors, which could change over time. No assurance is given that the long-term ratings of the 2025 Insurer and of the ratings on the 2025 Bonds will not be subject to downgrade and such event could adversely affect the market price of the 2025 Bonds or the marketability (liquidity) of the 2025 Bonds. See “RATINGS.”

Neither the Successor Agency nor the Underwriter has made, or will make, independent investigation into the claims paying ability of the 2025 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the 2025 Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal of and interest on the 2025 Bonds and the claims paying ability of the 2025 Insurer, particularly over the life of the investment.

Reductions in Unitary Values

As the result of the adoption of AB 454 (Chapter 921, Statutes of 1987), a portion of the county-wide unitary values assigned to public utilities was allocated to the Project Area. Any substantial reduction in the values of public utility properties, either because of deregulation of a utility industry or for any other reason, will have an adverse impact on the amount of Tax Revenues. For further information concerning unitary values, see “LIMITATIONS ON TAX REVENUES – Taxation of Unitary Property.” No utility unitary tax revenue is included in projections of Tax Revenues.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within any of the Project Area. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required by applicable law to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Project Area be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

According to the Final SEIR, as a result of prior industrial use, the property in the Project Area includes some hazardous materials, although none was known to be radioactive or biohazardous. The Final SEIR describes a quantitative human health and ecological risk assessment prepared by ENVIRON International Corporation (“ENVIRON”) to evaluate the potential risks posed by residual contaminants on

the property. The Final SEIR describes the assessment as having concluded that the potential risks would be below applicable human health and aquatic ecological risk criteria because the project, when developed, would create a protective barrier between the residual contaminants in soil and human or ecological populations: (i) after development, currently exposed soils would be covered by buildings or other surfaces such as parking lots or roadways, or would be open space or landscaped areas, (ii) any exposed soils would consist of imported fill meeting Regional Water Quality Control Board-approved specifications and (iii) future surface materials in the landscaped or open space areas would consist of approved fill materials.

ENVIRON also prepared a Risk Management Plan (“RMP”) in 1999 for the Mission Bay development, which was reviewed by both the California Regional Water Quality Control Board - San Francisco Bay Region and the California Environmental Protection Agency - Department of Toxic Substances Control. The RMP includes protocols for managing the chemicals in the soil and ground water in a manner that is protective of human health and the ecological environment, consistent with the existing and planned future land uses in Mission Bay and compatible with long-term phased development. All of the property within the Project Area is subject to the RMP.

Reduction in Inflation Rate

As described in greater detail below, 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 (2%) 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 2025 Bonds could reduce Tax Revenues. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The State Board of Equalization directed county assessors to use 1.036% as the inflation factor for purposes of preparing the 2021-22 tax roll and 2% as the inflation factor for purposes of preparing the 2022-23 tax roll, the 2023-24 tax roll, and the 2024-25 tax roll. The Successor Agency is unable to predict future adjustments to the full cash value of real property within any of the project areas, including the Project Area, whether an increase or a reduction. See “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution.”

Delinquencies

The Successor Agency does not have any independent power to levy and collect property taxes. Delinquencies in the payment of property taxes could have an adverse effect on the Successor Agency’s ability to make timely debt service payments. However, the City has adopted the Teeter Plan and provides one hundred percent (100%) of Tax Revenues to the Successor Agency regardless of delinquencies. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Teeter Plan*.” Such plan may be discontinued at any time.

Investment Risk

Funds held by the Trustee under the Indenture, including funds in the Debt Service Fund, the Interest Account, the Principal Account, and the Redemption Account are required to be invested in Permitted Investments and moneys in the Special Fund, into which all Tax Revenues are initially deposited, may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds, as provided in the Indenture. 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 Indenture or the Special Fund could have a material adverse effect on the security for the 2025 Bonds.

Bankruptcy and Foreclosure

The payment of the property tax revenue from which Tax Revenues 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 (such as the Soldiers' and Sailors' Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure.

The rights of the Owners of the 2025 Bonds and the enforceability of the obligation to make payments on the 2025 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The various legal opinions to be delivered concurrently with the delivery of the 2025 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, and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.] See APPENDIX E – "FORM OF BOND COUNSEL FINAL OPINION."

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 likelihood of a delay or default in payment of the principal of and interest on the 2025 Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of property taxes, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws, payment of property taxes may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over property taxes in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

In addition, the United States Bankruptcy Code might prevent moneys on deposit in the Retirement Fund from being applied to pay principal of, or interest on, the 2025 Bonds or to redeem the 2025 Bonds, if bankruptcy proceedings were brought by or against a landowner and if the court found that such landowner had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of property taxes or the timing of enforcement thereof. For example, the Soldiers and Sailors Civil Relief Act of 1940 affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if a court concludes that the ability to pay such taxes or assessments is materially affected by reason of such service.

As discussed under "SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Allocation of Taxes Pursuant to the Dissolution Act – *Teeter Plan*," under its current policies, the City Controller distributes one hundred percent (100%) of tax increment revenues allocated to the Successor Agency without regard to delinquencies in the payment of property taxes. However, there can be no assurance that such policies will not be changed in the future.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy and collect property taxes. As discussed herein, the Successor Agency only receives, on an annual basis, that amount of tax increment revenue required for it to pay debt service, enforceable obligations and administrative expenses. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Successor Agency to pay debt service on the 2025 Bonds. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes could have an adverse effect on the Successor Agency's ability to make timely payments on the 2025 Bonds. The City allocates property taxes to the Successor Agency based on one hundred percent (100%) of the tax levy, notwithstanding any delinquencies. However, the City may discontinue such practice at any time. If there is a decline in the general economy of the Project Area, the owners of property within the Project Area may be less able or less willing to make timely payments of property taxes, causing a delay or stoppage of Tax Revenues received by the Successor Agency from the Project Area. As discussed herein, the Successor Agency does not receive on an annual basis all Tax Revenues, unless required to pay debt service and other obligations under the OPA.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2025B Bonds, the Successor Agency has covenanted in the Indenture to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**"), and the Successor Agency has covenanted in the Indenture to comply with certain provisions of the Tax Code. The interest on the 2025B Bonds could become includable gross income for purposes of federal income taxation retroactive to the date of issuance of the 2025B Bonds as a result of acts or omissions of the Successor Agency in violation of these or other covenants in the Indenture applicable to the 2025B Bonds. The 2025B Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See "TAX MATTERS."

Risk of Tax Audit

The Internal Revenue Service (the "**IRS**") has a program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2025B Bonds will be selected for audit by the IRS. It is also possible that the market value of such 2025B Bonds might be affected as a result of such an audit of such 2025B Bonds (or by an audit of similar bonds or securities). See "TAX MATTERS."

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2025B Bonds to be subject, directly or indirectly, to federal income taxation or cause interest on the 2025 Bonds to be subject to or exempted from state income taxation, or otherwise prevent owners of the 2025 Bonds from realizing the full current benefit of the tax status of such interest.

Secondary Market

There can be no guarantee that there will be a secondary market for the 2025 Bonds, or if a secondary market exists, that any 2025 Bonds can be sold for any particular price. Although the Successor Agency has committed to provide certain financial and operating information, there can be no assurance that such information will be available to owners of the 2025 Bonds on a timely basis. The failure to provide

the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the 2025 Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the marketability, liquidity or market price for the 2025 Bonds will not be affected by the introduction or enactment of any future legislation or executive order (including, without limitation, amendments to or repeal of any portions of the Tax Code), or by any state constitutional amendments, court decisions, changes in interpretation of the Tax Code, or actions of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2025 Bonds for audit examination, or the course or result of any IRS audit or examination of the 2025 Bonds or obligations that present similar tax issues as the 2025 Bonds.

Parity Obligations

As described in “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS – Limitations on Additional Indebtedness – *Parity Debt*,” the Successor Agency may issue or incur obligations payable from Tax Revenues on a parity with its pledge of Tax Revenues to payment of debt service on the 2014 Bonds, the 2016 Bonds and the 2025 Bonds. The existence of and the potential for additional Parity Debt increases the risks associated with the Successor Agency’s payment of debt service on the 2025 Bonds in the event of a decrease in the Successor Agency’s collection of Tax Revenues.

Pursuant to the terms of the OPA, the Successor Agency currently anticipates issuing additional Parity Debt to pay for Infrastructure and related costs. The amount of additional Parity Debt anticipated to be issued in the next five (5) years is currently estimated in the aggregate principal amount of approximately \$170 million, but is subject to change. See “THE PROJECT AREA – Mission Bay South Owner Participation Agreement.”

Bonds are Limited Obligations

The 2025 Bonds are special, limited obligations of the Successor Agency and as such are not debt of the City, the State or any of their political subdivisions other than the Successor Agency, and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable for the payment thereof. The principal of, and premium, if any, and interest on, the 2025 Bonds are payable solely from Tax Revenues allocated to the Successor Agency from the Project Area and certain other funds pledged therefor under the Indenture. The 2025 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2025 BONDS.” No Owner of the 2025 Bonds may compel exercise of the taxing power of the State, the City or any of their political subdivisions to pay the principal of, or premium, if any, or interest due on, the 2025 Bonds.

Limited Recourse on Default

If the Successor Agency defaults on its obligations under the Indenture, the Trustee has the right to accelerate the 2025 Bonds. 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 the 2025 Bonds.

LIMITATIONS ON TAX REVENUES

The 2025 Bonds are secured by a pledge of Tax Revenues and other funds and accounts pledged therefor under the Indenture. The Successor Agency does not have any independent power to levy and collect property taxes; accordingly, the amount of Tax Revenues available to the Successor Agency for payment of the principal of and interest on the 2025 Bonds is affected by several factors, including but not limited to those discussed below. See also “CERTAIN RISK FACTORS.”

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 are due March 1. Unsecured taxes enrolled by July 31, if unpaid, are delinquent 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. This statute provides increased revenue to the RPTTF to the extent that supplemental assessments as a result of new construction or changes of ownership occur within the boundaries of redevelopment project areas subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Area, Tax Revenues may increase.

Property Tax Administrative Costs. In 1990, the Legislature enacted Senate Bill 2557 (Statutes of 1990, Chapter 466) (“**SB 2557**”), which 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. Subsequent legislation clarified that the provisions of SB 2557 include redevelopment agencies as a local government agency, which must pay such administrative costs. In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the county auditor-controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 2557 amounts, to be deducted from property tax revenues before moneys are deposited into the RPTTF.

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.

The City Controller, following guidance from the State Board of Equalization does not share any of the City-wide unitary revenue with the Successor Agency. No tax revenue derived from unitary property or operating nonunitary property is included in the projections of Tax Revenues.

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 (2% for Fiscal Year 2024-25) 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 Successor Agency 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 Successor Agency’s receipt of Tax Revenues.

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.

Effective September 30, 1980, the California Legislature added Section 33678 of the Redevelopment Law, which provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness will not be deemed the receipt by the agency of proceeds of taxes levied by or on behalf of the agency within the meaning of Article XIII B or any statutory provision enacted in implementation of Article XIII B. The constitutionality of Section 33678 has been upheld by the Second and Fourth District Courts of Appeal in two decisions: *Bell Community Redevelopment Agency v. Woosley* and *Brown v. Community Redevelopment Agency of the City of Santa Ana*.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, Section 16 of the California Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on bonded indebtedness issued by a taxing entity (not the Successor Agency) and approved by the voters

of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies. Tax Revenues do not include any such amounts.

Articles XIIC and XIID of California Constitution

On November 5, 1996, California voters approved Proposition 218. Proposition 218 added Articles XIIC and XIID 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 XIIC of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. The 2025 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 XIIA, Article XIIB, Article XIIC and Article XIID of the State Constitution and certain other propositions affecting property tax levies were each adopted as measures that 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 Successor Agency’s ability to expend tax increment revenue.

TAX MATTERS

2025A Taxable Bonds

The interest on the 2025A Taxable Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, interest on the 2025A Taxable Bonds is exempt from California personal income taxes.

The proposed form of opinion of Bond Counsel with respect to the 2025A Taxable Bonds to be delivered on the date of issuance of the 2025A Taxable Bonds is set forth in APPENDIX E.

Owners of the 2025A Taxable Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025A Taxable 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 2025A Taxable Bonds, the ownership, sale or disposition of the 2025A Taxable Bonds, or the amount, accrual or receipt of interest on the 2025A Taxable Bonds.

2025B Bonds

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2025B 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 2025B 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 Successor Agency 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 2025B Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Successor Agency 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 2025B Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2025B 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 2025B 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 the subcaption “—Federal Tax Status,” above. The original issue discount accrues over the term to maturity of the 2025B 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 2025B Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2025B Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2025B Bonds who purchase the 2025B Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2025B Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2025B 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 2025B Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the 2025B Bond (said term being the shorter of the 2025B 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 2025B Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a 2025B Bond is amortized each year over the term to maturity of the 2025B 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 bond premium is not deductible for federal income tax purposes. Owners of premium 2025B 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 2025B Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2025B 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 2025B 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 2025B 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 2025B 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 2025B Bonds, or as to the consequences of owning or receiving interest on the 2025B Bonds, as of any future date. Prospective purchasers of the 2025B 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 2025B Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2025B 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 2025B Bonds, the ownership, sale or disposition of the 2025B Bonds, or the amount, accrual or receipt of interest on the 2025B Bonds.

LITIGATION

There is no litigation now pending or, to the best knowledge of the Successor Agency, threatened to restrain or enjoin the execution or delivery of the 2025 Bonds or the Indenture or in any way questioning or affecting the validity of the foregoing or any of the proceedings for the authorization, sale, execution or delivery of the 2025 Bonds.

To the knowledge of the Successor Agency, there is no lawsuit or claim now pending against the Successor Agency, which if decided adversely to the Successor Agency would materially affect the Successor Agency's ability to make payments of principal of and interest on the 2025 Bonds as they become due.

Pending Litigation Relating to the Project Area. On May 16, 2022, a lawsuit was filed in San Francisco Superior Court against the Successor Agency and the City by a homeowner association (“HOA”) in the Project Area (*Radiance Owners Association v. Office of Community Investment and Infrastructure; the City and County of San Francisco*, Case No. CPF-22-517762). The HOA seeks monetary and other relief for alleged damage to, and diminution of value in, HOA members' property caused by subsidence of certain public infrastructure. Under the Redevelopment Plan, the OPA, and the Financing Plan, Catellus and FOCIL constructed, and the City inspected, the public infrastructure, and the Former Agency and the Successor Agency reimbursed Catellus and FOCIL for certain of the costs of the infrastructure from various sources including net tax increment revenues. The HOA claims that the public infrastructure was not properly constructed, is sinking in relationship to the HOA's building, and is not properly maintained by the City and the Successor Agency. The HOA seeks to represent a class of Mission Bay property owners who have paid taxes, fees, or other charges to the City for construction and maintenance of the public infrastructure. The Successor Agency and the City filed an answer denying the claims and raising a number of affirmative defenses two years ago and since then the plaintiff has not undertaken any formal discovery or taken other action to prosecute the case. At this time, the Successor Agency does not believe that an adverse outcome in the above-described matter would have a material adverse effect on the Successor Agency's ability to make payments of principal of and interest on the 2025 Bonds as they become due.

Litigation Relating to the Dissolution Law. A number of other lawsuits have been filed in the State that challenge the Dissolution Act or the application of certain of its provisions, but none of them has to date impaired the Successor Agency's ability to issue, and make payments for, the type of bonds contemplated by the offering described in this Official Statement. The Successor Agency is unable to predict the likely outcome of any remaining lawsuits or the possible impact, if any, of their outcomes on

the distribution of property tax revenues or other moneys to the Successor Agency under the Dissolution Act or on the Successor Agency's ability to make payments of principal of and interest on the 2025 Bonds.

CONTINUING DISCLOSURE

The Successor Agency has covenanted for the benefit of the Owners of the 2025 Bonds to provide the Successor Agency's Annual Report by not later than six (6) months after the end of the Successor Agency's Fiscal Year (presently June 30) in each year commencing with its report for the 2024-25 fiscal year and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of events will be filed by the Successor Agency, or the Dissemination Agent, if any, on behalf of the Successor Agency, with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of events is summarized in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

The Successor Agency previously entered into numerous disclosure undertakings under the Rule in connection with the issuance of long-term obligations. During the past five years, the Successor Agency complied with such undertakings in all material respects.

To ensure compliance with its continuing disclosure undertakings, the Successor Agency has designated the Deputy Director of Finance and Administration with the responsibility of ensuring timely and complete filings. In addition, the Successor Agency has adopted policies and procedures for the Successor Agency regarding continuing disclosure.

LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel to the Successor Agency, will render an opinion with respect to the validity and enforceability of the Indenture and as to the validity of the 2025 Bonds. A copy of the form of such approving opinion is attached hereto as Appendix E. Certain legal matters incident to the issuance of the 2025 Bonds will be passed upon for the Successor Agency by its General Counsel. Alexis S. M. Chiu, Esq., is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed upon for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization, issuance and sale of the 2025 Bonds, the exemption of interest on the 2025B Bonds from federal income taxation, and the exemption of interest on the 2025 Bonds from California personal income taxes. See "TAX MATTERS" herein and APPENDIX E – "FORM OF BOND COUNSEL FINAL OPINION." Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the 2025 Bonds and expresses no opinion relating thereto.

Disclosure Counsel has served as disclosure counsel to the Successor Agency for the 2025 Bonds and in such capacity has advised the Successor Agency with respect to applicable federal securities laws and participated with responsible Successor Agency officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy, completeness and materiality. Disclosure Counsel is not responsible for independently verifying (through forensic audit or otherwise) the accuracy or completeness of the statements or information presented in this Official Statement. Rather, the Successor Agency is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon the issuance of the 2025 Bonds, Disclosure Counsel will deliver a letter to the Successor Agency, which advises the Successor Agency, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to the attention of Disclosure Counsel, which caused him to believe that this Official Statement as of its date and as of the

date of issuance of the 2025 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 in any material respect. No purchaser or holder of the 2025 Bonds, or other person or party other than the Successor Agency, will be entitled to or may rely on the letter from Disclosure Counsel addressed to the Successor Agency.

Fees payable to Bond Counsel, Disclosure Counsel and Underwriter's Counsel are contingent upon the sale and delivery of the 2025 Bonds.

MUNICIPAL ADVISOR

PFM California Advisors LLC has served as municipal advisor to the Successor Agency (the "**Municipal Advisor**") and provided advice with respect to the sale of the 2025 Bonds. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Successor Agency in the review of this Official Statement and in other matters relating to the planning, structuring, and sale of the 2025 Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Successor Agency to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2025 Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of, among other things, the mathematical computations of the amounts deposited in the Escrow Fund to pay the Accreted Value of the Refunded Bonds on the redemption date, without premium, will be verified by Precision Analytics Inc.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned an underlying rating to the 2025 Bonds of "[]". [It is anticipated that S&P will assign the Insured Bonds an insured rating of "[]" based upon the issuance of the Insurance Policy by the 2025 Insurer at the time of delivery of the 2025 Bonds. Such ratings reflect only the view of such organization, and an explanation of the significance of the ratings may be obtained by contacting S&P. Such ratings are not a recommendation to buy, sell or hold the 2025 Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2025 Bonds. The Successor Agency undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

FINANCIAL STATEMENTS

The audited financial statements of the Successor Agency for the Fiscal Year ended June 30, 2024, are included as part of APPENDIX A – "SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024." Such financial statements have been audited by Macias Gini & O'Connell, LLP (the "**Auditor**"), independent certified public accountants, whose report also appears in APPENDIX A. The Auditor was not requested to consent to the inclusion of its report in APPENDIX A, nor has the Auditor undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

FISCAL CONSULTANT REPORT

In connection with the issuance of the 2025 Bonds, the Successor Agency has engaged Urban Analytics, LLC, San Francisco, California, to prepare a Fiscal Consultant Report. See APPENDIX B – “FISCAL CONSULTANT REPORT.”

UNDERWRITING

The 2025 Bonds will be sold to Wells Fargo Bank, National Association (the “**Underwriter**”), pursuant to a bond purchase contract (the “**Purchase Contract**”) between the Successor Agency and the Underwriter. The Underwriter has agreed to: (a) purchase the 2025A Taxable Bonds for \$_____ (which amount represents the \$_____ aggregate principal amount of the 2025A Taxable Bonds, plus an original issue premium in the amount of \$_____, less an underwriter’s discount of \$_____); and (b) to purchase the 2025B Bonds for \$_____ (which amount represents the \$_____ aggregate principal amount of the 2025B Bonds, plus an original issue premium in the amount of \$_____, less an underwriter’s discount of \$_____).

The initial public offering prices of the 2025 Bonds of each Series may be changed from time to time by the Underwriter. The Purchase Contract provides that the Underwriter will purchase all of the 2025 Bonds if any are purchased and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract including, among others, the approval of certain legal matters by counsel.

CERTAIN RELATIONSHIPS

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), the underwriter of the 2025 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the 2025 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2025 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the 2025 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

MISCELLANEOUS

All the summaries contained herein of the Indenture, applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file

with the Successor Agency for further information in connection therewith. The Successor Agency will provide, upon request, annual audited financial statements when available.

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the Bondowners or Beneficial Owners.

The execution and delivery of this Official Statement have been duly authorized by the Successor Agency Commission.

SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF SAN
FRANCISCO

By: _____
Deputy Director of Finance and Administration

APPENDIX A

**SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

APPENDIX B
FISCAL CONSULTANT REPORT

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

[To be provided by Bond Counsel]

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) in connection with its issuance of \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “2025A Taxable Bonds”) and \$_____ aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (the “2025B Bonds” and, together with the 2025A Taxable Bonds, the “2025 Bonds” and individually, each a “Series”). The Bonds are being issued in accordance with Sections 34177.5(a) of the California Health and Safety Code (the “Redevelopment Law”), the resolution of the Successor Agency adopted on June 20, 2023 (the “Resolution”), and the Indenture of Trust, dated as of March 1, 2014 (the “Original Indenture”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented prior to the date hereof and as further amended and supplemented by a Second Supplemental Indenture of Trust, dated as of January 1, 2025 (as so amended and supplemented, the “Indenture”), by and between the Successor Agency and the Trustee. The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture described in the Official Statement (defined below), which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Annual Report Date” means the date that is six months after the end of the Successor Agency’s fiscal year (currently December 31 based on the Successor Agency’s fiscal year end of June 30).

“Dissemination Agent” means the Successor Agency, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency and the Trustee a written acceptance of such designation.

“EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the internet at <http://www.emma.msrb.org>.

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

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

“MSRB” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the

Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the final Official Statement dated _____, 2025, relating to the Bonds.

“Participating Underwriter” means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Project Area” means the Mission Bay South Project Area.

“Rule” means 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.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than each Annual Report Date, commencing December 31, 2025, with respect to the report for the 2024-25 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) business days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent, if other than the Successor Agency. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the financial information regarding the Project Area may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date if not available by that date. If the Successor Agency’s or the Project Area’s Fiscal Year changes, the Successor Agency, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(c) below. The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Successor Agency and shall have no duty or obligation to review such Annual Report.

(b) If, by fifteen (15) business days prior to the Annual Report Date, the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall notify the Successor Agency of such non-receipt.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the Annual Report Date, the Dissemination Agent in a timely manner shall provide to the MSRB a notice, in substantially the form attached hereto as Exhibit A.

(d) Unless the Successor Agency has done so pursuant to Section 3(a) above, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a certificate with the Successor Agency to the effect that the Annual Report has been provided pursuant to

this Disclosure Certificate, stating, to the extent it can confirm such filing of the Annual Report, the date it was provided.

Section 4. Content of Annual Reports. The Successor Agency's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Successor Agency, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

1. Description of any parity debt (date, amount, term, rating, insurance) issued by the Successor Agency in the fiscal year to which the Annual Report pertains and the amount of all Successor Agency debt outstanding payable with tax increment revenue from the Project Area as of the end of the fiscal year to which the Annual Report pertains;

2. The top ten taxpayers by assessed valuation in the Project Area for the fiscal year to which the Annual Report pertains in a form substantially similar to that in the Official Statement;

3. Assessed valuations and tax increment for the fiscal year to which the Annual Report pertains, by means of an update to the "Property Taxable Values and Tax Revenues" table as shown in Table 1 of the Official Statement with an indication of the amount of unsecured valuation and secured valuation;

4. Estimated debt service coverage for parity debt of the Successor Agency in the Project Area for the fiscal year to which the Annual Report pertains by means of an update to the "Estimated Annual Debt Service Coverage" table shown in Table 4 of the Official Statement; and

5. Assessment appeals for the fiscal year to which the Annual Report pertains by means of an update to the "Assessment Appeals" table shown in Table 5 of the Official Statement.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on the MSRB's internet website, currently EMMA, or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

The Trustee shall have no responsibility for the content of the Annual Report, or any part thereof.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Successor Agency shall give, or cause to be given, to the MSRB, in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to any Series in a timely manner not more than ten (10) 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. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposal Issue (IRS Form 5701-TEB);
6. Tender Offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person;
10. Default, event of acceleration, termination event, modifications of terms, or other similar events under the terms of a Financial Obligation of the Successor Agency, any of which reflect financial difficulties; and
11. The issuance of any private placement bonds or the entering into any bank loan of the type, in each case, that would constitute Parity Debt as defined in the Indenture, including the related debt service schedule, to the extent this is not already disclosed on EMMA.

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 governing 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) Pursuant to the provisions of this Section 5, the Successor Agency shall give, or cause to be given, to the MSRB, in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to any Series, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

1. Unless described in Section 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;
2. Modifications to the rights of Bondholders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Successor Agency or the sale of all or substantially all of the assets of the Successor Agency, 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;

7. Appointment of a successor or additional trustee or the change of the name of a trustee; and
8. Incurrence of a Financial Obligation of the Successor Agency, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Successor Agency, any of which affect security holders.

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

(d) If the Successor Agency learns of the occurrence of a Listed Event described in Section 5(a) or determines that knowledge of the occurrence of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the Successor Agency, the Successor Agency shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with EMMA in a timely manner not more than ten (10) business days after the event.

(e) The Successor Agency hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the Successor Agency and, if the Dissemination Agent is other than the Successor Agency, the Dissemination Agent shall not be responsible for determining whether the Successor Agency's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The obligations of the Successor Agency, the Trustee and the Dissemination Agent 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 Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. From time to time, the Successor Agency may 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. If at any time there is not a designated Dissemination Agent, the Successor Agency shall be the Dissemination Agent. The Dissemination Agent may resign by providing sixty (60) days prior written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a) or 5(b), it may be made only 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 type of business conducted;

(b) The undertakings herein, as proposed to be amended or waived, in the opinion of nationally recognized bond counsel, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) in the opinion of nationally recognized bond counsel, does not materially impair the interests of the holders or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Successor Agency will describe such amendment in the next Annual Report, and will 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 Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will 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 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency 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 Successor Agency 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 Successor Agency 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 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall), after receiving indemnification satisfactory to the Trustee, or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent and the Trustee shall be entitled to the protections and limitations from liability afforded to the Trustee in Article 6 of the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Trustee shall not be required to consent

to any amendment that would impose any greater duties or risk of liability on the Trustee. No person shall have any right to commence any action against the Trustee seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Trustee shall not be liable under any circumstances for monetary damages to any person for any breach of this Disclosure Certificate.

Section 13. Notices. Any notice or communications to be given under this Disclosure Certificate may be given as follows:

To the Successor Agency:	Successor Agency to the Redevelopment Agency of the City and County of San Francisco 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Fax: (415) 749-2527 Attention: Deputy Director of Finance and Administration
To the Participating Underwriter:	Wells Fargo Corporate & Investment Banking 333 Market Street, 28 th Floor San Francisco, CA 94105 Attention: Executive Director, Public Finance, West Region
To the Trustee:	U.S. Bank Trust Company, National Association One California Street, Suite 1000 Mail Code: SF-CA-SFCT San Francisco, CA 94111 Fax: (415) 677-3769 Attention: Global Corporate Trust and Escrow Services

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Trustee, 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

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO

By: _____
Deputy Director of
Finance and Administration

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Successor Agency to the Redevelopment Agency of the City and County of San Francisco

Names of Issues: Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series A Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) and Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2025 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project)

Date of Issuance: _____, 2025

NOTICE IS HEREBY GIVEN that the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated _____, 2025, of the Successor Agency. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO

By: _____
Title: _____

APPENDIX E

FORM OF BOND COUNSEL FINAL OPINION

[Closing Date]

[To be provided by Bond Counsel]

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. Accordingly, the DTC Participants, the Indirect Participants and the Beneficial Owners should not rely on the information in this Appendix F with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2025 Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the 2025 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2025 Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2025 Bonds. The 2025 Bonds of each Series will be issued as fully-registered bonds 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 bond certificate will be issued for each maturity of each Series of the 2025 Bonds. The 2025 Bonds will be deposited with DTC.

DTC, the world’s largest securities 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 3.5 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to DTC’s 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 a Standard & Poor’s 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. The information set forth on such website is not incorporated herein by reference.

Purchases of 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2025 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2025 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 2025 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 2025 Bonds, except in the event that use of the book-entry system for the 2025 Bonds is discontinued.

To facilitate subsequent transfers, all 2025 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 the 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2025 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the 2025 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 the 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2025 Bond documents. For example, Beneficial Owners of 2025 Bonds may wish to ascertain that the nominee holding the 2025 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 will be sent to DTC. If less than all of the 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency 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 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, and premium, if any, and interest on the 2025 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 Successor Agency or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, and premium, if any, and interest on, the 2025 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency 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 securities depository with respect to the 2025 Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2025 Bond certificates are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2025 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF 2025 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY