

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 31-2023

Adopted November 7, 2023

CONFIRMING THE ISSUANCE OF SPECIAL TAX REFUNDING BONDS FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 6 (MISSION BAY SOUTH PUBLIC IMPROVEMENTS) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$130,000,000, APPROVING A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING EXECUTION OF A FINAL OFFICIAL STATEMENT AND APPROVING OTHER DOCUMENTS AND ACTIONS PROPERLY RELATING THERETO; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA

WHEREAS, The Commission of the former Redevelopment Agency of the City and County of San Francisco (the "Former Redevelopment Agency") conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the "District"), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by such special taxes the proceeds of which are to be used to finance certain public improvements, and to establish an appropriations limit, all as described in Resolution Nos. 45-2000, 46-2000 and 47-2000 (collectively, the "CFD Formation Resolutions"), each adopted by the Commission of the Former Redevelopment Agency on March 28, 2000; and,

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (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 a Mission Bay South Owner Participation Agreement, dated as of November 16, 1998 (the "OPA") pursuant to which the Successor Agency is obligated, at the request of the Master Developer, to issue special tax bonds for the District from time to time to finance various public capital improvements within or in the vicinity of the District (the "Improvements"); and,

WHEREAS, The Former Redevelopment Agency, for and on behalf of the District, entered into a Fiscal Agent Agreement, dated as of June 1, 2001 (the "Original Former Fiscal Agent Agreement"), with Computershare Trust Company, N.A., as successor fiscal agent (the "Former Fiscal Agent"), and, the Former Redevelopment Agency concurrently issued, for and on behalf of the District, its \$54,000,000 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2001-South (the "Series 2001 Bonds"), the proceeds of which were used to provide financing for the Improvements; and,

WHEREAS, The Former Redevelopment Agency, for and on behalf of the District, and the Former Fiscal Agent entered into a Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of October 1, 2002 (the “First Supplement”), and the Former Redevelopment Agency concurrently issued, for and on behalf of the District, its \$39,330,000 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2002 Parity-South (the “Series 2002 Bonds”), the proceeds of which were used to provide additional financing for the Improvements; and,

WHEREAS, The Former Redevelopment Agency, for and on behalf of the District, and the Former Fiscal Agent entered into a Supplemental Agreement No. 2 to Fiscal Agent Agreement, dated as of July 1, 2005 (the “Second Supplement”) and the Former Redevelopment Agency, for and on behalf of the District, issued \$15,160,000 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South and \$5,708,938.75 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South (collectively, the “Series 2005 Bonds”), the proceeds of which were used to provide additional financing for the Improvements; and,

WHEREAS, Under California Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in California Redevelopment Association v. Matosantos, all redevelopment agencies in the State of California (the “State”), including 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 2012, the State Legislature adopted Assembly Bill 1484 (“AB 1484”) amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities and have the authority, with approval of the applicable oversight board and the California Department of Finance (“DOF”), to issue bonds in certain circumstances, and the Governor of the State signed the bill 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 (the “City”) adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which Implementing Ordinance 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 is a separate legal entity from 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 Commission of the Successor Agency and delegated to the Commission of the Successor Agency the authority (excluding authority as to the transferred “Housing Assets,” as defined in the Implementing Ordinance) to act in place of the former Commission of the

Former Redevelopment Agency to, among other matters: (i) implement, modify, enforce and complete the Former Redevelopment Agency's enforceable obligations, including its Retained Housing obligations as defined in the Implementing Ordinance, (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 Commission of the Successor Agency 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 (the "Oversight Board") established pursuant to the provisions of the Redevelopment Dissolution Law, (e) designated the means by which the five members of the Commission of the Successor Agency would be determined, and (f) provided for an Executive Director of, and the authority to retain 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 known as the Commission on Community Investment and Infrastructure (and hereinafter is referred to as this "Commission"); and,

WHEREAS, The Successor Agency, for and on behalf of the District, and the Former Fiscal Agent entered into a Supplemental Agreement No. 3 to Fiscal Agent Agreement, dated as of January 1, 2013 (the "Third Supplement"; and together with the Original Former Fiscal Agent Agreement, the First Supplement and the Second Supplement, the "Former Fiscal Agent Agreement") and the Successor Agency, for and on behalf of the District, issued the following series of bonds (collectively, "Series 2013 Bonds"; together with Series 2005 Bonds, "Prior Bonds"):

- (i) \$81,775,000 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South, for the purpose of refunding the Series 2001 Bonds and the Series 2002 Bonds,
- (ii) \$19,635,000 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South, the proceeds of which were used to provide additional financing for the Improvements, and,
- (iii) \$21,601,256 principal amount Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South, the proceeds of which were used to provide additional financing for the Improvements; and,

WHEREAS, Due to favorable interest rates, the outstanding Prior Bonds can be refunded on a current basis, resulting in substantial savings in interest costs and thereby additional capacity for the financing of Improvements; and,

- WHEREAS, Pursuant to Resolution No. 27-2023, adopted on September 5, 2023 (the “Successor Agency Resolution”), the Commission determined that it would be prudent in the management of the Successor Agency’s fiscal affairs to issue refunding bonds to refund the Prior Bonds, and authorized the issuance of bonds designated the “Successor Agency to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2023” (the “Series 2023 Bonds”) in the principal amount not to exceed one hundred thirty million dollars (\$130,000,000) under the authority of the Mello-Roos Act, 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”), and, as applicable, Section 34177.5(a)(1) of the California Health and Safety Code; and,
- WHEREAS, Pursuant to the Successor Agency Resolution, the Commission also approved the execution of certain documents relating to the Series 2023 Bonds, including a Fiscal Agent Agreement pursuant to which the Series 2023 Bonds will be issued (the “Fiscal Agent Agreement”), and requested, to the extent required by the Redevelopment Dissolution Law, that the Oversight Board approve the issuance of the Series 2023 Bonds by the Successor Agency; and,
- WHEREAS, In the Successor Agency Resolution, the Commission determined that the Series 2023 Bonds will be payable only from special taxes levied in the District, and will not be secured by or payable from property tax revenues deposited into the Redevelopment Property Tax Trust Fund established pursuant to the Redevelopment Dissolution Law; and,
- WHEREAS, Pursuant to Resolution No. 06-2023 adopted on September 11, 2023, the Oversight Board approved, to the extent required by Section 34180(b) and Section 34177.5(a)(1) of the Redevelopment Dissolution Law, the issuance of the Series 2023 Bonds by the Successor Agency, and directed the Successor Agency to transmit its resolution to DOF; and,
- WHEREAS, On October 23, 2023, DOF approved the Oversight Board’s approval of the Series 2023 Bonds; and,
- WHEREAS, The Successor Agency’s Amended and Restated Local Goals and Policies for Community Facilities Districts, which the Commission of the Former Redevelopment Agency adopted on July 15, 2008 pursuant to Resolution No. 79-2008 (the “Local Goals and Policies”), provide that, in situations where there is less than a uniform three-to-one value-to-lien ratio for parcels in a community facilities district -- which is the case in the District only with respect to parcels owned by The Regents of The University of California, for which the City does not assign an assessed value -- the Successor Agency may require additional credit enhancement prior to a bond sale, and the Successor Agency staff has recommended to this Commission, after consultation with the Financing Team, that the parcels owned by The Regents of The University of California do not represent an unusual credit risk and that no credit enhancement should be required; and,
- WHEREAS, The sale and issuance of the Series 2023 Bonds are fiscal activities of the Successor Agency 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 Commission finds that the Successor Agency has full authority under the Mello-Roos Act, the Refunding Law and, as applicable, Section 34177.5(a)(1) of the California Health and Safety Code for issuance of the Series 2023 Bonds; and, be it further


RESOLVED, The Commission finds that for the reasons specified above, after consultation with the Financing Team, that the parcels within the District with a value-to-public lien ratio of less than three to one do not represent an unusual credit risk and that no credit enhancement should be required, and consistent with the Local Goals and Policies, this Commission hereby approves the issuance of the Series 2023 Bonds without any credit enhancement; and, be it further

RESOLVED, The Commission hereby approves the Preliminary Official Statement describing the Series 2023 Bonds, in substantially the form on file with Secretary of the Commission. Distribution of the Preliminary Official Statement by Stifel, Nicolaus & Company, Incorporated, as Lead Underwriter, and Piper Sandler & Co., as Co-Manager (collectively, the “Underwriter”) is hereby approved, and, prior to the distribution of the Preliminary Official Statement, the Executive Director or the Deputy Executive Director, Finance and Administration or such other official of the Successor Agency as may be designated by such officer pursuant to this Resolution (each being hereinafter referred to as, an “Authorized Officer”), each acting alone, are hereby authorized and directed, on behalf of the Successor Agency, to deem the Preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer, and such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Series 2023 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, All actions heretofore taken by the officers and agents of the Successor Agency with respect to the establishment of the District and the sale and issuance of the Series 2023 Bonds are hereby approved, confirmed and ratified, and the appropriate 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 Series 2023 Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer; and, be it further

RESOLVED, The Commission hereby confirms its actions in the Successor Agency Resolution authorizing and approving the issuance of the Series 2023 Bonds pursuant to the Fiscal Agent Agreement, the Mello-Roos Act, the Refunding Law, and, as applicable, Section 34177.5(a)(1) of the California Health and Safety Code, in the aggregate principal amount of not to exceed \$130,000,000.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of November 7, 2023.



Commission Secretary

Exhibit A: Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2023**NEW ISSUE - FULL BOOK-ENTRY****INSURED RATING: S&P: "AA"
UNDERLYING RATING: S&P: "A-"
See "RATINGS."**

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 2023 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 2023 Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS – Tax Exemption."

\$124,015,000*

**Successor Agency to the
Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Special Tax Refunding Bonds, Series 2023**

Dated: Date of Issuance**Due: August 1, as shown on front inside cover**

Authority for Issuance. The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") is issuing the captioned bonds (the "2023 Bonds") for and on behalf of the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the "District"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") and a Fiscal Agent Agreement dated as of November 1, 2023 (the "Fiscal Agent Agreement"), by and between the Successor Agency and Computershare Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

Use of Proceeds. The proceeds of the 2023 Bonds will be used to (i) refund and defease all of the outstanding Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South, Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South, Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South, Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South, and Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South, (ii) fund a debt service reserve fund for the 2023 Bonds, and (iii) pay the costs of issuing the 2023 Bonds.

Bond Terms; Book-Entry Only. The 2023 Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on February 1 and August 1 of each year, commencing on February 1, 2024, and will be issued in fully-registered form without coupons in integral multiples of \$5,000. The 2023 Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the 2023 Bonds will not receive certificates representing their interests in the 2023 Bonds. Payments of the principal of, premium, if any, and interest on the 2023 Bonds will be made to DTC, which is obligated in turn to remit such principal, premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the 2023 Bonds. See "THE 2023 BONDS – General Bond Terms."

Redemption. The 2023 Bonds are subject to optional and mandatory redemption prior to their stated maturity. See "THE 2023 BONDS – Redemption."

Bond Insurance. The scheduled payment of principal of and interest on the 2023 Bonds, when due, will be guaranteed under a municipal bond insurance policy to be issued by Assured Guaranty Municipal Corp. ("AGM") concurrently with the delivery of the 2023 Bonds. See "BOND INSURANCE," and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

[AGM Logo]

Security. The 2023 Bonds are payable from proceeds of Special Tax Revenues (as defined herein) levied on property within the District according to the rate and method of apportionment of special tax approved by the qualified electors within the District. The 2023 Bonds are secured by a first pledge of all of the Special Tax Revenues and all moneys deposited in certain funds and accounts held by the Fiscal Agent under the Fiscal Agent Agreement, on a parity with bonds that may be issued in the future, subject to the conditions set forth in the Fiscal Agent Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE SUCCESSOR AGENCY (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE FISCAL AGENT AGREEMENT) OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE 2023 BONDS OR ANY PARITY BONDS. EXCEPT FOR THE SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE 2023 BONDS OR ANY PARITY BONDS. THE 2023 BONDS OR ANY PARITY BONDS ARE NOT GENERAL OBLIGATIONS OF THE SUCCESSOR AGENCY BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE SUCCESSOR AGENCY PAYABLE SOLELY FROM SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE FISCAL AGENT AGREEMENT AS MORE FULLY DESCRIBED HEREIN.

MATURITY SCHEDULE

(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the 2023 Bonds involves risks which may not be appropriate for some investors. See "SPECIAL RISK FACTORS" for a discussion of special risk factors, in addition to the other matters set forth herein that should be considered in evaluating the investment quality of the 2023 Bonds.

The 2023 Bonds are offered when, as and if issued and accepted by the Underwriters, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, is also serving as disclosure counsel to the Successor Agency. Certain matters will be passed upon for the Successor Agency by its General Counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is serving as counsel to the Underwriters. It is anticipated that the 2023 Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about November __, 2023.



The date of this Official Statement is: ____, 2023.

* Preliminary; subject to change.

MATURITY SCHEDULE

\$124,015,000*

**Successor Agency to the
Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Special Tax Refunding Bonds, Series 2023**

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u> <u>(Base _____)</u>
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\$ _____ - _____% Term Bonds due August 1, 20__ Yield: _____% Price: _____
CUSIP[†] No. ____

\$ _____ - _____% Term Bonds due August 1, 20__ Yield: _____% Price: _____
CUSIP[†] No. ____

* Preliminary; subject to change.

C: Priced to optional redemption date of August 1, 20__, at ____%.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Successor Agency, the Underwriters or their agents or counsel take any responsibility for the accuracy of such numbers.

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

COMMISSION MEMBERS¹

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

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*

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

MUNICIPAL ADVISOR

Fieldman, Rolapp & Associates, Inc.
Irvine, California

SPECIAL TAX CONSULTANT

Goodwin Consulting Group, Inc.
Sacramento, California

FISCAL AGENT

Computershare Trust Company, N.A.
St. Paul, Minnesota

VERIFICATION AGENT

Robert Thomas CPA, LLC
Minneapolis, Minnesota

¹ The Successor Agency Commission currently has one vacancy.

[INSERT AERIAL PHOTOS]

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2023 Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the 2023 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency, the District, any other parties described in this Official Statement, or in the condition of property within the District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the 2023 Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have 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 Underwriters do not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriters may over allot or take other steps that stabilize or maintain the market prices of the 2023 Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriters may discontinue such market stabilization at any time. The Underwriters may offer and sell the 2023 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2023 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

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

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Successor Agency does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

Insurer Disclaimer. Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the 2023 Bonds or the advisability of investing in the 2023 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by the AGM and presented under the heading "BOND INSURANCE" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

Websites. The Successor Agency maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

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OFFICIAL STATEMENT

\$124,015,000*

**Successor Agency to the
Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Special Tax Refunding Bonds, Series 2023**

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the 2023 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used but not defined in this Official Statement have the definitions given in the Fiscal Agent Agreement (as defined below), some of which are set forth in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.”

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the “**2023 Bonds**”) to be issued by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) for and on behalf of the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements) (the “**District**”).

Authorization for Issuance

The Successor Agency is issuing the 2023 Bonds for and on behalf of the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “**Act**”), applicable provisions of the Redevelopment Dissolution Act (as hereinafter defined) and a Fiscal Agent Agreement dated as of November 1, 2023 (the “**Fiscal Agent Agreement**”), by and between the Successor Agency and Computershare Trust Company, N.A., as fiscal agent (the “**Fiscal Agent**”). See “THE 2023 BONDS – Authority for Issuance.”

Use of Proceeds

The Successor Agency, for and on behalf of the District, will use a portion of the proceeds of the 2023 Bonds, along with other available amounts, for the current refunding and defeasance of all of the outstanding bonds described below (collectively, the “**Prior Bonds**”):

- Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005A Parity-South (the “**2005A Bonds**”), issued by the former

* Preliminary; subject to change.

Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) for and on behalf of the District;

- Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2005B Parity-South (the “**2005B Bonds**”), issued by the Former Agency for and on behalf of the District;
- Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Refunding Bonds, Series 2013A Parity-South (the “**2013A Bonds**”), issued by the Successor Agency for and on behalf of the District;
- Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013B Parity-South (the “**2013B Bonds**”), issued by the Successor Agency for and on behalf of the District; and
- Community Facilities District No. 6 (Mission Bay South Public Improvements) Special Tax Bonds, Series 2013C Parity-South (the “**2013C Bonds**”), issued by the Successor Agency for and on behalf of the District.

The remaining proceeds of the 2023 Bonds will be used to (i) fund a debt service reserve fund for the 2023 Bonds and any 2023 Related Parity Bonds (as defined herein) established and held by the Fiscal Agent under the Fiscal Agent Agreement (the “**2023 Reserve Fund**”), and (ii) pay the costs of issuing the 2023 Bonds. See “REFUNDING PLAN.”

The Successor Agency

The Successor Agency is the successor agency to the Former Agency. The Former Agency was organized by the Board of Supervisors (the “**Board of Supervisors**”) of the City and County of San Francisco (the “**City**”) 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.*, 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 “**Redevelopment Dissolution Act**”).

Subsequent to the adoption of AB 1484, on October 2, 2012, the Board of Supervisors adopted an ordinance which, among other matters, acknowledged and confirmed that, as of the

effective date of AB 1484, the Successor Agency is a separate legal entity from the City, and 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, title to all assets, and all rights, obligations and liabilities of the Former Agency. See “THE SUCCESSOR AGENCY” for additional information regarding the Successor Agency.

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 831,703 as of January 1, 2023.

For certain economic and demographic information regarding the City, see APPENDIX A – “ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY AND COUNTY OF SAN FRANCISCO.” The 2023 Bonds are not an obligation of the City.

The District

The District was formed and established by the Former Agency under the Act pursuant to a resolution adopted by the Former Agency following a public hearing and a landowner election on March 28, 2000. The resolution was adopted following a public hearing, and a special landowner election at which the then-qualified electors of the District, by more than a two-thirds vote, authorized the District to incur bonded indebtedness in the maximum principal amount of \$200,000,000 and approved the levy of a special tax (the “**Special Tax**”) upon the taxable real property in the District pursuant to a rate and method of apportionment of special taxes for the District (the “**Rate and Method**”). Additional bonds in the principal amount of \$44,564,805.25 will remain authorized but unissued after the issuance of the 2023 Bonds. The Rate and Method by which Special Taxes may be levied is attached as APPENDIX C – “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” See also “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate and Method” for a summary of the Rate and Method.

The District consists of a total of 237 acres of which approximately 64.61 acres are subject to the Special Tax. It is located two miles south of the financial district of the City in the southern part of the Mission Bay area of the City, adjacent to and on the southwest side of Oracle Park, the waterfront stadium for the San Francisco Giants (which is not in the District). The land within the District is used for a variety of purposes, including for-sale residential property, rental residential, hotel, office, parking, and retail. The development in the District is anchored by the Mission Bay campus of the University of California, San Francisco (the “**UCSF Mission Bay Campus**”), a life science research and academic campus, and the Chase Center, an indoor arena located adjacent to the UCSF Mission Bay Campus.

The UCSF Mission Bay Campus is located on approximately 43 acres of land donated by the City and Catellus Land and Development Corporation, a Delaware corporation, successor in

interest to Catellus Development Corporation, a Delaware corporation (the “**Original Landowner**”), which owned all of the non-public use property in the District at the time of its formation. The UCSF Mission Bay Campus, at full buildout, is anticipated to contain approximately 3.64 million gross square feet of instruction, research and support space for the nationally renowned bio-medical research institution. The UCSF Mission Bay Campus is not located within the District.

The University of California, San Francisco Medical Center at Mission Bay (the “**UCSF Mission Bay Medical Center**”) is located south of the UCSF Mission Bay Campus and within the boundaries of the District. The first phase of the UCSF Mission Bay Medical Center opened in February 2015 and consists of a 289-bed complex that features three separate hospitals, specializing in serving children, women, and cancer patients, as well as a green energy center and a helipad. 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 two 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 subject to the Special Tax in the District totaling approximately 3.7 acres and approximately 475,000 square feet of office and laboratory space.

As a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City and County of San Francisco (the “**Assessor-Recorder of the City**”). However, because the UC Regents acquired the parcels on which the UCSF Mission Bay Medical Center and the office and laboratory space described above reside through a negotiated sale after the formation for the District, such parcels are subject to the Special Tax under the Rate and Method and the Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate and Method.” The UC Regents and the Successor Agency, as successor to the Former Agency, are parties to memoranda of understanding pursuant to which, among other matters, the UC Regents agreed that the Special Taxes levied on its property in the District are enforceable, shall continue to be levied thereon and will pay those taxes as and when they become due.

The UC Regents is the largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. See “THE DISTRICT – Ten Largest Payers of Special Taxes.” As authorized under the Ordinance, the Special Taxes levied on property owned by the UC Regents in the District are collected by means of direct billing, not on the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS SPECIAL TAXES – Manner of Collection.”

The Chase Center, is located across four parcels totaling approximately 11 acres adjacent to the UCSF Mission Bay Medical Center. The 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 580,000 square feet of office and lab space and has 100,000 square feet of retail space as well as a 35,000 square foot public plaza and recreation area.

Land within the District is entitled for approximately 4.1 million square feet of private life science and biotechnology laboratory space and office space, of which approximately 3.9 million square feet have been built. Land within the District is also entitled for approximately 3,571

housing units (of which approximately 34% consists of affordable housing), 429 hotel rooms, and approximately 35 acres of open space. 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. See “THE DISTRICT – Entitlements and Construction Status.”

Many bio-tech, medical and high-tech companies have moved into the District to take advantage of synergistic partnerships with the UCSF Mission Bay Campus, bio-tech and high-tech industry clusters, attractive transit-oriented residential offerings and close proximity to downtown San Francisco. The District is also home to many prominent businesses and research institutions that own, occupy or sublease space in the District, including J. David Gladstone Institutes, Nektar Therapeutics, FibroGen, Inc., Celgene, a subsidiary of Bristol Myers Squibb, Meraki Networks, a division of Cisco Systems, Third Rock Ventures, DropBox, Uber Technologies Inc., Kaiser Permanente and others.

As of the date of this Official Statement, all of the property within the District that is subject to the Special Tax (sometimes referred to as “**Taxable Property**”) is classified as Developed Property within the meaning of the Rate and Method. The property within the District subject to the Special Tax consists of 1,096 parcels. Of the 1,096 parcels, 1,056 consist of for-sale residential and rental residential property and accounted for approximately 28% of the actual Special Tax levy for Fiscal Year 2023-24. The remaining parcels consist predominantly of property used for office and other uses (i.e. the UCSF Mission Bay Medical Center and Chase Center) totaling 16 and 8 parcels, respectively, and accounted for approximately 27% and 36% of the actual Special Tax in Fiscal Year 2023-24. See “THE DISTRICT – Land Use Distribution.”

The District is located entirely within the boundaries of the Successor Agency’s Mission Bay South Redevelopment Project Area (the “**Mission Bay South Project Area**”). The Mission Bay South Project Area is part of the Mission Bay development area, an entirely new infill neighborhood in San Francisco totaling approximately 238 acres with 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. In addition to the UCSF Mission Bay Campus, the UCSF Mission Bay Medical Center and Chase Center, the Mission Bay South Project Area includes several blocks of office, biotech and hotel uses. The Mission Bay South Project Area has been developed concurrently with the Third Street Light Rail Project, a local transit line constructed along Third Street in Mission Bay South that connects southeastern San Francisco neighborhoods to downtown San Francisco and Chinatown and which commenced operation at the beginning of 2007. See “THE DISTRICT – Description and Location.”

As of August 31, 2023, approximately \$663.1 million in public infrastructure has been completed in the District which includes new roads, sewer and storm water infrastructure and parks and open space. And as of such date, approximately \$159.7 million of new infrastructure remains to be completed, for a total of approximately \$822.8 million of investment in infrastructure at full build-out. The 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 (as defined herein). See “THE DISTRICT – Status of Public Infrastructure.”

Redemption of 2023 Bonds before Maturity

The 2023 Bonds are subject to optional redemption, mandatory sinking fund redemption and special redemption from prepaid Special Taxes. See “THE 2023 BONDS – Redemption.”

Security and Sources of Payment for the 2023 Bonds

Pursuant to the Fiscal Agent Agreement, the 2023 Bonds are secured by a first pledge of all of the “**Special Tax Revenues**,” on a parity with any bonds that may be issued in the future, subject to the conditions set forth in the Fiscal Agent Agreement. The 2023 Bonds will be additionally secured by certain funds and accounts established and held under the Fiscal Agent Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS.” The 2023 Bonds are payable from the Special Tax Revenues as described in “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Special Tax Fund.”

“Special Tax Revenues” are defined in the Fiscal Agent Agreement as the proceeds of the Special Taxes received by the Successor Agency, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon, but not including any interest in excess of the interest due on the Bonds or any penalties collected in connection with any such foreclosure. “Special Tax Revenues” do not include any penalties collected in connection with delinquent Special Taxes, which may be forgiven or disposed of by the Successor Agency in its discretion and, if collected, shall be used in a manner consistent with the Act.

Neither the faith and credit nor the taxing power of the Successor Agency (except to the limited extent set forth in the Fiscal Agent Agreement) or the State, or any political subdivision thereof, is pledged to the payment of the 2023 Bonds or any Parity Bonds. Except for the Special Tax Revenues, no other taxes are pledged to the payment of the 2023 Bonds or any Parity Bonds. The 2023 Bonds or any Parity Bonds are not general obligations of the Successor Agency but are special, limited obligations of the Successor Agency payable solely from Special Tax Revenues and the other assets pledged therefor under the Fiscal Agent Agreement as more fully described herein.

Parity Bonds

Pursuant to the proceedings in which the District was formed, the Successor Agency is authorized to issue \$200,000,000 initial principal amount of bonds for the District. Following issuance of the 2023 Bonds, \$44,564,805.25 of additional bonds will remain authorized but unissued.

Subject to certain conditions set forth in the Fiscal Agent Agreement, the Successor Agency may from time to time issue the remaining authorized but unissued bonds and bonds to refund any outstanding bonds issued under the Fiscal Agent Agreement (collectively, “**Parity Bonds**” and together with the 2023 Bonds, the “**Bonds**”), in each case secured by a pledge of Special Tax Revenues on a parity basis with the 2023 Bonds. Pursuant to the Fiscal Agent Agreement, the Successor Agency will covenant, following issuance of the 2023 Bonds, not to issue more than \$44,564,805.25 initial principal amount of Parity Bonds (as defined herein), exclusive of any Refunding Bonds (as defined herein). On the date the 2023 Bonds are issued, no bonds secured by a pledge of Special Tax Revenues on a parity basis with the 2023 Bonds

will remain outstanding. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Issuance of Future Parity Bonds.”

Debt Service Reserve Fund

In order to further secure the payment of principal of and interest on the 2023 Bonds (and any series of 2023 Related Parity Bonds, i.e., Parity Bonds, the principal of and interest on which is payable from amounts in the 2023 Reserve Fund), a portion of the proceeds of the 2023 Bonds will be deposited into the 2023 Reserve Fund in an amount equal to the 2023 Reserve Requirement (as defined herein). See “REFUNDING PLAN – Estimated Sources and Uses of Funds” and “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – 2023 Reserve Fund.”

Bond Insurance

Concurrently with the issuance of the 2023 Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy (the “**Insurance Policy**”) for the 2023 Bonds. The Insurance Policy guarantees the scheduled payment of principal of and interest on the 2023 Bonds when due as set forth in the form of the Insurance Policy included as an appendix to this Official Statement. See “BOND INSURANCE” and APPENDIX H – “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

Covenant to Foreclose

The Successor Agency has covenanted in the Fiscal Agent Agreement to cause foreclosure proceedings to be commenced and prosecuted against certain parcels with delinquent installments of the Special Taxes. For a more detailed description of the foreclosure covenant see “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose.”

Value-to-Lien Ratios

Assessed Value. The Fiscal Year 2023-24 assessed value of the property in the District that is subject to the levy of the Special Tax is \$8,430,785,133. The Successor Agency did not commission an appraisal of the taxable property in the District. See “THE DISTRICT – Assessed Value History.”

Value-to-Lien Ratio. Based on the assessed value for Fiscal Year 2023-24 and the initial principal amount of the 2023 Bonds, the assessed value-to-lien ratio for the District is 67.98* as of the date of this Official Statement. The ratio is the aggregate ratio for all taxable property in the District other than property within the District that is owned by UC Regents which is exempt from general property taxes and therefore has not been assessed a value by the Assessor-Recorder of the City. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others. See “THE DISTRICT – Value-to-Lien Ratios.”

Risk Factors Associated with Purchasing the 2023 Bonds

Investment in the 2023 Bonds involves a significant degree of risk and each prospective investor should consider its financial condition and the risks involved to determine the suitability

* Preliminary; subject to change.

of investing in the 2023 Bonds. See “SPECIAL RISK FACTORS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the 2023 Bonds.

Summary of Information

This Official Statement includes descriptions of the 2023 Bonds, the sources of payment for the 2023 Bonds, the Successor Agency, and the District. This Official Statement also contains summaries of certain provisions of the Fiscal Agent Agreement and certain other documents. The descriptions and summaries do not purport to be comprehensive or definitive. All references in this Official Statement to the 2023 Bonds, the Fiscal Agent Agreement and other documents are qualified in their entirety by reference to the form of 2023 Bond included in the Fiscal Agent Agreement and the aforementioned documents, copies of all of which are available from the Successor Agency for a reasonable copying fee at One South Van Ness Avenue, 5th Floor, San Francisco, California.

REFUNDING PLAN

Redemption of Prior Bonds

The outstanding 2005A Bonds were issued as current interest bonds and are currently subject to optional redemption on any February 1 and August 1, at a redemption price equal to 100% of the principal amount of the 2005A Bonds to be redeemed, without premium, together with accrued interest thereon to the redemption date.

The 2005B Bonds were issued as capital appreciation bonds and are currently subject to optional redemption on any February 1 and August 1, at a redemption price equal to 100% of the Accreted Value (as defined in the fiscal agent agreement relating to such bonds) of the 2005B Bonds to be redeemed, without premium.

The outstanding 2013A Bonds and 2013B Bonds were issued as current interest bonds and are currently subject to optional redemption on any date, at a redemption price equal to 100% of the principal amount of the 2013A Bonds and 2013B Bonds, as applicable, to be redeemed, without premium, together with accrued interest thereon to the redemption date.

The outstanding 2013C Bonds were issued as capital appreciation bonds and are currently subject to optional redemption on any date, at a redemption price equal to 100% of the Accreted Value (as defined in the fiscal agent agreement relating to such bonds) of the 2013C Bonds to be redeemed, without premium.

On the date the 2023 Bonds are issued, pursuant to an Escrow Deposit and Trust Agreement dated November __, 2023 (the “**Escrow Agreement**”), between the Authority and Computershare Trust Company, N.A., as escrow agent (the “**Escrow Agent**”) and fiscal agent of the Prior Bonds, the Successor Agency will cause to be delivered a portion of the proceeds of the 2023 Bonds which, together with moneys relating to the Prior Bonds, will be deposited by the Escrow Agent in the escrow fund established under the Escrow Agreement (the “**Escrow Fund**”), on behalf of the Successor Agency and for the benefit of the owners of the outstanding Prior Bonds.

The Escrow Agent will invest a portion of the funds on deposit in the Escrow Fund in federal securities and will hold the remainder in cash, uninvested. From the moneys on deposit in the Escrow Fund and the investment earnings thereon, the Escrow Agent will pay (i) on February 1, 2024, the principal of the outstanding 2005A Bonds plus interest with respect thereto accrued thereon through such date, without premium, (ii) on February 1, 2024, the Accreted Value of the outstanding 2005B Bonds, as of such date, without premium, (iii) on _____, 2023, the principal of the outstanding 2013A Bonds and 2013B Bonds plus interest with respect thereto accrued thereon through such date, without premium, and (iv) on _____, 2023, the Accreted Value of the outstanding 2013C Bonds, as of such date, without premium.

The outstanding Prior Bonds are described in the following tables.

Outstanding 2005A Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP
2035 T	\$13,145,000	5.150%	79765W CQ9

T: Term 2005A Bonds.

Outstanding 2005B Bonds

Maturity Date (August 1)	Initial Amount	Yield to Maturity	Accreted Value on February 1, 2024	CUSIP (Base 79765W)
2024	\$213,811.20	5.850%	\$621,811.20	DA3
2025	209,247.70	5.900	614,034.90	DB1
2030 T	978,280.40	5.930	2,886,311.20	DC9
2034 T	2,150,353.05	5.980	6,401,736.40	DD7

T: Term 2005B Bonds.

Outstanding 2013A Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP (Base 79772A)
2024	\$3,860,000	5.000%	AM9
2025	4,215,000	5.000	AN7
2026	4,595,000	5.000	AP2
2027	4,995,000	5.000	AQ0
2028	5,415,000	5.000	AR8
2029	5,865,000	5.000	AS6
2030	6,340,000	5.000	AT4
2031	6,840,000	5.000	AU1
2033 T	15,300,000	5.000	AV9

T: Term 2013A Bonds.

Outstanding 2013B Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP (Base 79772A)
2024	\$915,000	4.000%	BH9

2025	950,000	4.000	BJ5
2026	985,000	4.000	BK2
2027	1,030,000	5.000	BL0
2028	1,080,000	5.000	BM8
2029	1,135,000	5.000	BN6
2030	1,185,000	5.000	BP1
2031	1,250,000	5.000	BQ9
2033 T	2,685,000	4.375	BR7

T: Term 2013B Bonds.

Outstanding 2013C Bonds

Maturity Date (August 1)	Initial Amount	Yield to Maturity	Accreted Value on _____, 2023	CUSIP (Base 79772A)
2036	\$3,166,062.25	5.760%		BS5
2037	3,007,745.95	5.820		BT3
2038	2,854,031.40	5.880		BV8
2043 T	12,573,416.40	5.930		BU0

T: Term 2013B Bonds.

The sufficiency of the deposits in the Escrow Fund for such purposes will be verified by Robert Thomas CPA, LLC, Minneapolis, Minnesota (the “**Verification Agent**”). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, all of the outstanding Prior Bonds will be discharged pursuant to the provisions of the fiscal agent agreement relating thereto as of the date of issuance of the 2023 Bonds.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the outstanding Prior Bonds. Neither the funds deposited in the Escrow Fund, nor any interest thereon, will be available for the payments of principal of or interest on the 2023 Bonds.

Estimated Sources and Uses of Funds

The sources and uses of funds in connection with the 2023 Bonds are expected to be as follows:

	<u>Amount</u>
<u>SOURCES</u>	\$
Principal Amount of 2023 Bonds	
<i>Plus:</i> [Net] Original Issue Premium	
<i>Less:</i> Underwriters' Discount	
<i>Plus:</i> Funds relating to the Prior Bonds	
<i>Total Sources</i>	<hr/> \$
<u>USES</u>	
Deposit into Escrow Fund ⁽¹⁾	\$
Deposit into 2023 Reserve Fund ⁽²⁾	
Costs of Issuance ⁽³⁾	
<i>Total Uses</i>	<hr/> \$

(1) To defease and redeem the outstanding Prior Bonds. See “– Redemption of Prior Bonds.”

(2) To satisfy the 2023 Reserve Requirement on the Closing Date.

(3) Includes, among other things, the fees and expenses of Bond Counsel and Disclosure Counsel, the Fiscal Agent, the Escrow Agent, the Verification Agent, the Municipal Advisor, and the Special Tax Consultant, and printing costs.

DEBT SERVICE SCHEDULE

The following table presents the annual debt service on the 2023 Bonds (including sinking fund redemptions), assuming there are no optional redemptions or special redemptions from Special Tax prepayments.

Year Ending August 1	Principal	Interest	Total Debt Service
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
Total			

Source: Stifel, Nicolaus & Company, Incorporated.

PROJECTED DEBT SERVICE COVERAGE

The following table sets forth the debt service coverage on the 2023 Bonds provided by the Special Tax Revenues, if Special Taxes were levied at their maximum amounts authorized under the Rate and Method.

	A	B	C = A/B
Year Ending August 1	Maximum Special Tax Revenues Net of Administrative Expenses ⁽¹⁾	2023 Bonds Total Debt Service	Projected Debt Service Coverage ⁽²⁾
2024	\$11,428,310	\$9,476,117	1.2x
2025	11,656,876	8,789,750	1.3x
2026	11,890,014	8,965,500	1.3x
2027	12,127,814	9,146,000	1.3x
2028	12,370,370	9,330,250	1.3x
2029	12,617,778	9,517,250	1.3x
2030	12,870,133	9,701,000	1.3x
2031	13,127,536	9,900,750	1.3x
2032	13,390,087	10,099,750	1.3x
2033	13,657,888	10,302,000	1.3x
2034	13,931,046	10,506,250	1.3x
2035	14,209,667	10,716,250	1.3x
2036	14,493,860	10,930,500	1.3x
2037	14,783,738	11,147,500	1.3x
2038	15,079,412	11,370,750	1.3x
2039	15,381,001	11,603,500	1.3x
2040	15,688,621	11,828,750	1.3x
2041	16,002,393	12,070,250	1.3x
2042	16,322,441	12,310,500	1.3x
2043	16,648,890	12,552,750	1.3x

- (1) Net of estimated Administrative Expenses for each respective Fiscal Year based on estimated Administrative Expenses of \$188,700 for Fiscal Year 2023-24 escalating at 2.00% each Fiscal Year thereafter. Debt service on the 2023 Bonds is payable from Special Taxes after the payment of Administrative Expenses for each Fiscal Year. The actual amount of the levy for each Fiscal Year will be determined under the Rate and Method. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Special Tax Fund" and "– Bond Fund." Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2023 Bonds. See "SPECIAL RISK FACTORS."
- (2) Coverage may be diluted by the issuance of Parity Bonds in the future. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Issuance of Future Parity Bonds."

Source: Goodwin Consulting Group; Stifel, Nicolaus & Company, Incorporated.

THE 2023 BONDS

This section generally describes the terms of the 2023 Bonds contained in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.”

Authority for Issuance

The 2023 Bonds are issued by the Successor Agency, for and on behalf of the District, pursuant to the Act, applicable provisions of the Redevelopment Dissolution Act, the Fiscal Agent Agreement, and a resolution of the governing board of the Successor Agency (the “**Successor Agency Commission**”) adopted on September 5, 2023 (the “**Resolution of Issuance**”).

Pursuant to the Redevelopment Dissolution Act, the Resolution of Issuance was approved by the Successor Agency’s Oversight Board (the “**Oversight Board**”) pursuant to a resolution adopted on September 11, 2023 (the “**Oversight Board Resolution**”). Written notice of the Oversight Board Resolution was provided to the Department of Finance of the State of California (the “**California Department of Finance**”). On October 23, 2023, the California Department of Finance provided a letter to the Successor Agency stating that based on its review and application of the law, the California Department of Finance has approved the Oversight Board Resolution.

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The 2023 Bonds will be dated their date of delivery and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The 2023 Bonds will be issued in fully registered form in integral multiples of \$5,000.

Calculation of Interest. Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The 2023 Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each February 1 and August 1, commencing February 1, 2024 (each, an “**Interest Payment Date**”). Each 2023 Bond will bear interest from the Interest Payment Date next preceding its date of authentication unless: (i) it is authenticated on an Interest Payment Date, in which event it will bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the Record Date preceding the first Interest Payment Date, in which event it will bear interest from their date of delivery; provided, however, that if at the time of authentication of a 2023 Bond, interest is in default thereon, such 2023 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

“**Record Date**” is defined in the Fiscal Agent Agreement to mean the 15th day of the calendar month next preceding the applicable Interest Payment Date, whether or not such day is a Business Day.

DTC and Book-Entry Only System. DTC will act as securities depository for the 2023 Bonds. The 2023 Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC’s partnership nominee). See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Payments of Interest and Principal. For so long as DTC is used as depository for the 2023 Bonds, principal of, premium, if any, and interest payments on the 2023 Bonds will be made solely to DTC or its nominee, Cede & Co., as registered owner of the 2023 Bonds, for distribution to the beneficial owners of the 2023 Bonds in accordance with the procedures adopted by DTC.

Redemption*

Optional Redemption from any Source other than Prepayments. The 2023 Bonds maturing before August 1, 20__ are not subject to optional redemption prior to their stated maturities. The 2023 Bonds maturing on August 1, 20__ and thereafter are subject to redemption from any source of funds other than Special Tax Prepayments prior to their stated maturities, on any date, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2023 Bonds maturing on August 1, 20__ (the “Term Bonds”), are subject to mandatory redemption in part by lot, from sinking fund payments made by the Successor Agency from the Bond Fund, at a redemption price equal to the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts all as set forth in the following table:

2023 Bonds Maturing August 1, 20__	
Sinking Fund Redemption Date (August 1)	Sinking Fund Payments

(maturity)

However, if some but not all of the Term Bonds of a given maturity have been redeemed through optional redemption or mandatory prepayment redemption, the total amount of all future Sinking Fund Payments relating to such maturity will be reduced by the aggregate principal amount of Term Bonds of such maturity so redeemed, to be allocated among such Sinking Fund Payments on a pro rata basis in integral multiples of \$5,000 as determined by the Fiscal Agent, notice of which determination (which shall consist of a revised sinking fund schedule) shall be given by the Successor Agency to the Fiscal Agent.

Redemption from Special Tax Prepayments. Special Tax Prepayments and any corresponding transfers from the 2023 Reserve Fund under the Fiscal Agent Agreement will be used to redeem 2023 Bonds on the next Interest Payment Date for which notice of redemption can timely be given under the Fiscal Agent Agreement, among maturities so as to maintain substantially the same debt service profile for the Bonds as in effect prior to such redemption and by lot within a maturity, at a redemption price (expressed as a percentage of the principal amount of the 2023 Bonds to be redeemed), as set forth in the following table, together with accrued interest to the date fixed for redemption:

* Preliminary; subject to change.

<u>Redemption Dates</u>	<u>Redemption Price</u>
On or before August 1, 20__	103%
On August 2, 20__ through August 1, 20__	102
On August 2, 20__ through August 1, 20__	101
On August 2, 20__ and thereafter	100

Any other Bonds redeemed in connection with a Special Tax Prepayment may also be redeemed from transfers from other applicable debt service reserve funds (if any) with respect to such other series of Bonds.

See "SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Special Tax Prepayments."

Purchase in Lieu of Redemption. In lieu of redemption as described above, moneys in the Bond Fund or other funds provided by the Successor Agency may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase and any premium which would otherwise be due if such Bonds were to be redeemed in accordance with the Fiscal Agent Agreement.

Notice of Redemption. The Fiscal Agent will cause notice of any redemption to be mailed by first-class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories, to the MSRB, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the proceedings for the redemption of such Bonds.

However, while the 2023 Bonds are subject to DTC's book-entry system, the Fiscal Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Successor Agency and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the Beneficial Owners of the 2023 Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any 2023 Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Fiscal Agent Agreement.

Rescission of Redemption. Any notice of optional redemption may be conditioned upon receipt of the funds necessary to pay the redemption price. The Successor Agency has the right to rescind any notice of the optional redemption of Bonds by written notice to the Fiscal Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled 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 Bonds then called for redemption, and such cancellation shall not constitute a default under the Fiscal Agent Agreement. The Successor Agency and the Fiscal Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Fiscal Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Selection of Bonds for Partial Redemption. Whenever provision is made in the Fiscal Agent Agreement for the redemption of less than all of the Bonds of any maturity or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, by lot in any manner which the Fiscal Agent in its sole discretion deems appropriate.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of, and interest and any premium on, the Bonds so called for redemption shall have been deposited in the Bond Fund, such Bonds will cease to be entitled to any benefit under the Fiscal Agent Agreement other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice of redemption; provided, however, that if Bonds are to be redeemed as a result of Special Tax Prepayments, Bonds shall be selected for redemption on a pro-rata basis among maturities.

Registration, Transfer and Exchange

The following provisions regarding the exchange and transfer of the 2023 Bonds apply only during any period in which the 2023 Bonds are not subject to DTC's book-entry system. While the 2023 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX F – "DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Registration. The Fiscal Agent will keep, or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the 2023 Bonds, which will show the series number, date, amount, rate of interest and last known owner of each 2023 Bond and will at all times be open to inspection by the Successor Agency during regular business hours upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the ownership of the 2023 Bonds as provided in the Fiscal Agent Agreement.

The Successor Agency and the Fiscal Agent will treat the Owner of any 2023 Bond whose name appears on the Bond register as the absolute Owner of such 2023 Bond for any and all purposes, and the Successor Agency and the Fiscal Agent will not be affected by any notice to the contrary. The Successor Agency and the Fiscal Agent may rely on the address of the Owner as it appears in the Bond register for any and all purposes.

Registration of Exchange or Transfer. Any 2023 Bond may, in accordance with its terms, be transferred, upon the Bond register by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such 2023 Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form acceptable to the Fiscal Agent. 2023 Bonds may be exchanged at the Principal Office of the Fiscal Agent solely for a like aggregate principal amount of 2023 Bonds of authorized denominations and of the same maturity.

The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer or exchange will be paid by the Successor Agency. The Fiscal Agent will collect from the Owner requesting such transfer or exchange any tax or other

governmental charge required to be paid with respect to such transfer or exchange. Whenever any 2023 Bond or 2023 Bonds are surrendered for transfer or exchange, the Successor Agency will execute and the Fiscal Agent will authenticate and deliver a new 2023 Bond or 2023 Bonds, for a like aggregate principal amount.

No transfers or exchanges of 2023 Bonds will be required to be made (i) 15 days prior to the date established by the Fiscal Agent for selection of 2023 Bonds for redemption or (ii) with respect to a 2023 Bond after such 2023 Bond has been selected for redemption; or (iii) between a Record Date and the succeeding Interest Payment Date.

SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS

This section generally describes the security for the 2023 Bonds set forth in the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.” Capitalized terms used but not defined in the section are defined in Appendix B.

General

The 2023 Bonds and any Parity Bonds are secured by a first pledge (which will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all of the Special Tax Revenues and all moneys deposited in the Bond Fund (including the Special Tax Prepayments Account), and, until disbursed as provided therein, in the Special Tax Fund. The Special Tax Revenues and all moneys deposited into such funds (except as otherwise provided in the Fiscal Agent Agreement) are dedicated to the payment of the principal of, and interest and any premium on, the Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Fiscal Agent Agreement. The pledge of such amounts will be on a parity with the pledge of such amounts to (A) AGM and (B) a credit provider as security for an obligation under a written agreement between the Successor Agency, for and on behalf of the District, and the credit provider to reimburse the credit provider for amounts paid under or pursuant to a credit facility for the payment of the principal amount or purchase price of and/or interest on any Bonds. Repayment obligations described in the preceding sentence will be deemed to be payable at the scheduled amount due on the related Bonds. Notwithstanding any other provisions of the Fiscal Agent Agreement, repayment obligations described in the second preceding sentence shall be payable from the Bond Fund. Amounts in the Costs of Issuance Fund are not pledged to the repayment of the Bonds.

The 2023 Bonds and all 2023 Related Parity Bonds will also be secured by a first pledge (which pledge will be effected in the manner and to the extent provided in the Fiscal Agent Agreement) of all of the moneys deposited in the 2023 Reserve Fund. The moneys in the 2023 Reserve Fund are dedicated to the payment of the principal of, and interest and any premium on, the 2023 Bonds and all 2023 Related Parity Bonds as provided in the Fiscal Agent Agreement and in the Act until all of the 2023 Bonds and all 2023 Related Parity Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose under the Fiscal Agent Agreement.

“2023 Related Parity Bonds” are defined under the Fiscal Agent Agreement as any series of Parity Bonds for which (i) the Proceeds are deposited into the 2023 Reserve Fund so that the balance therein is equal to the 2023 Reserve Requirement following issuance of such

Parity Bonds and (ii) the related Supplemental Agreement specifies that the 2023 Reserve Fund shall act as a reserve for the payment of the principal of, and interest and any premium on, such series of Parity Bonds.

“Special Tax Revenues” are defined in the Fiscal Agent Agreement as the proceeds of the Special Taxes received by the Successor Agency, including any scheduled payments thereof and any Special Tax Prepayments, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Special Tax Revenues” do not include any penalties collected in connection with delinquent Special Taxes, which may be forgiven or disposed of by the Successor Agency in its discretion and, if collected, shall be used in a manner consistent with the Act.

Limited Obligation

Neither the faith and credit nor the taxing power of the Successor Agency (except to the limited extent set forth in the Fiscal Agent Agreement) or the State, or any political subdivision thereof, is pledged to the payment of the 2023 Bonds or any Parity Bonds. Except for the Special Tax Revenues, no other taxes are pledged to the payment of the 2023 Bonds or any Parity Bonds. The 2023 Bonds or any Parity Bonds are not general obligations of the Successor Agency but are special, limited obligations of the Successor Agency payable solely from Special Tax Revenues and the other assets pledged therefor under the Fiscal Agent Agreement as more fully described herein.

Special Taxes

Covenant to Levy Special Taxes. Under the Fiscal Agent Agreement, the Finance Director of the Successor Agency shall fix and levy the amount of Special Taxes within the District required to pay the following amounts, taking into account the balances in the applicable funds established under the Fiscal Agent Agreement: (i) the principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing calendar year, (ii) any necessary replenishment or expenditure of the 2023 Reserve Fund or such other reserve account for Bonds that are not 2023 Related Parity Bonds to the extent such replenishment has not been included in the computation of the Special Taxes in a previous Fiscal Year, (iii) an amount estimated to be sufficient to pay the Administrative Expenses, including amounts necessary to discharge any rebate obligation, during such year, (iv) an amount to cure delinquencies in the payment of principal or interest on Bonds that occurred in the previous Fiscal Year, and (v) any Project costs to be paid from Special Taxes. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings under the Resolution of Formation. The Special Taxes levied on any parcel of **“Taxable Property”** (as defined in “– Rate and Method”) may not exceed the maximum amount as provided in the Rate and Method.

Manner of Collection. Except as set forth in the Ordinance, Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property. Under the Ordinance, the Successor Agency’s Executive Director may collect one or more installments of the Special Taxes by means of direct billing by the Successor Agency of the property owners within the District, if, in the judgment of the Executive Director such means of collection will reduce the administrative burden on the Successor Agency in administering the District or is otherwise appropriate in the circumstances. The Ordinance further provides that, in such event, the Special

Taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners. Under the Rate and Method, the Administrator is authorized to directly bill the Special Taxes on behalf of the Successor Agency. See APPENDIX C – “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX – F. Manner of Collection.” Except for the Special Taxes levied on property owned by the UC Regents in the District, all of the Special Taxes levied in Fiscal Year 2023 will be collected in the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City. See “THE DISTRICT – Ten Largest Payers of Special Taxes.”

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds. Further, under no circumstances will the Special Tax levied against any parcel of residential property for which an occupancy permit for private residential use has been issued be increased by more than 10% as a consequence of delinquency or default by the owner of any other parcel within the District. In addition, in no event shall Special Taxes be levied after the year 2050. See “– Rate and Method – Termination of the Special Tax” below and “SPECIAL RISK FACTORS – Property Tax Delinquencies.”

Other liens for taxes and assessments may already exist on the Taxable Property located within the District and others could come into existence in the future. See “SPECIAL RISK FACTORS – Other Possible Claims Upon the Value of Taxable Property.” There is no assurance that any owner of a parcel of Taxable Property subject to the Special Tax levy will be financially able to pay the annual Special Taxes or that it will pay such taxes even if financially able to do so. See “SPECIAL RISK FACTORS.”

For historic information regarding assessed valuations and the payment of, or delinquencies with respect to, Special Taxes in the District, see “THE DISTRICT.”

Rate and Method

Capitalized terms used but not defined in this section, unless noted otherwise, have the meanings prescribed in the Rate and Method. A copy of the Rate and Method is included in this Official Statement as APPENDIX C – “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The Special Tax authorized under the Act applicable to Taxable Property within the District will be levied and collected according to the tax liability determined by the Successor Agency according to the Rate and Method.

Each year, the Successor Agency will determine the annual Special Tax Requirement for the District to be collected from Taxable Property for the upcoming fiscal year. The “**Special Tax Requirement**” includes the amounts required for the following:

- (i) to pay principal and interest on the Bonds due in the calendar year which begins in such Fiscal Year,
- (ii) to create or replenish reserve funds for the Bonds,

- (iii) to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the Special Tax will be collected,
- (iv) to pay Administrative Expenses,
- (v) to pay construction and/or acquisition costs and expenses of Infrastructure the Successor Agency expects to fund from Special Tax proceeds in such Fiscal Year,
- (vi) to pay costs associated with the release of funds from an escrow account, if any,
- (vii) to pay for a letter of credit, bond insurance or any other type of credit enhancement for the Bonds, and
- (viii) to pay arbitrage or other rebate payments.

The Special Tax Requirement may be reduced in any Fiscal Year, as determined by the Administrator, by taking into account money available from one or more of the following sources:

- (i) interest earnings on or surplus balances in the District funds and accounts that are available to be applied in such Fiscal Year to the payment of Bond debt service under the provisions of the Fiscal Agent Agreement,
- (ii) amounts in any capitalized interest account reasonably expected to be available in such Fiscal Year to pay debt service on the Bonds,
- (iii) Net Available Increment, and
- (iv) any other funds available to apply against the Special Tax Requirement as determined by the Successor Agency.

The annual Special Tax Requirement is the basis for the amount of Special Tax to be levied on Taxable Property within the District for each fiscal year. In no event may the Successor Agency levy a Special Tax on any parcel of Taxable Property in any year above the Maximum Special Tax identified for the respective parcel in the Rate and Method.

“Net Available Increment” as used in the Rate and Method is defined in the Mission Bay South Owner Participation Agreement, dated as of November 16, 1998 (as amended from time to time, the **“Mission Bay South Owner Participation Agreement”**), between FOCIL-MB, LLC, a Delaware limited liability company (**“FOCIL”**), as assignee of the Original Landowner, and the Successor Agency, and generally consists of tax increment revenues generated in the Mission Bay South Project Area. Under the Mission Bay South Owner Participation Agreement and other agreements, the Successor Agency has agreed to use certain of the tax increment generated by the property in the Mission Bay South Project Area to pay for the cost of the Improvements to the extent they are not financed with proceeds of bonds issued by the Successor Agency on behalf of the District. In addition, as described above, the Special Tax Requirement may be reduced in any Fiscal Year, as determined by the Administrator, by taking into account available Net Available Increment. To date, Net Tax Increment has not been taken into account to determine the Special Tax Requirement. See **“THE DISTRICT – Status of Public Infrastructure.” The Bonds are not payable from or secured by a pledge of tax increment revenue generated within the**

project areas of the Successor Agency, including without limitation, tax increment revenues from the Mission Bay South Project Area.

Allocation of Maximum Special Tax. After the Successor Agency has calculated the annual Special Tax Requirement for a fiscal year, then the Successor Agency will levy the Special Tax as follows:

First: The Special Tax shall be levied proportionately on each Assessor's Parcel of For-Sale Residential Property up to 100% of the Maximum Special Tax for each For-Sale Residential Unit;

Second: If additional monies are needed to pay the Special Tax Requirement after the first step has been completed, the Special Tax will be levied proportionately on each Assessor's Parcel of Developed Property other than For-Sale Residential Property up to 100% of the applicable Maximum Special Tax for each such Parcel of Developed Property;

Third: If additional monies are needed to pay the Special Tax Requirement after the first two steps have been completed, the Special Tax will be levied proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property. For purposes of the actual levy of the Special Tax for Fiscal Year 2023-24 and as of the date of this Official Statement, all of the property within the District that is subject to the Special Tax is classified as Developed Property within the meaning of the Rate and Method.

No Special Taxes can be levied on any parcel after such parcel becomes "**Exempt Land**," which is defined in the Rate and Method as any real property within the boundaries of the District that is:

- (i) owned by a governmental agency as of the date of adoption of the Resolution of Formation (but not after the date, if any, such land is conveyed to a nongovernmental entity) (e.g. the UC Regents acquired its land within the District after said date through a negotiated sale; see "THE DISTRICT – Ten Largest Payers of Special Taxes – Five Largest Payers of Special Taxes – UC Regents"),
- (ii) from and after the date conveyed to a governmental agency under the terms of the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Successor Agency Commission,
- (iii) from and after the date conveyed to a governmental agency under the terms of the Land Transfer Agreements as in effect on the date the Resolution of Formation was adopted by the Successor Agency Commission,
- (iv) which is Agency Affordable Housing Parcels (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Successor Agency Commission) from and after the date conveyed to the Successor Agency or a Qualified Housing Developer (as defined in the Mission Bay South Owner Participation Agreement as in effect on the date the Resolution of Formation was adopted by the Successor Agency Commission),
- (v) which is a VARA Corridor,

- (vi) which makes up the strip of land under Interstate 280 that: (1) is owned by Catellus, (2) has a separate Assessor's Parcel number assigned to it, and (3) on the date the Resolution of Formation was adopted, was part of Assessor's Parcel number 8709-01 or 8723-01, or
- (vii) which is the subject of a public trust or other permanent easement to a public agency making impractical its use for other than the purposes set forth in the easement.

Any land described in clauses (ii), (iii), (iv), or (vii) which is or becomes Exempt Land will remain Exempt Land.

Termination of the Special Tax. The Special Tax may be levied and collected until principal and interest on the Bonds have been repaid and the Infrastructure has been completed and accepted by the applicable governmental agency and paid for with proceeds of the Bonds, Special Taxes, Net Available Increment or bonds secured by Net Available Increment (as defined in the Mission Bay South Owner Participation Agreement), but in any event not later than the year 2050.

Prepayment of the Special Tax. The Rate and Method provides that landowners may permanently satisfy all or a portion of the Special Tax by a cash settlement with the Successor Agency. The amount of a full or partial prepayment is to be calculated according to the methodology set forth in the Rate and Method, and is based on determining a benefit share of anticipated costs relating to the outstanding Bonds and future infrastructure costs, fees, call premiums, and expenses incurred by the Successor Agency, less a "**Reserve Fund Credit**," as defined in the Rate and Method. See APPENDIX C – "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." Although there have been no prepayments of Special Taxes in the District to date, the Successor Agency can provide no assurance that prepayments will not occur in the future that could result in an optional redemption of the Bonds prior to their scheduled maturity.

Proceeds of any Special Tax prepayments will be used to redeem Bonds, including the 2023 Bonds. See "THE 2023 BONDS – Redemption – *Optional Redemption*" above. See also "SPECIAL RISK FACTORS – Potential Early Redemption of Bonds from Special Tax Prepayments."

Covenant to Foreclose

Sale of Property for Nonpayment of Taxes. The Fiscal Agent Agreement provides that the Special Taxes are to be payable and collected in the same manner as ordinary ad valorem property taxes are collected and, except as provided in the special covenant for foreclosure described below and in the Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the Successor Agency.

Foreclosure Under the Act. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the Successor Agency may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. While judicial

foreclosure is not mandatory under the Act, the Successor Agency will agree in the Fiscal Agent Agreement that on or about March 30 and June 30 of each Fiscal Year, the Finance Director will compare the amount of Special Taxes previously levied in the District to the amount of Special Tax Revenues received by the Successor Agency.

Thereafter, if delinquencies have occurred, the Finance Director will proceed as follows:

Individual Parcel Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes in the aggregate amount of \$2,500 or more, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the Successor Agency within 90 days of such determination.

Aggregate Delinquencies. If the Finance Director determines that (i) the total amount of delinquent Special Tax for the prior Fiscal Year for the entire District (including the total of delinquencies under the subcaption “– *Individual Parcel Delinquencies*”), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, or (ii) there are 10 or fewer owners of real property within the District, determined by reference to the latest available secured property tax roll of the County, the Finance Director shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in the District with a Special Tax delinquency.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the Successor Agency to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale.

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the Outstanding Bonds is obtained. However, under Section 53356.5 of the Act, the Successor Agency, as judgment creditor, is entitled to purchase any property sold at foreclosure using a “credit bid,” where the Successor Agency could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Taxes. If the Successor Agency becomes the purchaser under a credit bid, the Successor Agency must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the Successor Agency to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the “**FDIC**”). See “SPECIAL RISK FACTORS – Bankruptcy Delays.”

No Teeter Plan. The collection of the Special Taxes is not subject to the “Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds,” as provided for

in Section 4701 et seq. of the California Revenue and Taxation Code (known as the “Teeter Plan”). Accordingly, collections of Special Taxes will reflect actual delinquencies, if any. See “THE DISTRICT – Potential Consequences of Special Tax Delinquencies” and “SPECIAL RISK FACTORS – Property Tax Delinquencies.”

Covenant to Collect Special Taxes on Property Owned by the UC Regents. In the Fiscal Agent Agreement, the Successor Agency covenants that, in the event that the UC Regents are delinquent in the payment of Special Taxes levied on a parcel of Taxable Property owned by the UC Regents and a court of applicable jurisdiction rules that the Successor Agency may not exercise the foreclosure remedy described above under the subcaption “– *Foreclosure Under the Act*” with respect to such parcel of Taxable Property, the Successor Agency will use good faith efforts to enforce the Special Tax against the UC Regents if and to the extent permitted by applicable law.

Special Tax Fund

Deposits. Under the Fiscal Agent Agreement, the Special Tax Fund is established as a separate fund to be held by the Fiscal Agent, to the credit of which the Fiscal Agent shall deposit amounts received from or on behalf of the Successor Agency consisting of Special Tax Revenues and amounts transferred from the Administrative Expense Fund and the Bond Fund. The Successor Agency shall promptly remit any Special Tax Revenues received by it to the Fiscal Agent for deposit by the Fiscal Agent to the Special Tax Fund. Notwithstanding the foregoing,

(i) any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent in the Administrative Expense Fund;;

(ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be separately identified by the Finance Director and shall be disposed of by the Fiscal Agent first, for transfer to the Bond Fund to pay any past due debt service on the Bonds; second, for transfer to the Fiscal Agent for deposit, without preference or priority, in (a) the 2023 Reserve Fund to the extent needed to increase the amount then on deposit in the 2023 Reserve Fund to the then 2023 Reserve Requirement and (b) the reserve account for any Parity Bonds that are not 2023 Related Parity Bonds to the extent needed to increase the amount then on deposit therein to the required level; and third, to be held in the Special Tax Fund for use as described in “– Disbursements” below; and

(iii) any proceeds of Special Tax Prepayments shall be separately identified by the Finance Director and shall be deposited by the Fiscal Agent as follows (as directed in writing by the Finance Director): (a) that portion of any Special Tax Prepayment constituting a prepayment of construction costs (which otherwise could have been included in the proceeds of Parity Bonds) shall be deposited by the Fiscal Agent to the Improvement Fund and (b) the remaining Special Tax Prepayment shall be deposited by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to the Fiscal Agent Agreement.

Disbursements On the fifth Business Day prior to each Interest Payment Date, the Fiscal Agent shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

(i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the 2023 Reserve Fund, any reserve account for Parity Bonds that are not 2023 Related Parity Bonds, the capitalized interest account for any Parity Bonds and the Special Tax Prepayments Account to the Bond Fund such that the amount in the Bond Fund equals the principal (including any sinking payment), premium, if any, and interest due on the Bonds on such Interest Payment Date and any past due principal or interest on the Bonds not theretofore paid from a transfer described in the Fiscal Agent Agreement, and

(ii) without preference or priority, for deposit (a) in the 2023 Reserve Fund an amount, taking into account amounts then on deposit in the 2023 Reserve Fund, such that the amount in the 2023 Reserve Fund is equal to the 2023 Reserve Requirement and (b) in the reserve account for any Parity Bonds that are not 2023 Related Parity Bonds, taking into account amounts then on deposit in such reserve account, such that the amount in such reserve account is equal to the amount required to be on deposit therein (and in the event that amounts in the Special Tax Fund are not sufficient for the purposes of this paragraph, such amounts shall be applied to the 2023 Reserve Fund and any other reserve accounts ratably based on the then Outstanding principal amount of the Bonds).

(iii) (A) on each September 1, beginning on September 1, 2024, the Successor Agency shall cause all of the moneys remaining in the Special Tax Fund to be applied for any purpose permitted by applicable law, including deposits into the Remainder Special Taxes Account of the Improvement Fund..

Bond Fund

Deposits. The Fiscal Agent will hold the moneys in the Bond Fund for the benefit of the Successor Agency and the Owners of the Bonds, and will disburse those funds for the payment of the principal of, and interest and any premium on, the Bonds as described below. There is also created in the Bond Fund a separate account to be held by the Fiscal Agent, designated the "Special Tax Prepayments Account," to the credit of which deposits will be made as provided in the Fiscal Agent Agreement.

Disbursements. At least 10 Business Days before each Interest Payment Date, the Fiscal Agent will notify the Finance Director in writing as to the principal and premium, if any, and interest due on the Bonds on the next Interest Payment Date (whether as a result of scheduled principal of and interest on the Bonds, optional redemption of the Bonds or a mandatory sinking fund redemption). On each Interest Payment Date, the Fiscal Agent will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal of, and interest and any premium, due and payable on such Interest Payment Date on the Bonds.

At least 5 Business Days prior to each Interest Payment Date, the Fiscal Agent will determine if the amounts then on deposit in the Bond Fund are sufficient to pay the debt service due on the Bonds on the next Interest Payment Date. In the event that amounts in the Bond Fund are insufficient for such purpose, the Fiscal Agent promptly will notify the Finance Director by telephone (and confirm in writing) of the amount of the insufficiency.

In the event that amounts in the Bond Fund are insufficient for the purpose set forth in the preceding paragraph with respect to any Interest Payment Date, the Fiscal Agent will do the following:

(i) Withdraw from the 2023 Reserve Fund, in accordance with the provisions of the Fiscal Agent Agreement, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to the 2023 Bonds and any 2023 Related Parity Bonds. Amounts so withdrawn from the 2023 Reserve Fund will be deposited in the Bond Fund.

(ii) Withdraw from the reserve accounts, if any, established under a Supplemental Agreement related to Parity Bonds that are not 2023 Related Parity Bonds, to the extent of any funds or Permitted Investments therein, amounts to cover the amount of such Bond Fund insufficiency related to such Parity Bonds. Amounts so withdrawn from any such reserve fund will be deposited in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the second sentence of the first paragraph under “Bond Fund – Disbursements” above, the Fiscal Agent will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, if any, and then to payment of principal due on the bonds by reason of sinking payments.

Disbursements from the Special Tax Prepayments Account. Moneys in the Special Tax Prepayments Account will be transferred by the Fiscal Agent to the Bond Fund on the next date for which notice of redemption of Bonds can timely be given under the Fiscal Agent Agreement, and will be used (together with any amounts transferred from the 2023 Reserve Fund or such other reserve account established under a Supplemental Agreement) to redeem Bonds on the redemption date selected in accordance the Fiscal Agent Agreement.

Deficiency. If at any time it appears to the Fiscal Agent that there is a danger of deficiency in the Bond Fund and that the Fiscal Agent may be unable to pay Debt Service on the Bonds in a timely manner, the Fiscal Agent shall report to the Finance Director such fact. The Successor Agency covenants to increase the levy of the Special Taxes in the next Fiscal Year (subject to the maximum amount authorized by the Resolution of Formation) in accordance with the procedures set forth in the Act for the purpose of curing Bond Fund deficiencies.

Excess. Any excess moneys remaining in the Bond Fund, following the payment of Debt Service on the Bonds on any August 1, shall be transferred to the Special Tax Fund.

2023 Reserve Fund

General. In order to further secure the payment of principal of and interest on the 2023 Bonds and any 2023 Related Parity Bonds issued in the future, a portion of the proceeds of the 2023 Bonds will be deposited into the 2023 Reserve Fund in an amount equal to the 2023 Reserve Requirement. See “REFINANCING PLAN – Estimated Sources and Uses of Funds.”

2023 Reserve Requirement. The “2023 Reserve Requirement” is defined in the Fiscal Agent Agreement to mean the amount as of any date of calculation equal to the least of (a) Maximum Annual Debt Service on the 2023 Bonds and 2023 Related Parity Bonds, if any, between the date of such calculation and the final maturity of such Bonds, (b) 125% of average Annual Debt Service on the 2023 Bonds and 2023 Related Parity Bonds, if any, between the date of such calculation and the final maturity of such Bonds, and (c) 10% of the initial principal of the 2023 Bonds and 2023 Related Parity Bonds, if any; provided, however:

(A) that with respect to the calculation of clause (c), the issue price of the 2023 Bonds or any 2023 Related Parity Bonds excluding accrued interest shall be used rather than the outstanding principal amount, if (i) the net original issue discount or premium of the 2023 Bonds or any 2023 Related Parity Bonds was less than 98% or more than 102% of the original principal amount of the 2023 Bonds or any 2023 Related Parity Bonds and (ii) using the issue price would produce a lower result than using the outstanding principal amount;

(B) that in no event shall the amount calculated hereunder exceed the amount on deposit in the 2023 Reserve Fund on the date of issuance of the 2023 Bonds (if they are the only Bonds covered by the 2023 Reserve Fund) or the most recently issued series of 2023 Related Parity Bonds (if any 2023 Related Parity Bonds are covered by the 2023 Reserve Fund) except in connection with any increase associated with the issuance of 2023 Related Parity Bonds; and

(C) that in no event shall the amount required to be deposited into the 2023 Reserve Fund in connection with the issuance of a series of 2023 Related Parity Bonds exceed the maximum amount under the Tax Code that can be financed with tax-exempt bonds and invested at an unrestricted yield.

Disbursements. Except as otherwise provided in the Fiscal Agent Agreement, all amounts deposited in the 2023 Reserve Fund will be used and withdrawn by the Fiscal Agent solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest and any premium on, the 2023 Bonds and any 2023 Related Parity Bonds or, in accordance with the provisions of the Fiscal Agent Agreement, for the purpose of redeeming 2023 Bonds and any 2023 Related Parity Bonds from the Bond Fund. Whenever a transfer is made from the 2023 Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund for payment of the principal of, and interest and any premium on, the 2023 Bonds and any 2023 Related Parity Bonds, the Fiscal Agent will provide written notice thereof to the Finance Director, specifying the amount withdrawn.

Qualified Reserve Fund Credit Instruments. The Successor Agency has the right at any time to direct the Fiscal Agent to release funds from the 2023 Reserve Fund, in whole or in part, by tendering to the Fiscal Agent: (i) a Qualified Reserve Account Credit Instrument (as defined in the Fiscal Agent Agreement), and (ii) an opinion of Bond Counsel stating that neither the release of such funds nor the acceptance of such Qualified Reserve Account Credit Instrument will cause interest on the 2023 Bonds or any 2023 Related Parity Bonds the interest on which is excluded from gross income of the owners thereof for federal income tax purposes to become includable in gross income for purposes of federal income taxation.

The Successor Agency will have no obligation to replace a Qualified Reserve Account Credit Instrument or to fund the 2023 Reserve Fund with cash if, at any time that the 2023 Bonds are Outstanding, the Qualified Reserve Account Credit Instrument (or its provider) is downgraded or the provider becomes insolvent, if there is an unscheduled termination of the Qualified Reserve Account or if for any reason insufficient amounts are available to be drawn upon under the Qualified Reserve Account Credit Instrument; provided, however, that the Successor Agency shall reimburse the provider, in accordance with the terms of the Qualified Reserve Account Credit Instrument, for any draws made thereon. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT” for a complete description of the timing, purpose and manner of disbursements from the 2023 Reserve Fund.

Investment of Moneys in Funds

Moneys in any fund or account created or established by the Fiscal Agent Agreement and held by the Fiscal Agent will be invested by the Fiscal Agent in Permitted Investments, which in any event by their terms mature prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.”

Issuance of Future Parity Bonds

Parity Bonds. In addition to the 2023 Bonds, the Successor Agency may issue one or more additional series of Parity Bonds in such principal amount as may be determined by the Successor Agency, under a Supplemental Agreement entered into by the Successor Agency and the Fiscal Agent. Any such Parity Bonds will constitute Bonds under the Fiscal Agent Agreement and will be secured by a lien on the Special Tax Revenues and funds pledged for the payment of the Bonds under the Fiscal Agent Agreement on a parity with all other Bonds Outstanding thereunder. On the date the 2023 Bonds are issued, no bonds secured by a pledge of Special Tax Revenues on a parity basis with the 2023 Bonds will remain outstanding.

The Successor Agency may issue such Parity Bonds if the Successor Agency complies with the conditions precedent set forth in the Fiscal Agent Agreement, including without limitation that following issuance of the Parity Bonds, the Successor Agency shall be in compliance with all covenants set forth in the Fiscal Agent Agreement and all Supplemental Agreements.

Limitation on Principal Amount of Parity Bonds. Pursuant to the Fiscal Agent Agreement, following issuance of the 2023 Bonds, the Successor Agency will not issue more than \$44,564,805.25 initial principal amount of Parity Bonds (exclusive of any Refunding Bonds). See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT” for additional details regarding the conditions for issuing Parity Bonds.

Debt Service Reserve Fund. The Supplemental Agreement providing for issuance of the Parity Bonds shall provide: (i) a deposit to the 2023 Reserve Fund in an amount necessary such that the amount deposited therein shall equal the 2023 Reserve Requirement following issuance of the Parity Bonds, (ii) a deposit to a reserve account for the Parity Bonds (and such other series of Parity Bonds identified by the Successor Agency) in an amount defined in such Supplemental Agreement, as long as such Supplemental Agreement expressly declares that the Owners of such Parity Bonds will have no interest in or claim to the 2023 Reserve Fund and that the Owners of the Bonds covered by the 2023 Reserve Fund will have no interest in or claim to such other reserve account or (iii) no deposit to either the 2023 Reserve Fund or another reserve account as long as such Supplemental Agreement expressly declares that the Owners of such Parity Bonds will have no interest in or claim to the 2023 Reserve Fund or any other reserve account. The Supplemental Agreement may provide that the Successor may satisfy the reserve requirement for a series of Parity Bonds by the deposit into the reserve account established pursuant to such Supplemental Agreement of a Qualified Reserve Account Credit Instrument or such other irrevocable standby or direct-pay letter of credit, insurance policy, or surety bond issued by a commercial bank or insurance company as described in the Supplemental Agreement.

Value. The CFD Value shall be at least three times the sum of:

- (i) the aggregate principal amount of all Bonds then Outstanding, plus

(ii) the aggregate principal amount of the series of Parity Bonds proposed to be issued, plus

(iii) the aggregate principal amount of any fixed assessment liens on the parcels in the District subject to the levy of Special Taxes, plus

(iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the District (the “**Other District Bonds**”) equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the District, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available Fiscal Year.

For purposes of the above, there shall be excluded from the principal amount of any Bonds or Parity Bonds the portion thereof (if any) (i) representing amounts on deposit in an escrow fund subject to release only when the CFD Value is at least three times the then Outstanding principal amount of the Bonds, plus the outstanding principal amount of any other special tax or assessment bonds secured by liens imposed upon land located in the District, or (ii) the payment of debt service on which is secured by a letter of credit or other similar security, which may be discharged upon a determination by an Authorized Officer that the requirements above have been satisfied with respect to all Bonds not so secured.

Coverage. The Successor Agency shall obtain a certificate of a Tax Consultant to the effect that the amount of the maximum Special Taxes that may be levied in each Fiscal Year shall be at least 110% of the total Annual Debt Service for each such Fiscal Year on the Bonds and the proposed Parity Bonds plus estimated Administrative Expenses.

Refunding Bonds. Notwithstanding the foregoing, the Successor Agency may issue Refunding Bonds as Parity Bonds without the need to satisfy the value and coverage tests described above.

Under the Fiscal Agent Agreement, the term “**Refunding Bonds**” is defined as bonds issued by the Successor Agency for the District, the net proceeds of which are used to refund all or a portion of the then-Outstanding Bonds; provided that the interest cost to maturity of the Refunding Bonds is less than the interest cost to maturity of the Bonds being refunded and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

Subordinate Bonds. Nothing in the Fiscal Agent Agreement prohibits the Successor Agency from issuing any other bonds or otherwise incurring debt secured by a pledge of the Special Tax Revenues subordinate to the pledge thereof under the Fiscal Agent Agreement.

BOND INSURANCE

The following information has been furnished by AGM for use in this Official Statement. No representation is made as to the accuracy or completeness of this information, or the absence

of material adverse changes therein at any time subsequent to the date hereof. Reference is made to Appendix H for a specimen of the Insurance Policy.

Bond Insurance Policy

Concurrently with the issuance of the 2023 Bonds, Assured Guaranty Municipal Corp. (“**AGM**”) will issue its Municipal Bond Insurance Policy for the 2023 Bonds (the “**Insurance Policy**”). The Insurance Policy guarantees the scheduled payment of principal of and interest on the 2023 Bonds when due as set forth in the form of the Insurance Policy included as Appendix H to this Official Statement.

The Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “**AGO**”. AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “**AA**” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”), “**AA+**” (stable outlook) by Kroll Bond Rating Agency, Inc. (“**KBRA**”) and “**A1**” (stable outlook) by Moody’s Investors Service, Inc. (“**Moody’s**”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 20, 2023, KBRA announced it had affirmed AGM’s insurance financial strength rating of “**AA+**” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 13, 2023, S&P announced it had affirmed AGM’s financial strength rating of “**AA**” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Capitalization of AGM

At June 30, 2023:

- The policyholders' surplus of AGM was approximately \$2,702 million.
- The contingency reserve of AGM was approximately \$894 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,089 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty UK Limited ("**AGUK**") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("**AGE**").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and net deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (filed by AGL with the SEC on March 1, 2023);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 (filed by AGL with the SEC on May 10, 2023); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 (filed by AGL with the SEC on August 9, 2023).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2023 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at

<http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the 2023 Bonds or the advisability of investing in the 2023 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

THE SUCCESSOR AGENCY

The Redevelopment 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 Redevelopment Dissolution Act. The Successor Agency is a separate public entity from the City, but the Board of Supervisors 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 Redevelopment Dissolution Act to the Successor Agency Commission. Within City government, the Successor Agency is known as "The Office of Community Investment and Infrastructure as the Successor to the San Francisco Redevelopment Agency."

Following 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 Redevelopment Dissolution Act, and the limitations thereon.

Authority and Personnel

The powers of the Successor Agency are vested in the Successor Agency Commission (also known as the Commission on Community Investment and Infrastructure). The Successor Agency Commission has five 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 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 shown in the following table. The Successor Agency Commission currently has one vacancy.

<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
Dr. Carolyn Ransom-Scott	Clergy	2018	November 3, 2024

The Successor Agency has 55 full-time equivalent positions budgeted, approximately 35 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 Redevelopment 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, among other things, created the Successor Agency Commission as the policy body of the Successor Agency, and 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. 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.

AB 1484. On June 27, 2012, the Redevelopment 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 Redevelopment Dissolution Act was further amended by SB 107, which, among other things, clarified the authority of the Successor Agency to issue bonds for affordable housing and certain infrastructure, removed, for purposes of payment of enforceable obligations, certain time limits that had previously applied to the issuance of debt, the receipt of tax increment, the repayment of debt and any other matters set forth in the Redevelopment Law, and authorized the Successor Agency to secure new debt with the property tax revenues from project areas that had generated tax increment upon the dissolution of the Former Agency on February 1, 2012. Accordingly, 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 such project area plan's stated last day to repay indebtedness. SB 107 did not however change a 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 Redevelopment Law were realized.

Oversight Board

The Redevelopment 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. These provisions require that four members of the oversight board be appointed by the mayor. The Successor Agency's Oversight Board is composed of the four members appointed by the Mayor, a member appointed by the BART, a member appointed by the County Superintendent of Education, and a member appointed by the Chancellor of the California Community Colleges.

On October 23, 2023, the California Department of Finance provided a letter to the Successor Agency stating that based on its review and application of the law, the California Department of Finance has approved the Oversight Board Resolution.

Department of Finance Finding of Completion

The Redevelopment 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. This determination process was required to be completed through the final step by November 9, 2012, with respect to affordable housing funds and by April 1, 2013, with respect to non-housing funds. 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 14 redevelopment project areas of which 13 continue, including the Mission Bay South Project Area. The Successor Agency only has the authority to complete work related to approved enforceable obligations. **The Bonds are not payable from or secured by a pledge of tax increment revenue generated within the project areas of the Successor Agency, including without limitation, tax increment revenues from the Mission Bay South Project Area.**

On or about the date the 2023 Bonds are issued, the Successor Agency also anticipates issuing its 2023 Series C Taxable Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) and 2023 Series D Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) (collectively, the “**2023 Mission Bay South Refunding Bonds**”) to refund certain tax allocation bonds previously issued by the Successor Agency. The 2023 Mission Bay South Refunding Bonds will be payable solely from tax increment revenues generated within the Mission Bay South Project Area, and not Special Tax Revenues.

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 Redevelopment Dissolution Act and approved by the California Department of Finance on December 7, 2015.

THE DISTRICT

Background

The District is located in the City’s Mission Bay area, which is the result of a public-private partnership that has allowed for the transformation of the formerly Southern Pacific railyards and surrounding properties into one of the City’s newest neighborhoods. Development started around the turn of the century with a new UCSF Mission Bay campus and since then, the addition of housing, offices, a hotel, retail, parks, a school, and entertainment, has brought a variety of land-uses to the Mission Bay neighborhood.

Additionally, the Mission Bay area is home to a number of life sciences, biotech, and healthcare companies, with state-of-the-art research facilities and office spaces. Mission Bay offers modern and innovative office spaces, along with a mix of residential, retail, and recreational amenities, making it an attractive location for businesses in the life sciences and technology sectors.

Over the years, development within Mission Bay has been supported by special tax bonds issued by the Former Agency and the Successor Agency, in each case for and on behalf of the District, and tax increment bonds secured by tax revenues from the Mission Bay South Project Area and the Mission Bay North Redevelopment Project Area.

Formation

As required by the Act, the Former Agency previously took the following actions to establish the District:

- Resolutions of Intention: On February 22, 2000, the Former Agency adopted Resolution No. 27-2000 (the “**Resolution of Intention**”) and Resolution No. 28-2000, stating its intention to establish the District, to authorize the levy of a special tax therein and to issue bonds for the District in an amount not to exceed \$200 million.
- Resolution of Formation; Resolution of Necessity: Immediately following a noticed public hearing, on March 28, 2000, the Former Agency adopted (i) Resolution No. 45-2000 (the “**Resolution of Formation**”), which established the District and authorized the levy of a special tax within the District and (ii) Resolution No. 46-2000 declaring

the necessity to incur bonded indebtedness in an aggregate amount not to exceed \$200 million within the District.

- Resolution Calling Election: On March 28, 2000, the Former Agency adopted Resolution No. 47-2000 calling for an election by the then-landowners within the District for the same date on the issues of the levy of the Special Tax, the incurring of bonded indebtedness and the establishment of an appropriations limit.
- Landowner Election and Declaration of Results: On March 28, 2000, an election was held within the District in which the then-qualified electors within the District approved a ballot proposition authorizing the issuance of up to \$200 million in bonds, the levy of a special tax and the establishment of an appropriations limit for the District. On March 28, 2000, the Former Agency adopted Resolution No. 48-2000 under which the Former Agency approved the canvass of the votes and declared the District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness and to have the established appropriations limit, all with respect to the District.
- Special Tax Lien: A Notice of Special Tax Lien was recorded in the real property records of the City and County of San Francisco on April 6, 2000, as document number 2000G756614.
- Ordinance Levying Special Taxes: On March 28, 2000, the Former Agency introduced Ordinance No. 1-2000 levying the Special Tax within the Communities Facilities District (the “**Ordinance**”); the Ordinance was adopted by the Former Agency on April 4, 2000.

Description and Location

General. The District consists of a total of 237 acres of which approximately 64.61 acres are subject to the Special Tax. It is located two miles south of the financial district of the City in the southern part of the Mission Bay area of the City, adjacent to and on the southwest side of Oracle Park, the waterfront stadium for the San Francisco Giants (which is not in the District). The land within the District is used for a variety of purposes, including for-sale residential property, rental residential, entertainment, hotel, office, parking, and retail. The development in the District is anchored by the UCSF Mission Bay Campus, a life science research and academic campus, and the Chase Center, an indoor arena located adjacent to the UCSF Mission Bay Campus and which is the home venue for the Golden State Warriors of the National Basketball Association.

The UCSF Mission Bay Campus is located on approximately 43 acres donated by the Original Landowner and the City. The UCSF Mission Bay Campus, at full buildout, is anticipated to contain approximately 3.64 million gross square feet of instruction, research and support space for the nationally renowned bio-medical research institution. The UCSF Mission Bay Campus is not located within the District.

The UCSF Mission Bay Medical Center is located south of the UCSF Mission Bay Campus and within the boundaries of the District. The first phase of the UCSF Mission Bay Medical Center opened in February 2015 and consists of a 289-bed complex that features three separate hospitals, specializing in serving children, women, and cancer patients, as well as a green energy center and a helipad. 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 two parcels totaling approximately 9.6 acres that are owned by the UC Regents. The UC Regents owns two additional parcels subject to the Special Tax in the District totaling approximately 3.7 acres and approximately 475,000 square feet of office and laboratory space.

As a State entity, the UC Regents is exempt from paying general property taxes. However, parcels in the District that are owned by the UC Regents are subject to the Special Tax under the Rate and Method. The UC Regents represents the largest payer of Special Taxes within the District based on its share of actual Special Taxes levied in Fiscal Year 2023-24. See “– Five Largest Payers of Special Taxes – UC Regents.”

The Chase Center, is located across four parcels totaling approximately 11 acres adjacent to the UCSF Mission Bay Medical Center. In addition to being the home venue for the Golden State Warriors 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 580,000 square feet of office and lab space and has 100,000 square feet of retail space as well as a 35,000 square foot public plaza and recreation area. GSW Arena LLC, owner of the parcels on which the Chase Center is located, represents the second largest payer of Special Taxes within the District based on its share of actual Special Taxes levied in Fiscal Year 2023-24. See “– Five Largest Payers of Special Taxes – GSW Arena LLC.”

As of the date of this Official Statement, all of the property within the District that is subject to the Special Tax is classified as Developed Property within the meaning of the Rate and Method. “Developed Property” is generally defined in the Rate and Method to refer to property in the District for which a building permit for new construction was issued prior to the July 1 preceding a fiscal year.

The District includes public-oriented facilities. Public-oriented facilities in the District include approximately 49 acres of public parks, plazas and open space to serve a variety of recreational needs and new and upgraded public infrastructure system necessary to serve residents, occupants, and visitors. All streets are new or upgraded with modern street surface systems as well as new sewer and utility provisions sub-surface. The land that is developed for public use is not subject to the Special Tax. See “– *Exempt Land Use*” below.

The 2023 Bonds are secured only by the Special Taxes levied within the District. The property outside of the District is not subject to the lien of Special Tax and will not be subject to a Special Tax securing the 2023 Bonds or any Parity Bonds issued in the future.

Property Ownership. When the District was formed, all of the non-public use property in the District was owned by the Original Landowner. All of the developable property subject to the Special Tax has since been substantially developed and sold to vertical developers and individual property owners. See “– Ten Largest Payers of Special Taxes” for a list of the ten largest payers of Special Taxes in the District based on their respective share of Special Taxes for Fiscal Year 2023-24, and the assessed values of their respective properties within the District for Fiscal Year 2023-24.

Many bio-tech, medical and high-tech companies have moved into the District to take advantage of synergistic partnerships with the UCSF Mission Bay Campus, bio-tech and high-tech industry clusters, attractive transit-oriented residential offerings and close proximity to

downtown San Francisco. The District is also home to many prominent businesses and research institutions that own, occupy or sublease space in the District, including J. David Gladstone Institutes, Nektar Therapeutics, FibroGen, Inc., Celgene, a subsidiary of Bristol Myers Squibb, Meraki Networks, a division of Cisco Systems, Third Rock Ventures, DropBox, Uber Technologies Inc., Kaiser Permanente and others.

Exempt Land Use. Only 64.61 out of the 237 acres in the District are subject to the Special Tax. The land in the District that is not subject to the Special Tax includes Successor Agency-sponsored affordable housing projects, public facilities, public open space and streets. As of the date of this Official Statement, FOCIL owns certain land within the District that is not subject to the Special Tax.

Entitlements and Construction Status. The following table describes the entitlements that relate to the land in the District and the status of the related development as of September 2023.

Current Entitlements and Construction Status

<u>Entitlement</u>	<u>Under Construction</u>	<u>Completed</u>
3,571 housing units	148 units	3,237 units
4.2 million square feet of office/lab space	0.17 million sf	4.00 million sf
550 bed medical center	0 beds	289
289,000 leasable square feet ("sf") of retail space ⁽¹⁾	0 sf	260,000 sf
429 room hotel	0 room	299 rooms
35.0 acres of open space	5.4	17.8 acres

(1) Total maximum retail entitlement was 320,000 square feet some of which could be built as office instead. Of that flex amount, approximately 31,000 square feet has been built as office space, reducing the maximum retail entitlement to 289,000 square feet.
Source: Successor Agency.

Boundary Map. The map showing the boundaries of the District is attached as Appendix G.

The Mission Bay Project Areas

The District is located entirely within the boundaries of the Mission Bay South Project Area, which includes property outside the District and was established by the Former Agency. The Mission Bay South Project Area was formerly rail yards, underutilized warehouse and vacant industrial land owned by the Southern Pacific Railroad Company and was developed by the Former Agency in partnership with the Original Landowner in the 1990s. The vision was to attract health science and pharmaceutical companies to create a bio-tech cluster and vibrant residential community. It now consists of approximately 238 acres 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. In addition to the UCSF Mission Bay Campus, the UCSF Mission Bay Medical Center and Chase Center, the Mission Bay South Project Area includes several blocks of office, biotech and hotel uses. The Mission Bay South Project Area has been developed concurrently with the Third Street Light Rail Project, a local transit line constructed along Third Street in Mission Bay South that connects southeastern San Francisco neighborhoods to downtown San Francisco and Chinatown and which commenced operation at the beginning of 2007. Many life sciences, biotech, and healthcare companies have moved into the larger Mission Bay development area to take advantage of synergistic

partnerships with the UCSF Mission Bay Campus, bio-tech and high-tech industry clusters, attractive transit-oriented residential offerings and close proximity to downtown San Francisco. Mission Bay offers modern and innovative office spaces, along with a mix of residential, retail, and recreational amenities, making it an attractive location for businesses in the life sciences and technology sectors.

The Mission Bay South Project Area and the Successor Agency's Mission Bay North Redevelopment Project Area ("**Mission Bay North**") comprise the larger Mission Bay development area. Mission Bay North is a new, 65-acre, mixed-income, transit-oriented residential and retail district adjacent to and within the vicinity of the San Francisco Caltrain commuter rail station and two light rail lines. The development program for Mission Bay North is largely complete. None of the land within Mission Bay North is part of the District.

Geographically, the Mission Bay development is bounded by Townsend Street to the North, Seventh Street to the west, Mariposa Street to the south, and San Francisco Bay to the east. Desirability of the area has been enhanced by the proximity to upscale housing, retail establishments, the San Francisco Bay waterfront, South Beach Marina, Oracle Park, various transportation options and proximity to jobs in the nearby financial district. Most of the new development has occurred over the past 15-20 years and has significantly changed the visual and physical characteristics of the area.

The Bonds are not payable from or secured by a pledge of tax increment revenue generated within the project areas of the Successor Agency, including without limitation, tax increment revenues from the Mission Bay South Project Area.

Status of Public Infrastructure

The District was formed to finance a portion of the costs of public infrastructure necessary to support private development within the District, including open space (including, among other items, park improvements and restrooms), streets, rails, sewer and storm drainage systems, water systems, dry utilities, and other improvements generally serving property within the District (collectively, the "**Infrastructure**").

FOCIL, as assignee of the Original Landowner, and the Successor Agency are parties to the Mission Bay South Owner Participation Agreement, which provides that FOCIL is responsible for constructing the Infrastructure. Under the Mission Bay South Owner Participation Agreement and other agreements, the Successor Agency has agreed to use certain of the tax increment generated by the property in the Mission Bay South Project Area to pay for the cost of the Improvements to the extent they are not financed with proceeds of bonds issued by the Successor Agency on behalf of the District.

The Bonds are not payable from or secured by a pledge of tax increment revenue generated within the project areas of the Successor Agency, including without limitation, tax increment revenues from the Mission Bay South Project Area.

In general, the build-out of required public infrastructure within the District has been phased at a minimum to serve the incremental service requirements of buildings as they are constructed. Accordingly, development of a specific area has generally been accompanied by development of adjacent public infrastructure and improvements, including streets, utilities and public open space.

FOCIL reports that, as of August 31, 2023, a substantial portion of the Infrastructure had been completed at a cost of approximately \$663.1 million. And as of such date, approximately \$159.7 million of new infrastructure remains to be completed, for a total of approximately \$822.8 million of investment in infrastructure at full build-out. The 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. The Successor Agency expects that the Infrastructure remaining to be completed will be financed with a combination of tax increment, Special Taxes, and proceeds from future Parity Bonds.

The information contained in this subsection is presented for background information only. The public infrastructure in the District is not security for the 2023 Bonds. The information in this subsection was provided by FOCIL and neither the Successor Agency nor the Underwriters have made any independent investigation with respect to it. Neither the Successor Agency nor the Underwriters have verified the accuracy or completeness of such information, nor do they assume responsibility or liability therefor.

Assessed Value History

No Appraisal of Property in the District. The Successor Agency has not commissioned an appraisal of any property in the District in connection with the issuance of the 2023 Bonds. Therefore, the valuation of Taxable Property in the District will be estimated, based on the values established by the Assessor-Recorder of the City.

Assessed Valuation. The valuation of real property in the District is established by the Assessor-Recorder of the City. Assessed valuations are reported at 100% of the full cash value of the property, as defined in Article XIII A of the California Constitution. Article XIII A of the California Constitution defines “full cash value” as the appraised value as of March 1, 1975, plus adjustments not to exceed 2% per year to reflect inflation, and requires assessment of “full cash value” upon change of ownership or new construction. Accordingly, the gross assessed valuation presented in this Official Statement may not necessarily be representative of the actual market value of certain property in the District.

The assessed value of the Taxable Property in the District totaled \$8.4 billion for Fiscal Year 2023-24.

Historical Assessed Values. The table below shows assessed valuations for Fiscal Years 2019-20 through 2023-24 with respect to Taxable Property in the District.

Table 1
Assessed Value History
Fiscal Year 2019-20 through 2023-24

Fiscal Year	Land Value	Improvement Value	Other Value ⁽¹⁾	Total Value	Percentage Change
2019-20	\$1,887,952,303	\$4,157,087,637	\$30,975,679	\$6,076,015,619	--
2020-21	\$1,966,910,208	\$5,243,124,511	\$57,206,108	\$7,267,240,827	19.6%
2021-22	\$1,931,696,128	\$5,200,237,134	\$222,228,722	\$7,354,161,984	1.2%
2022-23	\$2,097,507,854	\$5,595,790,567	\$224,134,464	\$7,917,432,885	7.7%
2023-24	\$2,380,944,485	\$5,816,682,686	\$233,157,962	\$8,430,785,133	6.5%

(1) Represents taxable property in the District other than real property (i.e. personal property and fixtures).

Land Use Distribution

The following table shows the distribution of land uses of Taxable Property within the District based on the Special Tax levy for Fiscal Year 2023-24, the assessed values within the District for Fiscal Year 2023-24 and the initial principal amount of the 2023 Bonds. It also shows the approximate value-to-lien ratio for the parcels in the District allocated by land use, based on the assessed values within the District for Fiscal Year 2023-24 and the initial principal amount of the 2023 Bonds. The value-to-lien ratios shown for each category of land use and the District as a whole are aggregate ratios; the ratios are not the same for each parcel.

Table 2
Fiscal Year 2023-24 Special Tax Levy,
Assessed Values and Value-to-Lien Ratios

Land Use Category	Number of Parcels	Taxable Acreage	FY 2023-24 Assessed Value ⁽¹⁾	FY 2023-24 Actual Special Tax Levy ⁽²⁾	FY 2023-24 Percentage of Actual Special Tax Levy	Allocated 2023 Bonds* ⁽³⁾	Value-to-Lien Ratios*
For-Sale Residential Property	1,050	8.27	\$1,464,095,110	\$1,488,430	12.8%	\$15,889,430	92.14
Rental Residential Property	6	9.95	\$916,558,627	\$1,788,317	15.4%	\$19,090,814	48.01
Hotel Property	1	0.53	\$118,765,655	\$95,276	0.8%	\$1,017,102	116.77
Office Property	16	17.73	\$4,149,946,458	\$3,186,558	27.4%	\$34,017,442	121.99
Other Property ⁽⁴⁾	8	23.24	\$1,682,942,031	\$4,177,743	36.0%	\$44,598,635	37.74
Stand-Alone Parking Property	3	4.66	\$58,151,429	\$837,643	7.2%	\$8,942,082	6.50
Stand-Alone Retail Property	12	0.24	\$40,325,823	\$43,043	0.4%	\$459,495	87.76
Total	1,096	64.61	\$8,430,785,133	\$11,617,010	100.0%	\$124,015,000	67.98

(1) Per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date.

(2) Represents the Maximum Special Tax on Developed Property.

(3) Allocated based on the actual Special Tax levy for Fiscal Year 2023-24.

(4) Consists of the four parcels owned by the UC Regents and four parcels owned by GSW Arena LLC.

* Preliminary; subject to change.

Source: San Francisco County Assessor's Office; Goodwin Consulting Group, Inc.

No assurance can be given that the amounts shown in the previous table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

Ten Largest Payers of Special Taxes

General. The following table lists the ten largest payers of Special Taxes in the District based on their respective share of Special Taxes for Fiscal Year 2023-24 (as of the January 1, 2023 lien date for Fiscal Year 2023-24). The following table also shows the approximate value-to-lien ratio allocated by such payers, based on the assessed values for Fiscal Year 2023-24 and the initial principal amount of the 2023 Bonds. The value-to-lien ratios shown below for each payer are aggregate ratios for their respective parcels in the District; in instances where a property owner owns more than one parcel in the District, the value-to-lien ratios are not the same for each parcel.

As authorized under the Ordinance, the Special Taxes levied on property owned by the UC Regents in the District are collected by means of direct billing, not on the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City. Except for the Special Taxes levied on property owned by the UC Regents in the District, all of the Special Taxes levied in Fiscal Year 2023-24 will be collected in the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City. "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS SPECIAL TAXES – Manner of Collection." No assurance can be given that the amounts shown in the following table will conform to those ultimately realized in the event of a foreclosure action or other enforcement action following delinquency in the payment of the Special Taxes. See "SPECIAL RISK FACTORS – Concentration of Property Ownership."

Table 3
Ten Largest Payers of Special Taxes
Fiscal Year 2023-24

Property Owner ⁽¹⁾	Primary Land Use Category	Number of Taxable Parcels	FY 2023-24 Assessed Value ⁽¹⁾	FY 2023-24 Actual Special Tax Levy ⁽²⁾	Percent of Actual Special Tax Levy	Allocated 2023 Bonds* ⁽³⁾	Aggregate Value-to-Lien Ratios*
UC Regents ⁽⁴⁾	Other Property	4	\$0	\$2,440,870	21.0%	\$26,057,004	0.00
GSW Arena LLC	Other Property	4	\$1,682,942,031	\$1,736,873	15.0%	\$18,541,631	90.77
ARE-San Francisco No. 15 LLC	Office Property	3	\$59,176,645	\$758,007	6.5%	\$8,091,950	7.31
Essex Portfolio L.P.	Rental Residential Property	2	\$263,407,600	\$663,338	5.7%	\$7,081,333	37.20
KRE Exchange Owner LLC	Office Property	1	\$1,135,881,100	\$582,444	5.0%	\$6,217,756	182.68
DCO Mission Bay LP	Rental Residential Property	1	\$239,701,067	\$369,960	3.2%	\$3,949,427	60.69
Sobrato Interests 3	Office Property	1	\$168,032,904	\$332,568	2.9%	\$3,550,262	47.33
DW LSP 550 TF LLC	Office Property	1	\$363,120,000	\$332,568	2.9%	\$3,550,262	102.28
Uber Technologies Inc. ⁽⁵⁾	Office Property	2	\$635,626,783	\$336,523	2.9%	\$3,592,481	176.93
ARE-San Francisco No. 19 LLC	Stand-Alone Parking	2	\$14,437,605	\$316,030	2.7%	\$3,373,708	4.28
Subtotal Ten Largest		21	\$4,562,325,73	\$7,869,180	67.7%	\$84,005,815	
All Other Property Owners		1,075	\$3,868,459,398	\$3,747,830	32.3%	\$40,009,185	96.69
Total		1,096	\$8,430,785,133	\$11,617,010	100.0%	\$124,015,000	67.98

(1) Per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date.

(2) Represents the Maximum Special Tax on Developed Property.

(3) Allocated based on the actual Special Tax levy for Fiscal Year 2023-24.

(4) As a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City. However, parcels in the District that are owned by the UC Regents are subject to the Special Tax under the Rate and Method. See “– Five Largest Payers of Special Taxes – UC Regents.”

(5) The property owned by Uber Technologies Inc. consists of four buildings across two parcels. As of October 26, 2023, Uber Technologies Inc. reportedly has entered into a lease of two of the four buildings totaling 486,600 square feet with OpenAI, the maker of ChatGPT and ALL-E 2. It is further reported that Uber Technologies Inc. intends to continue to occupy the two other buildings with a shift in its focus on expanding its other campus in Silicon Valley.

* Preliminary; subject to change.

Source: San Francisco County Assessor's Office; Goodwin Consulting Group, Inc.

Five Largest Payers of Special Taxes. Brief descriptions of each of the five largest payers of Special Taxes within the District based on their share of Special Taxes for Fiscal Year 2023-24 follows below.

The information provided in this subsection has been included because it may be considered relevant to an informed evaluation and analysis of the 2023 Bonds and the District. There may be material adverse changes in this information after the date of this Official Statement. Neither the 2023 Bonds nor any of the Special Taxes are personal obligations of any property owner within the District, and in the event that any property owner defaults in the payment of its Special Taxes, the Successor Agency may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner or any affiliate thereof. The 2023 Bonds are secured solely by the Net Special Tax Revenues and amounts on deposit in certain of the funds and accounts maintained by the Fiscal Agent under the Fiscal Agent Agreement.

See “SPECIAL RISK FACTORS” for a discussion of certain of the risk factors that should be considered in evaluating the investment quality of the 2023 Bonds. Moreover, the following information has been obtained from publicly available sources that are believed to be reliable, but it has not been reviewed by any of the property owners described below and is not guaranteed as to accuracy or completeness.

UC Regents. The Regents of the University of California (previously defined herein as the “UC Regents”) is the largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. Under the Constitution of the State, the University of California constitutes a public trust to be administered by the corporation known as “The Regents of the University of California,” with full powers of organization and government, subject only to such legislative control as may be necessary to insure the security of its funds and compliance with the terms of the endowments of the university and such competitive bidding procedures as may be made applicable to the university by statute for the letting of construction contracts, sales of real property, and purchasing of materials, goods, and services. Pursuant to Article IX, Section 9, the University of California is entirely independent of all political or sectarian influence. The University of California opened its doors in 1869 with 10 faculty members and 40 students. Today, the University of California system has more than 280,000 students and 227,000 faculty and staff across 10 campuses in the State.

As previously described, within the District, per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date, the UC Regents owns two parcels subject to the Special Tax totaling approximately 9.6 acres on which the first and second phases of the UCSF Mission Bay Medical Center are located. The UC Regents owns two additional parcels subject to the Special Tax in the District totaling approximately 3.7 acres and approximately 475,000 square feet of office and laboratory space. See “– Description and Location – *General*” above for a further description of such property.

In addition, the UCSF Mission Bay Campus, which is located north of the UCSF Mission Bay Medical Center, is also owned by the UC Regents. The UCSF Mission Bay Campus is not located within the District.

As a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City. However, because the UC Regents acquired the parcels on which the UCSF Mission Bay Medical Center and the office and laboratory space described above reside through a

negotiated sale after the formation for the District, such parcels are subject to the Special Tax under the Rate and Method and the Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate and Method.” As authorized under the Ordinance, the Special Taxes levied on property owned by the UC Regents in the District are collected by means of direct billing, not on the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS SPECIAL TAXES – Manner of Collection.”

In the Fiscal Agent Agreement, the Successor Agency covenants that, in the event that the UC Regents are delinquent in the payment of Special Taxes levied on a parcel of Taxable Property owned by the UC Regents and a court of applicable jurisdiction rules that the Successor Agency may not exercise the foreclosure remedy described above under the subcaption “- SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose – *Foreclosure Under the Act*” with respect to such parcel of Taxable Property, the Successor Agency will use good faith efforts to enforce the Special Tax against the UC Regents if and to the extent permitted by applicable law. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose – *Covenant to Collect Special Taxes on Property Owned by the UC Regents*.” In addition, as previously described, the UC Regents and the Successor Agency, as successor to the Former Agency, are parties to memoranda of understanding pursuant to which, among other matters, the UC Regents agreed that the Special Taxes levied on its property in the District are enforceable, shall continue to be levied thereon and will pay those taxes as and when they become due.

See “SPECIAL RISK FACTORS – Exempt Properties – Ownership by the UC Regents,” for a discussion of issues that could arise from the fact that, although the UC Regents property in the District constitutes Taxable Property under the Rate and Method, the UC Regents is a State entity and exempt from paying general property taxes.

GSW Arena LLC. GSW Arena LLC, a Delaware limited liability company (“**GSW Arena**”), is the second largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. GSW Arena is an affiliate of Golden State Warriors, LLC, which owns and operates the Golden State Warriors National Basketball Association team.

Within the District, per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date, 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. Since its opening in 2019, the Chase Center has reportedly sold out every single home game for the Golden State Warriors. See “– Description and Location – *General*” above for a further description of the Chase Center.

ARE-San Francisco No. 15 LLC. ARE-San Francisco No. 15 LLC, a Delaware limited liability company (“**ARE-San Francisco No. 15**”), is the third largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24.

ARE-San Francisco No. 15, is an affiliate of Alexandria Real Estate Equities, Inc. Alexandria Real Estate Equities, Inc. (NYSE: ARE) was founded in 1994 and is a real estate investment trust engaged primarily in the ownership, operation, management, acquisition, expansion and selective redevelopment and development of strategically located properties containing office and laboratory space designed and improved for lease principally to

pharmaceutical, biotechnology, life science product and services companies, not-for-profit scientific research institutions, universities and related government agencies.

Within the District, per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date, ARE-San Francisco No. 15 owns three parcels that are subject to the Special Tax. A parcel totaling 1.10 acres of land is currently being developed into a mixed use building that is currently under construction and is planned to include 133,000 square feet of laboratory space, 50,000 square feet of office space and 2,600 square feet of ground floor retail. The proposed building is anticipated to be completed in the Spring of 2024 and will be located adjacent to the UCSF Mission Bay Medical Center and the Interstate 280 viaduct, and was the last buildable commercial plot within Mission Bay. The Successor Agency believes that ownership of this parcel was transferred by ARE-San Francisco No. 15 to ARE-San Francisco No. 15 Owner LLC, after the January 1, 2023 lien date. The Successor Agency believes that ARE-San Francisco No. 15 Owner LLC is an affiliate of ARE-San Francisco No. 15.

The remaining two parcels have been developed into parking structures. One of the parking structures was completed in 2023 and is adjacent to the proposed mixed use building described above; it includes 109,070 square feet and four-stories. The second parking structure was complete in 2010 and is located directly across from Kaiser Mission Bay. It includes 252,167 square feet and seven stories.

Essex Portfolio L.P. Essex Portfolio L.P., a California limited partnership ("**Essex Portfolio**"), is the fourth largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. Essex Portfolio effectively holds the assets and liabilities and conducts the operating activities of Essex Property Trust, Inc. ("**Essex**").

Essex, a real estate investment trust incorporated in the State of Maryland, is the sole general partner of Essex Portfolio. As of December 31, 2022, Essex reportedly owned or had ownership interests in 252 operating apartment communities, comprising 62,147 apartment homes, excluding Essex's ownership interests in preferred interest co-investments, loan investments, three operating commercial buildings, and a development pipeline comprised of one unconsolidated joint venture project. The operating apartment communities are located in Southern California (primarily Los Angeles, Orange, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan areas.

Within the District, per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date, Essex Portfolio owns two parcels that are subject to the Special Tax totaling 3.7 acres. A residential development known as "MB360," consisting of two buildings with a total of 360 for-rent residential units, is located on such parcels. MB360 was completed in 2015 and is a transit-oriented and walkable development made up of two urban apartment communities. The luxury apartments feature contemporary architecture with extensive amenities for tech-savvy residents.

KRE Exchange Owner LLC. KRE Exchange Owner LLC, a Delaware limited liability company ("**KRE Exchange**"), is the fifth largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. The Successor Agency believes that KRE Exchange is a joint venture of global investment firm KKR and Longfellow Real Estate Partners.

Within the District, per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date, KRE Exchange owns one parcel that is subject to the Special Tax totaling 3.25 acres. KRE Exchange purchased this property from Kilroy Realty Corporation for a reported \$1.08

billion in March 2021. Kilroy Realty Corporation developed the property into an office complex consisting of two 6-story buildings and two 12-story towers filling an entire block. The development, currently known as Icona: Labs at Mission Bay, was completed in 2019 and focuses on tenants from the life science sector. It includes 750,000 square feet of leasable Class A office and lab space and 735 covered parking spaces. In addition, the complex features public art, skywalk connections, and an expansive rooftop garden and gathering space.

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. At the end of 2020, Vir Biotechnology reportedly took approximately 134,000 square feet listed for sublease by Dropbox. Siren Biotechnology, a startup that merges immunotherapy and gene therapy, is reportedly nearing reaching agreement to lease approximately 30,000 square feet at Icona: Labs at Mission Bay. The Successor Agency believes that more than 370,000 square feet in the complex is vacant and available for lease currently. See "SPECIAL RISK FACTORS – Recent Declines in Median Home Values and Office Occupancy Rates" for a discussion regarding recent vacancy rates in the larger Mission Bay development area.

No Property Owner Continuing Disclosure. None of the property owners within the District have agreed to provide continuing disclosure in connection with the 2023 Bonds.

Value-to-Lien Ratios

General Information Regarding Value-to-Lien Ratios. The value-to-lien ratio on bonds secured by special taxes will generally vary over the life of the bonds as a result of changes in the value of the property that is security for the special taxes and the principal amount of the outstanding bonds payable from the special taxes. In comparing the aggregate assessed value of the real property within the District and the principal amount of the 2023 Bonds, it should be noted that an individual parcel may only be foreclosed upon to pay delinquent installments of the Special Taxes attributable to that parcel. The principal amount of the outstanding 2023 Bonds is not allocated pro-rata among the parcels within the District; rather, the total Special Taxes have been allocated among the parcels within the District according to the Rate and Method.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of taxable property caused by, among other possibilities, earthquake, flood, tsunamis, sea level rise or other natural disaster, could cause a reduction in the assessed value within the District. See "SPECIAL RISK FACTORS – Property Values" and "– Bankruptcy Delays."

Aggregate Value-to-Lien Ratio. Based on the assessed value for Fiscal Year 2023-24 and the initial principal amount of the 2023 Bonds, the assessed value-to-lien ratio for the District is 67.98* to 1 as of the date of this Official Statement. The ratio is the aggregate ratio for all taxable property in the District other than property within the District that is owned by UC Regents which is exempt from general property taxes and therefore has not been assessed a value by the Assessor-Recorder of the City. Because such assessed value-to-lien ratio does not include any value for property in the District that is owned by UC Regents, the Successor Agency believes

* Preliminary; subject to change.

that the ratio is understated. Property values may not be evenly distributed throughout the District; thus, certain parcels may have a greater value than others.

Value-to Lien Ratio Distribution. The following table shows the approximate value-to-lien ratios for the parcels in the District allocated by value-to-lien categories, based on the assessed value for Fiscal Year 2023-24 (if applicable) and the initial principal amount of the 2023 Bonds. As a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City. Therefore, the property that is owned by the UC Regents in the District is shown separately in the following table. No assurance can be given that the amounts shown in the following will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Special Taxes.

**Table 4
Value-to-Lien Ratios
Allocated by Value-to-Lien Category**

Value to Lien	Number of Taxable Parcels	FY 2023-24 Assessed Value ⁽¹⁾	FY 2023-24 Actual Special Tax Levy ⁽²⁾	Percent of Actual Special Tax Levy	Allocated 2023 Bonds* ⁽³⁾	Average Value-to- Lien Ratios*	% of Allocated 2023 Bonds*
Greater than 50:1	987	\$7,572,828,322	\$6,223,910	53.6%	\$66,442,071	113.98	53.6%
25:1 to 50:1	95	\$782,869,031	\$1,869,245	16.1%	\$19,954,739	39.23	16.1
3:1 to 25:1	10	\$75,087,780	\$1,082,985	9.3%	\$11,561,187	6.49	9.3
Less than 3:1	0	\$0	\$0	0.0%	\$0	n/a	0.0
UC Regents ⁽⁴⁾	4	\$0	\$2,440,870	21.0%	\$26,057,004	0.00	21.0
Total	1,096	\$8,430,785,133	\$11,617,010	100.0%	\$124,015,000	67.98	100%

(1) Per the tax roll of the Assessor-Recorder of the City, as of the January 1, 2023 lien date.

(2) Represents the Maximum Special Tax on Developed Property.

(3) Allocated based on the actual Special Tax levy for Fiscal Year 2023-24.

(4) As a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City. However, parcels in the District that are owned by the UC Regents are subject to the Special Tax under the Rate and Method. See “– Ten Largest Payers of Special Taxes– Five Largest Payers of Special Taxes – UC Regents.”

* Preliminary; subject to change.

Source: San Francisco County Assessor's Office; Goodwin Consulting Group, Inc.

Special Tax Delinquency History

The following table summarizes Special Tax levies, collections and delinquency rates on taxable properties in the District for Fiscal Years 2016-17 through 2022-23 based on amounts levied and outstanding delinquencies as of August 15, 2023. Amounts delinquent as of the end of each of the fiscal years shown below were higher than the amounts shown as delinquent below.

Table 5
Special Tax Levies, Collections and Delinquency Rates
Fiscal Years 2016-17 through 2022-23

Fiscal Year	Special Tax Levy	End of Each Fiscal Year			As of August 15, 2023		
		Parcels Delinquent	Amount Delinquent	Percentage Delinquent	Parcels Delinquent	Amount Delinquent	Percentage Delinquent
2016-17	\$10,288,639	6	\$4,744	0.05%	0	\$0	0.00%
2017-18	\$10,322,489	2	\$1,971	0.02%	0	\$0	0.00%
2018-19	\$10,528,944	4	\$3,112	0.03%	0	\$0	0.00%
2019-20	\$10,739,521	9	\$7,497	0.07%	0	\$0	0.00%
2020-21	\$10,947,198	3	\$1,743	0.02%	0	\$0	0.00%
2021-22	\$11,166,140	11	\$10,753	0.10%	0	\$0	0.00%
2022-23	\$11,389,463	5	\$5,576	0.05%	5	\$5,576	0.05%

Source: San Francisco County Tax Collector's Office; San Francisco County Controller's Office; Goodwin Consulting Group, Inc.

Potential Consequences of Special Tax Delinquencies

General. Delinquencies in the payment of property taxes (including the Special Taxes) with respect to property in the District could result in draws on the 2023 Reserve Fund established for the 2023 Bonds and any 2023 Related Parity Bonds, and perhaps, ultimately, a default in the payment on the 2023 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose – Special Taxes Are Not Covered By Teeter Plan" and "SPECIAL RISK FACTORS."

Special Tax Enforcement and Collection Procedures. The Successor Agency could receive additional funds for the payment of debt service through foreclosure sales of delinquent property, but no assurance can be given as to the amount of foreclosure sale proceeds or when foreclosure sale proceeds would be received. The Successor Agency has covenanted in the Fiscal Agent Agreement to take certain enforcement actions and commence and pursue foreclosure proceedings against delinquent parcels under the terms and conditions described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS — Covenant to Foreclose" and "SPECIAL RISK FACTORS."

Foreclosure actions would include, among other steps, formal Successor Agency Commission action to authorize commencement of foreclosure proceedings, mailing multiple demand letters to the record owners of the delinquent parcels advising them of the consequences of failing to pay the applicable Special Taxes and contacting secured lenders to obtain payment. If these efforts were unsuccessful, they would be followed (as needed) by the filing of an action to foreclose in superior court against each parcel that remained delinquent.

Limitations on Increases in Special Tax Levy. If owners are delinquent in the payment of Special Taxes, the Successor Agency may not increase Special Tax levies to make up for delinquencies for prior Fiscal Years above the Maximum Special Tax rates specified for each category of property within the District. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate and Method.”

In addition, Section 53321(d) of the Act provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel within a community facilities district by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2023 Bonds. See “SPECIAL RISK FACTORS.”

Direct and Overlapping Governmental Obligations

Contained within the boundaries of the District are certain overlapping local agencies providing public services. Many of these local agencies have outstanding debt. The direct and overlapping debt affecting the District as of August 1, 2023, is shown in the table below, a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. Neither the Successor Agency nor the Underwriters have reviewed the Debt Report for completeness or accuracy and neither makes any representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. These long-term obligations are not payable from Special Taxes derived from the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies that have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column 1 which is represented by property located within the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the public agency's assessed valuation represented in column 2.

Table 6
Direct and Overlapping Governmental Obligations

2023-24 Assessed Valuation: \$8,489,987,276 ⁽¹⁾

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/23</u>
Bay Area Rapid Transit District General Obligation Bonds	0.810%	\$19,896,326
San Francisco City and County General Obligation Bonds	2.412	62,421,697
San Francisco Unified School District General Obligation Bonds	2.412	24,812,635
San Francisco Community College District General Obligation Bonds	2.412	9,573,844
Successor Agency to Redevelopment Agency Community Facilities District No. 6	100.000	106,937,949 ⁽²⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$223,642,451
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
San Francisco City and County General Fund Obligations	2.410%	\$34,185,342
TOTAL OVERLAPPING GENERAL FUND DEBT		\$34,185,342
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency to Redevelopment Agency):</u>		
Mission Bay South Redevelopment Project ⁽³⁾	100.00%	\$198,593,740
COMBINED TOTAL DEBT		\$456,421,533 ⁽⁴⁾
 <u>Ratios to 2023-24 Assessed Valuation:</u>		
Direct Debt (\$106,937,949)	1.26%	
Total Direct and Overlapping Tax and Assessment Debt	2.63%	
Combined Total Debt	5.38%	

(1) Includes assessed values for property in the District in addition to Taxable Property.

(2) Excludes the 2023 Bonds.

(3) Excludes the 2023 Mission Bay South Refunding Bonds that are anticipated to be issued on or about the date the 2023 Bonds are issued. See "THE SUCCESSOR AGENCY – Continuing Activities."

(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

SPECIAL RISK FACTORS

The purchase of the 2023 Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision and does not necessarily reflect the relative importance of the various risks. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the 2023 Bonds.

Risks of Real Estate Secured Investments Generally

The owners of the 2023 Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the District, the supply of or demand for competitive properties in such area, and the market value of properties and/or sites in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws and restrictions relating to threatened and endangered species) and fiscal policies, (iii) natural disasters (including, without

limitation, earthquakes, subsidence and floods), which may result in uninsured losses, or natural disasters elsewhere in the country or other parts of the world affecting supply of building materials that may cause delays in construction, and (iv) the impacts of a public health emergency, such as the COVID-19 pandemic, on construction and sales activity, the national and regional economy and financial circumstances of property owners in the District. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due, and could induce or exacerbate the risks described in “SPECIAL RISK FACTORS – Property Tax Delinquencies,” “– Value to Lien Ratios,” “– Levy and Collection of the Special Tax,” “– Bankruptcy Delays” and “– Recent Declines in Median Home Values and Office Occupancy Rates.”

Limited Obligation of the Successor Agency to Pay Debt Service

The Successor Agency has no obligation to pay principal of and interest on the 2023 Bonds if Special Tax collections are delinquent or insufficient, other than from amounts, if any, on deposit in the 2023 Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The Successor Agency is not obligated to advance funds to pay debt service on the 2023 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Limited Obligation.”

In the event that Special Tax Revenues are insufficient to pay debt service on the 2023 Bonds as a result of the matters described above, the District’s ability to increase special tax rates is limited as described under “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Special Taxes” and the Fiscal Agent may be compelled to draw upon moneys in the 2023 Reserve Fund, resulting in a rapid depletion of such fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – 2023 Reserve Fund.”

Potential Early Redemption of Bonds from Special Tax Prepayments

Property owners within the District are permitted to prepay the Special Taxes at any time. Any such payments will result in a mandatory redemption of Bonds from Special Tax prepayments on the next Interest Payment Date for which timely notice may be given under the Fiscal Agent Agreement following the receipt of any such Special Tax prepayment. Any resulting redemption of 2023 Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such 2023 Bonds. See “THE 2023 BONDS – Redemption – Redemption from Special Tax Prepayments.”

Concentration of Property Ownership

Based on the ownership status as of January 1, 2023, the ten largest payers of Special Taxes account for approximately 68% of the actual Special Tax levy for Fiscal Year 2023-24. Of such levy, the UC Regents and GSW Arena are responsible for approximately 21% and 15%, respectively, of the actual Fiscal Year 2023-24 Special Tax levy. See “THE DISTRICT – Ten Largest Payers of Special Taxes.”

Failure of any significant owner of taxable property within the District, such as any of the ten largest payers of Special Taxes, to pay the annual Special Taxes when due could result in the rapid, total depletion of the 2023 Reserve Fund prior to replenishment from the resale of the property upon a foreclosure or otherwise or prior to delinquency redemption after a foreclosure sale, if any. In that event, there could be a default in payments of the principal of and interest on the 2023 Bonds. See also “SPECIAL RISK FACTORS – Depletion of 2023 Reserve Fund.”

Property Tax Delinquencies

General. Delinquencies in the payment of property taxes and, consequently, the Special Taxes, can occur because the owners of delinquent parcels may not have received property tax bills from the City in a timely manner. Delinquencies can also reflect economic difficulties and duress by the property owner.

Numerous future delinquencies by the owners of Taxable Property in the District in the payment of property taxes (and, consequently, the Special Taxes, which are collected on the regular ad valorem property tax bills and, in the case of the property in the District that is owned by the UC Regents, direct billing) when due could result in a deficiency in Special Tax revenues necessary to pay debt service on the 2023 Bonds, which could in turn result in the depletion of the 2023 Reserve Fund, prior to reimbursement from the resale of foreclosed property or payment of the delinquent Special Tax. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – 2023 Reserve Fund,” and “THE DISTRICT – Potential Consequences of Special Tax Delinquencies.” See also “THE DISTRICT” for historical Special Tax delinquency history.

Measures to Mitigate Consequences of Continuing Delinquencies. The Successor Agency intends to take certain actions designed to mitigate the impact of future delinquencies, including: enforcing the lien of the Special Taxes through collection procedures that will include foreclosure actions under certain circumstances (see “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose”); and increasing the levy of Special Taxes against non-delinquent property owners in the District, to the extent permitted under the Rate and Method and the Act and to the extent the Special Taxes are not already being levied at the maximum Special Tax rate. See “THE DISTRICT – Potential Consequences of Special Tax Delinquencies.”

Because the UC Regents, the largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24, its ownership of property within the District can raise unique issues under the Act. In particular, a court could rule that the foreclosure remedy may not be pursued against the UC Regents because of the public interest in the continued operation of the property for its current uses, including as a medical center. As a result, the Successor Agency can provide no assurances that a court will enforce a foreclosure action against the UC Regents under the applicable provisions of the Act in the event the UC Regents is delinquent in the payment of Special Taxes. In an effort to mitigate such risk, in the Fiscal Agent Agreement, the Successor Agency covenants that, in the event that the UC Regents are delinquent in the payment of Special Taxes levied on a parcel of Taxable Property owned by the UC Regents and a court of applicable jurisdiction rules that the Successor Agency may not exercise the foreclosure remedy. However, no assurance can be provided that any collection efforts by the Successor Agency will result in actual collections of the Special Tax against the UC Regents. See “– Exempt Properties – Ownership by UC Regents” for a further discussion regarding the considerations relating to UC Regents ownership of taxable property in the District.

Limitations on Increases in Special Tax Levy. If property owners are delinquent in the payment of the Special Tax, the Successor Agency may not increase Special Tax levies to make up for delinquencies for prior fiscal years above the maximum annual Special Tax rates specified in the Rate and Method.

In addition, the Successor Agency’s ability to increase Special Tax levies on residential property to make up for delinquencies for prior Fiscal Years is limited by Section 53321(d) of the

Act, which provides that the special tax levied against any parcel for which an occupancy permit for private residential use has been issued may not be increased as a consequence of delinquency or default by the owner of any other parcel by more than 10% above the amount that would have been levied in such Fiscal Year had there never been any such delinquencies or defaults. Approximately 28% of the Developed Property in the District is residential property that is subject to 53321(d) (see Table 2 above). Consequently, if a delinquency occurs, the Successor Agency may be unable to replenish the 2023 Reserve Fund to the 2023 Reserve Requirement due to the limitation of the maximum Special Tax rates. If such defaults were to continue in successive years, the 2023 Reserve Fund could be depleted and a default on the 2023 Bonds would occur if proceeds of a foreclosure sale did not yield a sufficient amount to pay the delinquent Special Taxes.

In cases of significant delinquency, these factors may result in defaults in the payment of principal of and interest on the 2023 Bonds.

Value to Lien Ratios

Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the “collateral” supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property as measured by appraised values or assessed values (in this case, the assessed values of taxable property within the District as of the January 1, 2023 lien date are shown in this Official Statement; the Successor Agency did not commission an appraisal of property in the District in connection with the issuance of the 2023 Bonds) and the denominator of which is the “lien” of the allocable share of assessment or special tax bonds. A value to lien ratio should not, however, be viewed as a guarantee for credit-worthiness. Land values are sensitive to economic cycles. Assessed values may not reflect the current market value of property. A downturn of the economy or other market factors may depress land values and lower the value-to-lien ratios. Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. No assurance can be given that, should a parcel with delinquent Special Taxes be foreclosed upon and sold for the amount of the delinquency, any bid will be received for such property or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. Finally, local agencies may form overlapping community facilities districts or assessment districts. Local agencies typically do not coordinate their bond issuances. Debt issuance by another entity could dilute value to lien ratios.

Risks Related to Homeowners with High Loan to Value Ratios

Any future decline in home values in the District could result in property owner unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Special Taxes, when due. Under such circumstances, bankruptcies are likely to increase. Bankruptcy by homeowners with delinquent Special Taxes would delay the commencement and completion of foreclosure proceedings to collect delinquent Special Taxes.

It is possible that laws could be enacted in the future to assist homeowners in default in the payment of mortgages and property taxes. It is further possible that federal laws could be enacted that would adversely impact the ability of the Successor Agency to foreclose on parcels with delinquent Special Taxes. No assurance can be given that any such laws will be enacted, or if enacted will be effective in assisting affected homeowners.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. In February 2020, the World Health Organization (the “WHO”) announced the official name for the outbreak of COVID-19, an upper respiratory tract illness. COVID-19 spread across the globe and has had significant adverse health and financial impacts throughout the world, including the City. States of emergency declared by the Mayor of the City and the Governor of the State were ended in February 2023 and the States of emergency declared by the WHO and the President of the United States were ended in May 2023.

While COVID-19 case rates have significantly declined, vaccination rates have increased, and the national and local economy has been improving, COVID-19 is an established and ongoing health issue according to the WHO, and its duration and severity and economic effects are uncertain in many respects. The ultimate impact of COVID-19 on the Successor Agency’s operations and finances and the economy, real estate market and development within the District, is not fully known, and it may be some time before the full adverse impact of the COVID-19 outbreak is known.

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

Payment of Special Tax is not a Personal Obligation of the Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Taxes. Rather, the Special Taxes are an obligation running only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the Successor Agency, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the affected parcels of Taxable Property, the Successor Agency has no recourse against the owner.

The Successor Agency can provide no assurance that the current owner or any subsequent owners of the Taxable Property in the District have the ability to pay the Special Taxes or that, even if they have the ability, they will choose to pay such taxes. Neither the Successor Agency nor any owner of the 2023 Bonds will have the ability at any time to seek payment directly from the owners of Taxable Property within the District of the Special Tax or the principal or interest on the 2023 Bonds, or the ability to control who becomes a subsequent owner of any property within the District.

Property Values

The value of Taxable Property within the District is a critical factor in determining the investment quality of the 2023 Bonds. If a property owner defaults in the payment of the Special Tax, the Successor Agency’s only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Land values could be adversely affected by economic and other factors beyond the Successor Agency’s control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood, landslides, wildfires, or other natural disasters, environmental pollution or contamination, public health emergencies, such as the COVID-19 pandemic, or unfavorable economic conditions.

The following is a discussion of certain risk factors that could affect the value of property in the District.

Risks Related to Availability of Mortgage Loans. The state of the world-wide capital markets and increasing mortgage interest rates may adversely affect the availability of mortgage loans to homeowners, including potential buyers of homes within the District, and commercial loans available to owners of commercial property. Any such unavailability could hinder the ability of the current owners to resell their properties, or the sale of newly completed homes or commercial properties in the future.

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements. See “– Natural Disasters.”

Legal Requirements. Other events that may affect the value of Taxable Property include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums and local application of statewide tax and governmental spending limitation measures.

Hazardous Substances. The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. See “– Hazardous Substances” below.

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 damage to property improvements. In addition, the property within the District is located on landfill, which could result in an increase in any damage occurring to property within the District 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 District could depreciate substantially and owners of Taxable Property may be less willing or able to pay Special 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, 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 District.

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 the District 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.

The final Mission Bay Subsequent Environmental Impact Report (1998) ("**Final SEIR**") describes the Mission Bay 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 overlie 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 project area is in a Seismic Hazards Zone for liquefaction and susceptible to earthquake-related groundshaking 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 groundshaking and liquefaction.

Flood. 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 District, is at risk for inundation because of low elevation and subsidence over time due to compaction from buildings and soil desiccation.

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 states that a 48-inch increase in the bay’s water level in coming decades could cause more than 100,000 Bay Area jobs to be relocated, nearly 30,000 lower-income residents to be displaced, and 68,000 acres of ecologically valuable shoreline habitat to be lost. The study further argues that without a far-sighted, nine county response, the region’s economic and transportation systems could be undermined along with the environment. Runways at San Francisco International Airport could largely be under water.

The City has already incorporated site specific adaption plans in the conditions of approval for certain large waterfront development projects. Also, the City is in the process of planning to fortify the Port’s Bay shoreline against earthquakes, flooding, and sea level rise. In November 2018, voters of the City approved Proposition A, authorizing the issuance of up to \$425 million in general obligation bonds for seismic safety and disaster response improvements along the Seawall. The City has expended \$16.2 million through Fiscal Year 2020-21 and expects short-term upgrades to cost over \$500 million and long-term upgrades to cost more than \$5 billion. In August 2020, the Port released a multi-hazard seismic and flood risk assessment of Port and City infrastructure along the Embarcadero Seawall, which is being used as a guide to inform project planning. The Port and the United States Army Corps of Engineers have also partnered to study

and develop coastal flood defenses to address the flooding and sea level rise along the Port's Bay waterfront, which will yield a recommendation to Congress as to the federal interest in funding coastal flood defenses.

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 suggests that flooding risk from climate change could be exacerbated in the San Francisco Bay Area due to the sinking or settling of the ground surface, known as subsidence. The study claims that the risk of subsidence is more significant for certain parts of the City built on fill. The Successor Agency has not conducted any investigation as to whether any property in the District is on Bay Mud.

In October 2022, the Port announced that it, in partnership with the U.S. Army Corps of Engineers and City agencies, had developed seven Waterfront Adaptation Strategies, which are different ways for the City to create a resilient, sustainable, and equitable waterfront for the next 100 years. It indicated the intent is not to choose one of the strategies, but to use the best ideas from all of them to create a plan or approach to reduce flood risks from sea level rise and extreme storms and provide an opportunity to invest in and bring public benefits to the City's waterfront.

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 District or the local economy during the term of the 2023 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.

The District 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 District – could be subject to tidal flooding during the 100-year flood event. In an effort to mitigate the risk of flooding, the Former Agency required, and the City and the Successor Agency currently requires, developers of property in Mission Bay 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.

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 runups that have occurred in the prehistoric past, there is considerable uncertainty over the extent of tsunami runup that could occur.

The Final SEIR states that the Mission Bay project 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 District 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 Taxable Properties within the District. Such reduction could reduce the willingness and the ability of the owners of Taxable Property within the District to pay the Special Taxes when due.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “**CERCLA**” or the “**Superfund Act**,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated 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 taxed parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

According to the Final SEIR, as a result of prior industrial use, the property in the District includes some hazardous materials, although none were known to be radioactive or biohazardous. The Final SEIR describes a quantitative human health and ecological risk assessment prepared by 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 (ii) 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 District is subject to the RMP.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to priority and parity liens and similar claims.

The table in the section entitled “THE DISTRICT – Direct and Overlapping Governmental Obligations” shows the presently outstanding amount of governmental obligations, the tax or assessment for which is or may become an obligation of one or more of the parcels of Taxable Property. The table does not specifically identify which of the governmental obligations are secured by liens on one or more of the parcels of Taxable Property.

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the 2023 Bonds.

In general, as long as the Special Tax is collected on the tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of Special Taxes securing the 2023 Bonds, the Special Tax will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis. Although the Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See “– Bankruptcy Delays” below.

As previously described, as a State entity, the UC Regents is exempt from paying general property taxes and therefore, its property in the District has not been assessed a value by the Assessor-Recorder of the City. However, because the UC Regents acquired the parcels on which the UCSF Mission Bay Medical Center and the office and laboratory space described above reside through a negotiated sale after the formation for the District, such parcels are subject to the Special Tax under the Rate and Method and the Act. As authorized under the Ordinance, the Special Taxes levied on property owned by the UC Regents in the District are collected by means of direct billing, not on the regular ad valorem property tax bills that are sent to property owners by the Assessor-Recorder of the City.

The Successor Agency has no control over the ability of other entities and districts to issue indebtedness secured by special taxes or assessments payable from all or a portion of the Taxable Property within the District. In addition, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes or assessments, and any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes. The imposition

of additional indebtedness could reduce the willingness and the ability of the owners of Taxable Property within the District to pay the Special Taxes when due.

Exempt Properties

General. Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the District acquired by a public entity through a negotiated transaction, or by gift or devise, that is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. It is possible that property acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Tax. In addition, the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property, for outstanding Bonds only, is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Rate and Method.”

In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property within the District, it may be unconstitutional. If for any reason property within the District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum rate, the Special Tax will be reallocated to the remaining Taxable Properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of land within the District becomes exempt from the Special Tax because of public ownership, or otherwise, the maximum rate that could be levied upon the remaining Taxable Property might not be sufficient to pay principal of and interest on the Bonds when due and a default would occur with respect to the payment of such principal and interest.

In addition, Senate Bill 1473, the “Local Government Omnibus Act of 2020,” amended Government Code Section 53340(c) to provide that in a community facilities district in which the levy of a special tax is authorized by an ordinance adopted on or after January 1, 2020, a property receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code shall be exempt from the special tax unless debt is outstanding and the property was subject to the special tax prior to receiving the exemption, in which case the property shall remain subject to the special tax and the special tax shall be enforceable against the property. Because the District was formed before January 1, 2020, the Special Tax will be applicable to any property in the District receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code.

Ownership by UC Regents. As previously described, the UC Regents is the largest payer of Special Taxes within the District based on its share of Special Taxes for Fiscal Year 2023-24. Ownership by a public agency can raise unique issues under the Act. First, public agencies are typically exempt from special taxes. However, the UC Regents purchased the property from the Original Landowner pursuant to a negotiated transaction, and the Act and the Rate and Method provide that, in that circumstance, the UC Regents is responsible to pay the Special Taxes. In addition, a court could rule that the foreclosure remedy may not be pursued against the UC Regents because of the public interest in the continued operation of the property for its current uses, including as a medical center. As a result, the Successor Agency can provide no assurances

that a court will enforce a foreclosure action against the UC Regents under the applicable provisions of the Act in the event the UC Regents is delinquent in the payment of Special Taxes.

In the Fiscal Agent Agreement, the Successor Agency covenants that, in the event that the UC Regents are delinquent in the payment of Special Taxes levied on a parcel of Taxable Property owned by the UC Regents and a court of applicable jurisdiction rules that the Successor Agency may not exercise the foreclosure remedy described above under the subcaption “-SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose – *Foreclosure Under the Act*” with respect to such parcel of Taxable Property, the Successor Agency will use good faith efforts to enforce the Special Tax against the UC Regents if and to the extent permitted by applicable law. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – Covenant to Foreclose – *Covenant to Collect Special Taxes on Property Owned by the UC Regents.*” In addition, as previously described, the UC Regents and the Successor Agency, as successor to the Former Agency, are parties to memoranda of understanding pursuant to which, among other matters, the UC Regents agreed that the Special Taxes levied on its property in the District are enforceable, shall continue to be levied thereon and will pay those taxes as and when they become due. However, no assurance can be provided that any collection efforts by the Successor Agency will result in actual collections of the Special Tax against the UC Regents.

FDIC/Federal Government Interests in Properties

General. The ability of the Successor Agency to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to Taxable Properties in which the FDIC, the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency has or obtains an interest.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in a Taxable Property and the Successor Agency wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association (“**FNMA**”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a

mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The Successor Agency has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the 2023 Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by Taxable Property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the Successor Agency to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited.

The FDIC's policy statement regarding the payment of state and local real property taxes (the "**Policy Statement**") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied under the Act.

The Successor Agency is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a Taxable Property within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed on at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the 2023 Reserve Fund and perhaps, ultimately, if enough Taxable Property was to become owned by the FDIC, a default in payment on the 2023 Bonds.

Depletion of 2023 Reserve Fund

The 2023 Reserve Fund is to be maintained at an amount equal to the 2023 Reserve Requirement for the 2023 Bonds and any 2023 Related Parity Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS – 2023 Reserve Fund.” The 2023 Reserve Fund will be used to pay principal of and interest on the 2023 Bonds (and any 2023 Related Parity Bonds) if insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property in the District. If the 2023 Reserve Fund is depleted, it can be replenished from the proceeds of the levy and collection of the Special Taxes that exceed the amounts to be paid to the owners of the 2023 Bonds (and any 2023 Related Parity Bonds) under the Fiscal Agent Agreement. However, because the Special Tax levy is limited to the maximum annual Special Tax rates, it is possible that no replenishment would be possible if the Special Tax proceeds, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the 2023 Reserve Fund will be depleted and not be replenished by the levy and collection of the Special Taxes.

Bankruptcy Delays

The payment of the Special Tax and the ability of the Successor Agency to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE 2023 BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the 2023 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.

Although bankruptcy proceedings would not cause the Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2023 Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Special Taxes could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Special Taxes in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Special Tax, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the 2023 Bonds and the possibility of delinquent Special Taxes not being paid in full.

The chances are increased that the 2023 Reserve Fund established for the 2023 Bonds could be fully depleted during any such delay in obtaining payment of delinquent Special Taxes. As a result, sufficient moneys would not be available in the 2023 Reserve Fund to make up shortfalls resulting from delinquent payments of the Special Tax and thereby to pay principal of and interest on the 2023 Bonds on a timely basis.

Recent Declines in Median Home Values and Office Occupancy Rates

As previously described, the owners of the 2023 Bonds will be subject to the risks generally incident to an investment secured by real estate. Below is a discussion of recent trends in estimated median home values and office occupancy rates within the larger Mission Bay development area (which includes area outside the District) (see “THE DISTRICT – The Mission Bay Project Areas”), which may be indicative of similar trends within the District currently and in the future. Of the 1,096 parcels subject to the Special Tax levy for Fiscal Year 2023-24, 1,056 parcels consisted of property classified under the Rate and Method as for-sale or rental residential property (accounting for 28.2% of the actual Special Tax levy for such Fiscal Year), and 16 parcels consisted of office property (accounting for 27.4% of the actual Special Tax levy for such Fiscal Year). Accordingly, similar trends within the District could adversely affect the ability or willingness of a material portion of the property owners in the District to pay their Special Taxes when due.

Median Home Values. Compass reports that for the second quarter of 2023, within the City as a whole, median sales prices were down by 20% and median condominium prices were down by 12% compared to the second quarter of 2022. According to publicly available information from Zillow, median home values of single family residences and condominiums (regardless of bedroom count) within the larger Mission Bay development areas, the median home value in August 2023 was \$1,101,469, compared to \$1,109,801 in July 2023, but, down from \$1,213,683 in August 2022 and \$1,182,503 in August 2021.

Office Occupancy Rates. On October 19, 2022, the Chief Economist of the City Controller’s office released a memorandum (the “**Controller’s Memorandum**”) regarding the impact of remote work on commercial property and tax revenue in the City. According to the Controller’s Memorandum, the City as a whole has experienced the largest increase in office vacancy among major urban office markets in the United States, estimated at 24% in the 3rd quarter of 2022, from around 5% before the COVID-19 pandemic. 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.

According to the Controller’s Memorandum, Jones Lang LaSalle IP, Inc. (“**JLL**”) developed a series of office vacancy rate forecasts for the City through the year 2026. The JLL forecasts generally projected historically high office vacancy rates persisting throughout the forecast period and forecasted office vacancy in the City to remain between 19.5% and 25.3% by 2026, a range which would be as high as or higher than any previous peak in office vacancy dating back to the 1990s. The JLL forecasts also projected rents to rise again by the end of the forecast period, but at a slower rate than was seen in the 2010s. 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 be negatively affected.

JLL, Cushman & Wakefield (“**Cushman**”) and Colliers International Group Inc. (“**Colliers**”) provide quarterly reports on office statistics in San Francisco and its submarkets. Since the release of the Controller’s Memorandum, JLL, Cushman and Colliers reported that in the third quarter of 2023 the office vacancy rate in San Francisco was 30.4%, 30.4% and 26.9%, respectively.

With respect to the Mission Bay development area specifically and more recently, JLL reported that for submarket it categorizes as “Mission Bay/China Basin,” the vacancy rate was 37.6% for the second quarter of 2023. Cushman reported that for the submarket it categorizes as “Mission Bay,” the vacancy rate in the third quarter of 2023 was 14.3%, compared to 16.1% in the third quarter of 2022. Colliers reported that for the submarket it categorizes as “Mission Bay,” the direct availability rate was 12.1% and the vacancy rate was 32.4% in the third quarter of 2023, compared to a direct availability rate of 12.3% and a vacancy rate of 22.2% in the third quarter of 2022. None of the reports describe the boundaries of the submarkets and therefore no assurance can be provided that the vacancy rates described in the reports are representative of occupancy rates in the District as of the date of the reports or as of the date hereof.

The Successor Agency is unable to predict vacancy rates in the future, or the impact such rates will have on the ability or willingness of property owners within the District to pay their Special Taxes when due. However, if vacancy rates remain at elevated levels or continue to increase, and a large share of these are direct vacancies, then the income, and market value, of office buildings in the District, and ability or willingness of property owners within the District to pay their Special Taxes when due, may be negatively affected. None of the reports or publications referred to above are incorporated herein by reference.

Cyber Security

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**”).

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.

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.

The Successor Agency is also reliant on other entities and service providers in connection with the administration of the 2023 Bonds, including without limitation the City for the levy of Special Taxes and the Fiscal Agent.

To date, the Successor Agency has not experienced a successful attack against its network and servers. No assurance can be given that the Successor Agency’s efforts to manage cyber threats and attacks will be successful in all cases in the future, or that any such attack will not materially impact the operations or finances of the Successor Agency, or the administration of the 2023 Bonds. Nor can any assurance be given that the other entities the Successor Agency relies on will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Disclosure to Future Purchasers

The Former Agency caused a notice of the Special Tax to be recorded in the Office of the Recorder for the City and County of San Francisco against each parcel in the District. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the District or the lending of money secured by property in the District. The Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a special tax under the Act of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

No Acceleration Provisions

The 2023 Bonds do not contain a provision allowing for their acceleration in the event of a payment default or other default under the terms of the 2023 Bonds or the Fiscal Agent Agreement. Under the Fiscal Agent Agreement, a Bond Owner is given the right for the equal benefit and protection of all Bond owners similarly situated to pursue certain remedies. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.” So long as the 2023 Bonds are in book-entry form, DTC will be the sole Bond Owner and will be entitled to exercise all rights and remedies of Bond Owners.

Enforceability of Remedies

The remedies available to the registered owners of the 2023 Bonds upon a default under the Fiscal Agent Agreement or any other document described in this Official Statement are in many respects dependent upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. Any legal opinions to be delivered concurrently with the issuance of the 2023 Bonds will be qualified to the extent that the enforceability of the legal documents with respect to the 2023 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Judicial remedies, such as foreclosure and enforcement of covenants, are subject to exercise of judicial discretion. A California court may not strictly apply certain remedies or enforce certain covenants if it concludes that application or enforcement would be unreasonable under the circumstances and it may delay the application of such remedies and enforcement.

Loss of Tax Exemption

As discussed under the caption “LEGAL MATTERS – Tax Exemption,” interest on the 2023 Bonds might become includable in gross income for purposes of federal income taxation retroactive to the date the 2023 Bonds were issued as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Fiscal Agent Agreement. The Fiscal Agent

Agreement does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the 2023 Bonds were to become includable in gross income for purposes of federal income taxation, the 2023 Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Taxes. See “THE 2023 BONDS – Redemption.”

IRS Audit of Tax-Exempt Bond Issues

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 2023 Bonds will be selected for audit by the IRS. It is also possible that the market value of such 2023 Bonds might be affected as a result of such an audit of such 2023 Bonds (or by an audit of similar bonds or securities).

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

Future legislative proposals, if enacted into law, clarification of the Tax Code (as hereinafter defined) or court decisions may cause interest on the 2023 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 owners of the 2023 Bonds from realizing the full current benefit of the tax status of such interest.

Voter Initiatives

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Successor Agency. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2023 Bonds.

Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIII C and XIII D to the California 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, entitled the “Supermajority Vote to Pass New Taxes and Fees Act”. Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as “fees.” Proposition 26 amended Articles XIII A and XIII C of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general

governmental purposes require a majority vote and taxes for specific purposes (“special taxes”) require a two-thirds vote.

The Special Taxes and the 2023 Bonds were each authorized by a special landowner election of the then-qualified electors of the District. The Successor Agency believes, therefore, that issuance of the 2023 Bonds does not require the conduct of further proceedings under the Act, Proposition 218 or Proposition 26.

Like their antecedents, Proposition 218 and Proposition 26 are likely to undergo both judicial and legislative scrutiny before the impact on the County and its obligations can be determined. Certain provisions of Proposition 218 and Proposition 26 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

For example, in August 2014, the California Court of Appeal, Fourth Appellate District, Division One (the “**Court**”), issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (“**Shapiro**”) invalidating an election held by the City of San Diego to authorize the levying of special taxes on hotels city-wide pursuant to a city charter ordinance creating a convention center facilities district which specifically defined the electorate to consist solely of (1) the owners of real property in the City on which a hotel is located, and (2) the lessees of real property owned by a governmental entity on which a hotel is located. The court held that such landowners and lessees are neither “qualified electors” of the City for purposes of Articles XIII A, Section 4 of the California Constitution, nor a proper “electorate” under Article XIII C, Section 2(d) of the California Constitution. The court specifically noted that the decision did not require the Court to consider the distinct question of whether landowner voting to impose special taxes under Section 53326(b) of the Act (which was the nature of the voter approval through which the District and the District were formed) violates the California Constitution in districts that lack sufficient registered voters to conduct an election among registered voters. Accordingly, Shapiro should have no effect on the levy of the Special Taxes by the Successor because the District had no registered voters at the time of its formation.

The Successor Agency cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes and other types of revenue by local agencies such as the Successor Agency. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the 2023 Bonds.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 2023 Bonds or, if a secondary market exists, that any 2023 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 2023 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 2023 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 market price for the 2023 Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Tax Code), or changes in interpretation of the Tax Code, or any action of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2023 Bonds for audit examination, or the course or result of any IRS audit or examination of the 2023 Bonds or obligations that present similar tax issues as the 2023 Bonds.

Bond Insurance

In the event of default of the payment of the scheduled principal of or interest on the 2023 Bonds when all or some becomes due, the Fiscal Agent on behalf of any owner of the 2023 Bonds will have a claim under the Insurance Policy for such payments. AGM may direct and must consent to any remedies with respect to the 2023 Bonds and AGM's consent may be required in connection with amendments to any applicable documents relating to the 2023 Bonds. See APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT.”

The long-term ratings on the 2023 Bonds are dependent in part on the financial strength of AGM and its claims paying ability. AGM'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 AGM and the ratings on the 2023 Bonds will not be subject to downgrade and such event could adversely affect the market price of the 2023 Bonds or the marketability (liquidity) for the 2023 Bonds. See the caption “RATINGS” herein.

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

Neither the Successor nor the Underwriters have made independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to make debt service payments on the 2023 Bonds and the claims paying ability of AGM, particularly over the life of the investment. See “BOND INSURANCE” herein for further information regarding AGM and the Insurance Policy, which includes further instructions for obtaining current financial information concerning AGM.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the 2023 Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as Appendix D.

Jones Hall, A Professional Law Corporation, San Francisco, California, has also served as Disclosure Counsel to the Successor Agency. The General Counsel to the Successor Agency will pass upon certain legal matters for the Successor Agency. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is serving as counsel to the Underwriter.

Tax Exemption

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 2023 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 2023 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 2023 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 2023 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2023 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 2023 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

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 2023 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 2023 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2023 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2023 Bonds who purchase the 2023 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2023 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 2023 Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2023 Bond (said term being the shorter of the 2023 Bond's maturity date or its call

date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2023 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2023 Bond is amortized each year over the term to maturity of the 2023 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 original issue premium is not deductible for federal income tax purposes. Owners of premium 2023 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 2023 Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2023 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 2023 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 2023 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2023 Bonds, or as to the consequences of owning or receiving interest on the 2023 Bonds, as of any future date. Prospective purchasers of the 2023 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 2023 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2023 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 2023 Bonds, the ownership, sale or disposition of the 2023 Bonds, or the amount, accrual or receipt of interest on the 2023 Bonds.

The proposed form of opinion of Bond Counsel with respect to the 2023 Bonds to be delivered on the date of issuance of the 2023 Bonds is set forth in APPENDIX D – “FORM OF OPINION OF BOND COUNSEL.”

No Litigation

General. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Successor Agency has been served with process or threatened, which (i) in any way questions the powers of the Successor Agency Commission or the Successor Agency or the District, (ii) in any way questions the validity of any proceeding taken by the Successor Agency Commission in connection with the issuance of the 2023 Bonds, (iii) wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the purchase contract with respect to the 2023

Bonds, (iv) in any way, could adversely affect the validity or enforceability of the resolutions of the Successor Agency Commission adopted in connection with the formation of the District and Improvement Area No. 2 or the issuance of the 2023 Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Certificate or the purchase contract with respect to the 2023 Bonds, (v) to the knowledge of the Successor Agency, in any way questions the exclusion from gross income of the recipients thereof of the interest on the 2023 Bonds for federal income tax purposes, or (vi) in any other way questions the status of the 2023 Bonds under State tax laws or regulations.

Pending Litigation Relating to Mission Bay Development 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 District (*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 for the Mission Bay South Project Area, the Mission Bay South Owner Participation Agreement and related agreements, the Original Landowner and FOCIL constructed public infrastructure, the City inspected said infrastructure, and the Former Agency and the Successor Agency reimbursed Catellus and FOCIL for certain of the costs of said infrastructure from various sources including Net Tax Increment and special taxes levied in the District. 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 property owners within Mission Bay who have paid taxes, fees, or other charges to the City for construction and maintenance of the public infrastructure. The Successor Agency and City filed an answer denying the claims and raising a number of affirmative defenses over a year 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 2023 Bonds as it becomes due.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the 2023 Bonds to provide certain financial information and operating data relating to the District and the 2023 Bonds by not later than nine months after the end of the Successor Agency’s fiscal year (currently March 31 based on the Successor Agency’s fiscal year end of June 30) (the “**Annual Report**”), commencing March 31, 2024, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of enumerated events will be filed by the Successor Agency with the Municipal Securities Rulemaking Board through Electronic Municipal Access System.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in APPENDIX E – “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.

RATINGS

S&P has assigned a rating of “A-” to the 2023 Bonds. S&P has also assigned a rating of “AA” to the 2023 Bonds based upon the delivery of the Insurance Policy by AGM at the time the 2023 Bonds are issued. See the caption “BOND INSURANCE” herein.

A rating is not a recommendation to buy, sell or hold securities. Future events could have an adverse impact on the ratings of the 2023 Bonds, and there is no assurance that any credit rating that is given to the 2023 Bonds will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P circumstances so warrant, nor can there be any assurance that the criteria required to achieve the ratings on the 2023 Bonds will not change during the period that the 2023 Bonds remain outstanding.

Any qualification, downward revision, lowering or withdrawal of the ratings on the 2023 Bonds may have an adverse effect on the market price of the 2023 Bonds. Such ratings reflect only the current view of S&P (which could change at any time), and an explanation of the significance of such ratings may be obtained from S&P. Generally, S&P bases its ratings on information and materials furnished to them (which may include information and material from the Successor Agency that is not included in this Official Statement) and on investigations, studies and assumptions by S&P.

The Successor Agency has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the 2023 Bonds with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System. See the caption “CONTINUING DISCLOSURE” and Appendix E. Notwithstanding such covenant, information relating to rating changes on the 2023 Bonds may be publicly available from S&P prior to such information being provided to the Successor Agency and prior to the date by which the Successor Agency is obligated to file a notice of rating change. Purchasers of the 2023 Bonds are directed to S&P and its website and official media outlets for the most current ratings with respect to the 2023 Bonds after the initial issuance of the 2023 Bonds.

UNDERWRITING

The 2023 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated and Piper Sandler & Co. (collectively, the “**Underwriters**”) at a purchase price of \$_____ (which represents the aggregate principal amount of the 2023 Bonds (\$_____), plus [net] original issue premium of \$_____, less an Underwriters' discount of \$_____).

The purchase contract relating to the 2023 Bonds provides that the Underwriters will purchase all of the 2023 Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase contract.

The Underwriters may offer and sell the 2023 Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriters.

Piper Sandler & Co., one of the Underwriters of the 2023 Bonds, has entered into a distribution agreement (“**Distribution Agreement**”) with Charles Schwab & Co., Inc. (“**CS&Co**”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase 2023 Bonds from Piper Sandler at the original issue price less a negotiated portion of the selling concession applicable to any 2023 Bonds that CS&Co. sells.

PROFESSIONAL FEES

In connection with the issuance of the 2023 Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the 2023 Bonds. Those professionals include Jones Hall, A Professional Law Corporation, the Underwriters, Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriters’ Counsel, Fieldman, Rolapp & Associates, Inc., as municipal advisor (the “**Municipal Advisor**”), and Goodwin Consulting Group, Inc., as special tax consultant.

MUNICIPAL ADVISOR

The Successor Agency has retained the Municipal Advisor in connection with the offering of the 2023 Bonds. All financial and other information presented in this Official Statement has been provided by the Successor Agency and others from their records. Unless otherwise footnoted, the Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the Successor Agency or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor has assisted the Successor Agency with the structure, timing and terms for the sale of the 2023 Bonds. The Municipal Advisor provides municipal advisory services only and does not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments. The fee of the Municipal Advisor is contingent upon the successful closing of the 2023 Bonds.

EXECUTION

The execution and delivery of the Official Statement by the Successor Agency have been duly authorized by the Successor Agency Commission, acting as the legislative body of the District.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO,
for and on behalf of the
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO**

**COMMUNITY FACILITIES DISTRICT NO. 6
(MISSION BAY SOUTH PUBLIC
IMPROVEMENTS)**

By: _____
Executive Director

APPENDIX A

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

The information contained in this Appendix A is provided for informational purposes only. The Successor Agency notes that the following information is the latest available but does not in all instances reflect the impact of the COVID-19 pandemic. Accordingly, the historical information below does not necessarily reflect present economic conditions and future information could be significantly different from the historical information below.

General

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

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

Population

The populations of the City for the last 10 years are shown in the following table.

POPULATION
City and County of San Francisco
2014 through 2023⁽¹⁾

Fiscal Year	Population
2014	852,948
2015	863,450
2016	871,613
2017	878,697
2018	885,716
2019	886,885
2020	873,965
2021	853,414
2022	837,036
2023	831,703

⁽¹⁾ For 2014-2019 and 2021-2023, population statistics are as of January 1. For 2020, population statistics are as of April 1.
Source: California Department of Finance.

Employment

The following table summarizes employment in the City from 2018 through 2022. Trade, transportation and utilities, professional and business services, education/health services and leisure/hospitality are the largest employment sectors in the City.

EMPLOYMENT BY INDUSTRY City and County of San Francisco 2018 through 2022

Industry	Employment ⁽¹⁾				
	2018	2019	2020	2021	2022
All Farm	200	400	200	300	300
Mining, Logging and Construction	23,200	24,100	23,200	22,100	23,200
Manufacturing	13,200	13,800	13,400	11,700	13,400
Trade, Transportation & Utilities	82,600	84,300	73,200	70,100	72,700
Information	46,100	52,500	54,600	58,200	64,300
Financial Activities	59,900	62,000	60,300	61,000	64,200
Professional and Business Services	195,400	203,100	200,900	200,600	219,100
Education and Health Services	90,300	94,100	91,500	93,900	95,800
Leisure and Hospitality	98,500	101,800	59,100	57,000	75,900
Other Services	27,700	28,000	21,800	22,800	25,700
Government	98,200	98,800	98,200	101,300	105,900
Total Civilian Labor Force	735,100	762,900	696,500	699,000	760,400

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

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

The following tables summarize the civilian labor force, employment and unemployment in the City from 2013 to 2022.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT City and County of San Francisco Annual Averages, 2013 through 2022 (not seasonally adjusted)

Year	Civilian Labor Force	Employed Labor Force ⁽¹⁾	Unemployed Labor Force ⁽²⁾	Unemployment Rate ⁽³⁾
2013	514,200	485,800	28,400	5.5%
2014	527,300	504,000	23,300	4.4
2015	541,400	521,600	19,800	3.7
2016	555,300	537,000	18,300	3.3
2017	563,000	546,400	16,600	2.9
2018	568,700	555,100	13,600	2.4
2019	580,900	568,000	12,900	2.2
2020	560,100	515,600	44,500	7.9
2021	548,600	520,800	27,800	5.1
2022	572,600	558,000	14,600	2.5

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

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

⁽³⁾ Calculated using unrounded data.

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

Major Private Employers

The following table shows the largest private employers located in the City as of January 2023.

LARGEST PRIVATE EMPLOYERS City and County of San Francisco

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

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

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

Construction Activity

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

BUILDING PERMITS City and County of San Francisco 2018 through 2022⁽¹⁾

	2018	2019	2020	2021	2022
Valuation (\$000)					
Residential	\$2,231,737	\$1,730,003	\$1,555,933	\$1,948,973	\$2,735,548
Non-Residential	2,293,555	1,461,943	1,253,946	1,013,680	1,594,894
TOTAL	\$4,525,292	\$3,191,946	\$2,809,881	\$2,962,653	\$4,330,442
Dwelling Units					
Single Family	95	135	65	135	272
Multiple family	5,098	3,208	2,127	2,816	6,174
TOTAL	5,184	3,343	2,192	2,951	6,446

Source: Construction Industry Research Board/CIRB.

⁽¹⁾ Totals may not add due to rounding.

Taxable Sales

Taxable sales in the City from 2018 through 2022 are shown in the following table.

TAXABLE SALES 2018 through 2022 (\$ in Thousands)

	2018	2019	2020	2021	2022
Clothing and Clothing Accessories Stores	\$2,046,414	\$2,029,312	\$1,163,031	\$1,587,968	\$1,746,756
General Merchandise	790,845	755,350	560,059	667,930	691,405
Food and Beverage Stores	856,217	861,757	746,455	722,410	768,428
Food Services and Drinking Places	4,844,464	5,046,263	2,081,728	2,953,373	4,266,095
Home Furnishings & Appliances	1,018,006	1,034,213	768,022	919,239	940,945
Building Material and Garden Equipment and Supplies Dealers	681,369	718,692	642,104	685,895	691,182
Motor Vehicle and Parts Dealers	674,008	601,929	593,476	625,719	575,323
Gasoline Stations	583,480	548,509	304,977	432,768	612,261
Other Retail Stores	<u>2,535,667</u>	<u>2,671,219</u>	<u>2,690,590</u>	<u>2,508,494</u>	<u>2,633,438</u>
Total Retail and Food Services	\$14,030,469	\$14,267,242	\$9,550,442	\$11,103,794	\$12,925,834
All Other Outlets	<u>6,312,251</u>	<u>6,689,891</u>	<u>4,839,280</u>	<u>5,503,320</u>	<u>6,685,572</u>
Total All Outlets ⁽¹⁾	\$20,342,721	\$20,957,132	\$14,389,723	\$16,607,114	\$19,611,406

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

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

Income

The following tables provide a summary of per capita personal income for the City, the State of California and the United States, and personal income and annual percent change for the City, for 2012 through 2022.

PER CAPITA PERSONAL INCOME 2012 through 2022

Year	San Francisco	California	United States
2012	\$87,665	\$48,121	\$44,548
2013	88,675	48,502	44,798
2014	97,887	51,266	46,887
2015	105,711	54,546	48,725
2016	112,804	56,560	49,613
2017	119,208	58,804	51,550
2018	128,812	61,508	53,786
2019	130,464	64,919	56,250
2020	141,134	70,647	59,765
2021	160,749	76,614	64,143
2022	n/a	77,339	65,423

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

Transportation

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

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

Bay Area Rapid Transit (“**BART**”), a regional Rapid Transit system, connects San Francisco with the East Bay through the underwater Transbay Tube. The line runs under Market Street to Civic Center where it turns south to the Mission District, the southern part of the city, and through northern San Mateo County, to the San Francisco International Airport, and Millbrae. Another commuter rail system, Caltrain, runs from San Francisco along the San Francisco Peninsula to San Jose and Gilroy. Amtrak California Thruway Motorcoach runs a shuttle bus from three locations in San Francisco to its station across the bay in Emeryville. Additionally, BART offers connections to San Francisco from Amtrak’s station in Richmond.

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

Public Education

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

The University of California, San Francisco (“**UCSF**”) is the sole campus of the University of California system entirely dedicated to graduate education in health and biomedical sciences and operates the UCSF Medical Center which is a major local employer. A 43-acre Mission Bay

campus was opened in 2003, complementing its original facility in Parnassus Heights and contains research space and facilities to foster biotechnology and life sciences entrepreneurship. UCSF operates approximately 20 facilities across the City.

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

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

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

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX C

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

APPENDIX D
FORM OF BOND COUNSEL OPINION

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$(PAR)
Successor Agency to the
Redevelopment Agency of the City and County of San Francisco
Community Facilities District No. 6
(Mission Bay South Public Improvements)
Special Tax Refunding Bonds, Series 2023

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 the issuance of the bonds captioned above (the “2023 Bonds”). The 2023 Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of November 1, 2023 (the “Fiscal Agent Agreement”), by and between the Successor Agency, for and on behalf of Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements), and Computershare Trust Company, N.A., as fiscal agent, as fiscal agent (the “Fiscal Agent”). The Successor Agency hereby 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 2023 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 above and in the Fiscal Agent Agreement, 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 nine months after the end of the Successor Agency's Fiscal Year (currently March 31 based on the Successor Agency's Fiscal Year end of June 30).

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

“*District*” means Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 6 (Mission Bay South Public Improvements).

“*Listed Events*” means any of the events listed in Section 5(a) 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 _____, 2023, executed by the Successor Agency in connection with the issuance of the 2023 Bonds.

“*Participating Underwriter*” means, collectively, Stifel, Nicolaus & Company, Incorporated and Piper Sandler & Co., the original underwriters of the 2023 Bonds required to comply with the Rule in connection with offering of the 2023 Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it 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 the Annual Report Date, commencing March 31, 2024, with the report for the 2022-23 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; provided that the Successor Agency’s obligation to file the first Annual Report by no later than March 31, 2024 shall be deemed to be satisfied by the submission of the Official Statement to the MSRB. Not later than 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). If by 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 contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. 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 audited financial statements of the Successor Agency 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 fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) If the Successor Agency does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide a notice to the MSRB, in a timely manner, in an electronic format as prescribed by the MSRB.

(c) With respect to each Annual Report, 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 report with the Successor Agency and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating 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 documents and information:

(a) The Successor Agency's audited financial statements for the most recently completed fiscal year, 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, together with the following statement:

THE SUCCESSOR AGENCY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE SUCCESSOR AGENCY OR THE DISTRICT, OTHER THAN SPECIAL TAX REVENUES FROM THE DISTRICT, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE 2023 BONDS, AND NEITHER THE COUNTY NOR THE DISTRICT IS OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE SUCCESSOR AGENCY OR THE DISTRICT IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE 2023 BONDS.

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 financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements, the following information with respect to the most recently completed fiscal year:

(i) The total dollar amount of delinquencies, if any, in the District on or about June 30 of the prior calendar year and, if the total delinquencies within the District on or about June 30 in the prior calendar year exceed 5% of the Special Tax for the previous fiscal year, delinquency information for each parcel that is delinquent in either (i) four installments of Special Taxes or (2) the payment of Special Taxes in the aggregate amount of \$20,000 or more, amounts of delinquencies, length of delinquency and status of any foreclosure of each such parcel.

(ii) The amount of prepayments of the Special Tax for the prior Fiscal Year.

(iii) The principal amount of the 2023 Bonds outstanding and the balance in the 2023 Reserve Fund (along with a statement of the 2023 Reserve Requirement) as of the September 30 next preceding the Annual Report Date, including the issuance date and principal amount of any additional bonds or obligations issued under the Fiscal Agent Agreement on a parity with the 2023 Bonds.

(iv) An updated table in substantially the form of the table in the Official Statement entitled "Table 2, Fiscal Year 2023-24 Special Tax Levy, Assessed Values and Value-to-Lien Ratios." Such updated table shall be based upon (1) the assessed values within the District as reflected in the most recent equalized tax roll prior to the September next preceding the Annual Report Date and (2) the most recent levy of the Special Tax.

(v) Any changes to the rate and method of apportionment of special taxes for the District, a copy of which is set forth in Appendix C to the Official Statement.

(vi) A copy of the most recent annual information required to be filed by the Successor Agency with the California Debt and Investment Advisory Commission

pursuant to the Act and relating generally to outstanding bonds issued by the Successor Agency under the Act, fund balances, assessed values, special tax delinquencies and foreclosure information.

(c) In addition to any of the information expressly required to be provided under paragraph (b) above, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed 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 web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the 2023 Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2023 Bonds, or other material events affecting the tax status of the 2023 Bonds.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the

obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

- (14) Appointment of a successor or additional Fiscal Agent or the change of name of the Fiscal Agent, if material.
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person any of which reflect financial difficulties.

(b) Upon the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (a)(9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected 2023 Bonds under the Fiscal Agent Agreement.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the 2023 Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States 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 Successor Agency, 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 Successor Agency.

(e) For purposes of Section 5(a)(15) and (16), “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The

term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2023 Bonds. If such termination occurs prior to the final maturity of the 2023 Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Goodwin Consulting Group, Inc. Any Dissemination Agent may resign by providing 30 day's 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 Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the 2023 Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the 2023 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 2023 Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the 2023 Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the

differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

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 Participating Underwriter or any holder or beneficial owner of the 2023 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 Fiscal Agent Agreement, 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.

(a) 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 save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it 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 Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Fiscal Agent, the Bond owners or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2023 Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Fiscal Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the 2023 Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: _____, 2023

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

By: _____
Executive Director

AGREED AND ACCEPTED:
GOODWIN CONSULTING GROUP, INC.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

APPENDIX F

DTC AND THE BOOK-ENTRY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2023 Bonds, payment of principal, interest and other payments on the 2023 Bonds (herein, the “Securities”) to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the “Issuer”) nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the “Agent”) takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants, Direct 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.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. 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 issues, 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 the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

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

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, 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 Direct and Indirect Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Direct or Indirect Participant, to the Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Direct or Indirect Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

APPENDIX G

COMMUNITY FACILITIES DISTRICT BOUNDARY MAP

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY